



**#PurposeMuthootBlue**

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



# Financial Presentation to the Audit Committee /Board on 10<sup>th</sup> November 2022 Quarter and Half Year ended 30<sup>th</sup> September 2022



# CONTENTS



**Operational Highlights**

**3-5**



**Performance Analysis**

**6-18**



**Sales and Collection Analysis**

**19-21**



**Asset Analysis**

**22-27**



**Liability Analysis**

**28-30**



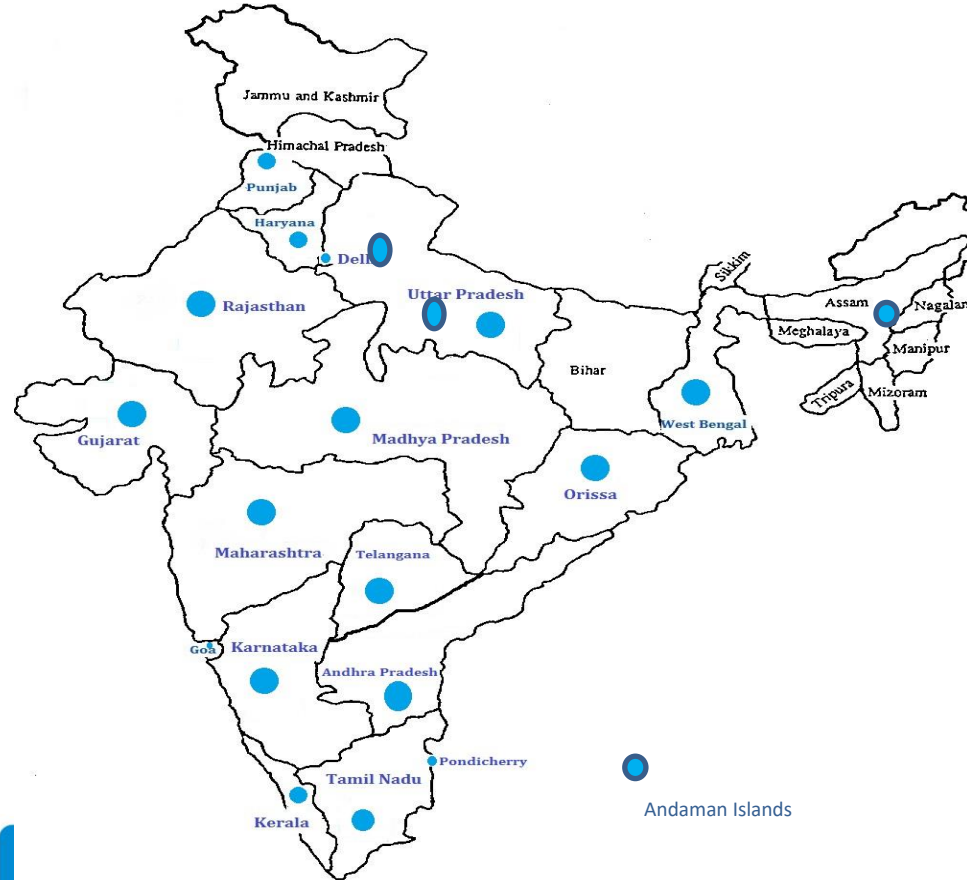
**Management Discussion and Analysis**

**31-33**

# OPERATIONAL SNAPSHOT

Quarter ended 30<sup>th</sup> September 22

**Rating  
Upgrade to A+  
Stable by  
CRISIL**



No of States- 20  
AUM - ₹ 2042 Cr

New Customers  
Q2 FY 23 : 35 999  
H1 FY 23 : 80 928

Stage 3 - 23.6 %  
Stage 3 (Net) - 4.5 %  
PCR - 84.8 %  
Overall Prov. - 21.3 %

CRAR - 23.8 %  
D/E ratio : 3.7 times  
ROA - 3.5%  
ROE - 17.8%

Retail customers (Live)  
4 98 022

Disbursement -  
Q2 FY 23: ₹ 298.4Cr  
H1 FY 23: ₹ 626.1Cr

Total bank sanctions in  
hand as on  
30<sup>th</sup> Sep 22 - ₹ 1550 Cr

PAT  
Q2 FY 23: ₹ 18.3 crs  
H1 FY 23: ₹ 32.6 crs

## KEY UPDATES ...

### Operational Impact

- The disbursement was at an average at ~ ₹ 95 crs+ in Q2FY23 , started Co Lending from the month of Aug 22.
- Total monthly Collections of HYP loans is improving over the quarters and against current billing is at ~ 105%+ in Q2FY23; v/s overall dues the collection has been at 45 %
- Monthly Collections from corporate customers is at 95% in Q2FY 23 against the monthly demand (no fresh slippages since June 2021)
- With large amount of NACH bounce and more accounts in 60+ outsourced agencies are used, which increased collection cost , up from 1.5% in Q1FY22 to 5.5% in Q4FY22 and dipped to 4.8% in Q1FY23 and further to 4.5% in Q2FY23.

### Liquidity Position

- Cash position of the Company is ~ ₹ 220 crs as at end Sep 22
- ~ 367 crs was rolled over in Q2FY 23 from 8 facilities .
- All rollovers for the quarter done, cost of borrowings up to 8.97% .
- **The Company continued FD sourcing & raised ₹ 5.79 Cr in Q2FY23. Avg cost < 7% p.a.( 30<sup>th</sup> Sep 2022- ₹ 43.84 Crs).**

## KEY UPDATES ...

### Credit costs

- The Company, not availing the relaxation given vide RBI Circular of 15<sup>th</sup> Feb 2022, and adhering to circular of 12<sup>th</sup> November 2021, led to an overall provision of ₹ 235.9 Cr (Credit Cost-46.5%(annualized)) for Q4 FY22 and ₹322.1 Cr ( 17.3%) for FY 22. Following the same NPA recognition norms and minor changes in the provisioning norms, the credit costs for Q2FY23 has been at 1.54% against 2.29% for Q1FY23.
- The credit costs of 1.54% for Q2FY23 includes an additional provision of ₹ 7.75 Crs .
- Provision on overall own book as on 30.09.22 - **21.3 % v/s 12.8 %** as on 30.09.21( 22.7% as on 30<sup>th</sup> Jun 2022) (after a write off of ₹ 37.38 Crs during the quarter). PCR is @ 84.8%.

### Operational costs control

- Fresh recruitments are being considered to meet the requirements of increasing operations; the start of co-lending will help ensure wider operations with limited increase in infrastructure/ manpower.
- Large quantum of NACH bounces, and -lower-in-house manpower, necessitated use of Collection agencies for 60+ DPD , leading to higher costs.
- Other operating expenses being monitored and controlled.

### Heading towards

- Company expects to be at pre-covid levels of volumes in FY 23; with Company tightening its credit norms further, the disbursements was at ₹ 298 Crs during the quarter. Some loan buyouts and other loans got spilled over to the next quarter. The Company has started Co Lending with 2 entities aiming to grow the loan book in new geographies. Any major impact from the same would be seen only in the coming quarters
- Reasonable Liquidity assured to meet the increase in disbursements in the coming months. Addnl funds being looked for.



## FINANCIAL PERFORMANCE- QUARTERLY &amp; YEARLY

₹. In Crores

| Financial Statement Metrics     | Quarterly Trend |                 |             |                 | Yearly Trend    |                 |             |
|---------------------------------|-----------------|-----------------|-------------|-----------------|-----------------|-----------------|-------------|
|                                 | Q2 FY 23        | Q2 FY 22        | Y-o-Y       | Q1 FY 23        | H1 FY23         | H1 FY22         | Y-o-Y       |
| <b>Disbursement :</b>           |                 |                 |             |                 |                 |                 |             |
| Retail Loans                    | 291.4           | 310.3           | -6%         | 326.1           | 617.4           | 445.8           | 38%         |
| Other Loans                     | 7.0             | 0.2             | 2700%       | 1.7             | 8.7             | 0.8             | 1053%       |
| <b>Total Disbursements</b>      | <b>298.4</b>    | <b>310.5</b>    | <b>-4%</b>  | <b>327.7</b>    | <b>626.1</b>    | <b>446.6</b>    | <b>40%</b>  |
| AUM at the end of the period *  | 2036.3          | 1980.5          | 3%          | 2082.0          | 2036.3          | 1980.5          | 3%          |
| Average AUM                     | 2099.1          | 1960.1          | 7%          | 2056.6          | 2078.0          | 1993.8          | 4%          |
| Total Interest and Fee Income   | 109.7           | 99.3            | 10%         | 106.4           | 216.1           | 197.2           | 10%         |
| Finance Expenses                | 35.0            | 39.3            | -11%        | 32.7            | 67.7            | 79.5            | -15%        |
| <b>Net Interest Income(NII)</b> | <b>74.7</b>     | <b>60.0</b>     | <b>25%</b>  | <b>73.7</b>     | <b>148.4</b>    | <b>117.7</b>    | <b>26%</b>  |
| Operating Expenses              | 41.4            | 39.9            | 4%          | 44.5            | 85.9            | 67.1            | 28%         |
| Loan Losses & Provisions        | 8.9             | 30.7            | -71%        | 9.4             | 18.3            | 81.1            | -77%        |
| <b>Profit Before Tax</b>        | <b>24.4</b>     | <b>-10.6</b>    | <b>330%</b> | <b>19.8</b>     | <b>44.2</b>     | <b>-30.6</b>    | <b>245%</b> |
| <b>Profit After Tax</b>         | <b>18.3</b>     | <b>-8.1</b>     | <b>326%</b> | <b>14.3</b>     | <b>32.6</b>     | <b>-22.8</b>    | <b>243%</b> |
|                                 | <b>Q2 FY 23</b> | <b>Q2 FY 22</b> |             | <b>Q1 FY 23</b> | <b>H1 FY 23</b> | <b>H1 FY 22</b> |             |
| Total Opex to NII               | 55.4%           | 66.5%           |             | 60.4%           | 57.9%           | 57.0%           |             |
| Return on Avg. AUM              | 3.5%            | -1.7%           |             | 2.8%            | 3.1%            | -2.3%           |             |
| Earnings per Share              | 11.06           | -4.91           |             | 8.96            | 20.02           | -14.06          |             |

\* Total AUM including off book as on 30<sup>th</sup> Sep 22 is ₹ 2042 crs ( Q-o-Q- 2% down) (Y-o-Y- 3% up)

## STATEMENT OF SOURCES AND APPLICATION OF FUNDS

₹. In Crores

| Sources                         | 30-Sep-22     | 30-Jun-22     | 30-Sep-21     | Application                      | 30-Sep-22     | 30-Jun-22     | 30-Sep-21     |
|---------------------------------|---------------|---------------|---------------|----------------------------------|---------------|---------------|---------------|
| Share Capital                   | 16.4          | 16.4          | 16.4          | Fixed Assets                     | 1.7           | 1.9           | 2.4           |
| Reserve & Surplus               | 403.9         | 385.6         | 520.3         | Investments                      | 103.2         | 73.7          | 91.5          |
| <b>Shareholders Funds</b>       | <b>420.3</b>  | <b>402.0</b>  | <b>536.7</b>  | Deferred Tax Assets              | 102.8         | 112.8         | 46.5          |
| Bank Debts                      | 959.4         | 1014.0        | 1322.6        |                                  |               |               |               |
| Securitized Pool                | 483.7         | 297.5         | 166.6         | Hypothecation Loan               | 1474.0        | 1466.9        | 1,623.1       |
| Sub debt / Debentures           | 70.0          | 86.0          | 352.1         | Loan Buyout(Retail loans)        | 40.4          | 51.2          | 15.0          |
| Public Deposit/ICD/CP           | 45.7          | 122.2         | 63.4          | Term Loans                       | 48.3          | 52.5          | 42.6          |
| Loan From Directors             | 5.1           | 5.1           | 7.6           | Other Loans                      | 6.3           | 5.7           | 7.3           |
| Interest Accrued on Loans       | 3.6           | 3.9           | 2.5           | Interest Accrued on Loans        | 22.1          | 21.8          | 23.6          |
| <b>Total Borrowings</b>         | <b>1567.5</b> | <b>1528.7</b> | <b>1914.8</b> | <b>Total Loans *</b>             | <b>1591.1</b> | <b>1598.1</b> | <b>1711.5</b> |
| Trade Payable                   | 38.4          | 29.9          | 30.7          | Cash & Cash Equivalents          | 201.6         | 171.9         | 632.9         |
| Provisions                      | 3.9           | 3.8           | 8.9           | Other Financial Assets           | 16.5          | 8.3           | 10.9          |
| Other Financial Liabilities     | 19.5          | 23.5          | 21.6          | Other Non-Financial Assets       | 35.4          | 22.6          | 18.0          |
| Other Non-Financial Liabilities | 2.7           | 1.7           | 1.5           | Derivative Financial Instruments | 0             | 0.3           | 0.3           |
| <b>Total</b>                    | <b>2052.3</b> | <b>1989.6</b> | <b>2514.1</b> | <b>Total</b>                     | <b>2052.3</b> | <b>1989.6</b> | <b>2514.1</b> |

## FINANCIAL SUMMARY

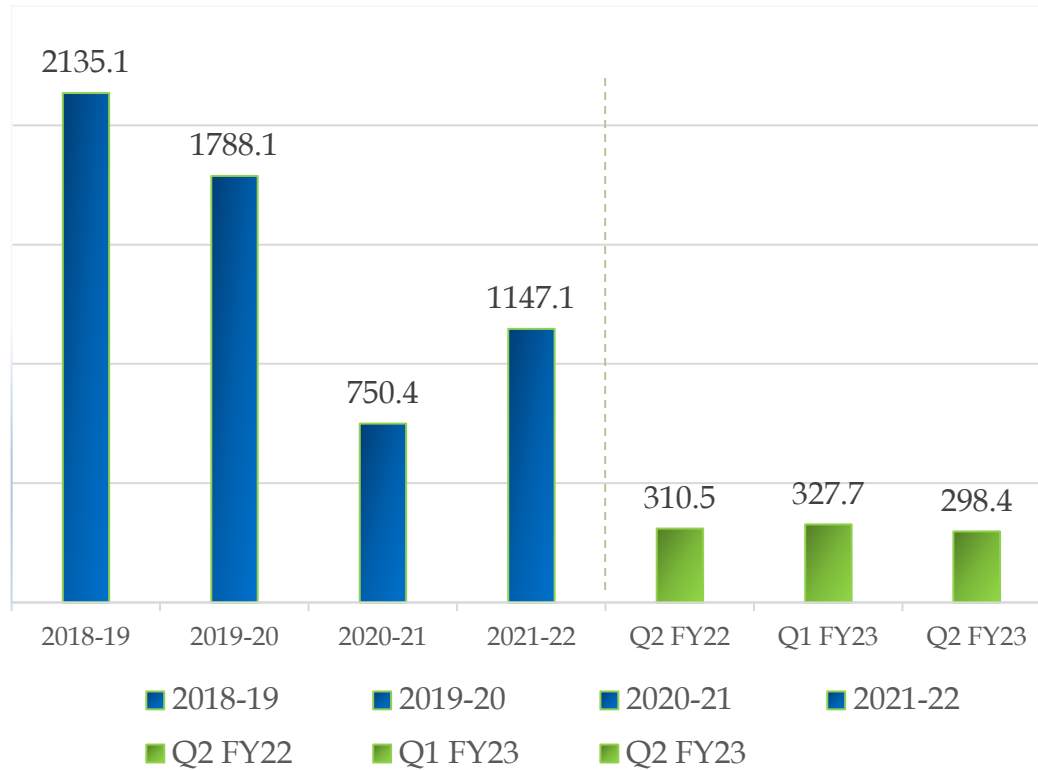
₹. In Crores

| Year    | Paid up<br>Capital | Networth | Disbursements | AUM    | Revenue | PAT     | Market<br>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        | 2056.2 | 398.0   | (171.8) | 428.3                    | 235.7      |
| H1FY23  | 16.5               | 420.0    | 626.1         | 2042.0 | 216.2   | 32.6    | 417.1                    | 255.6      |

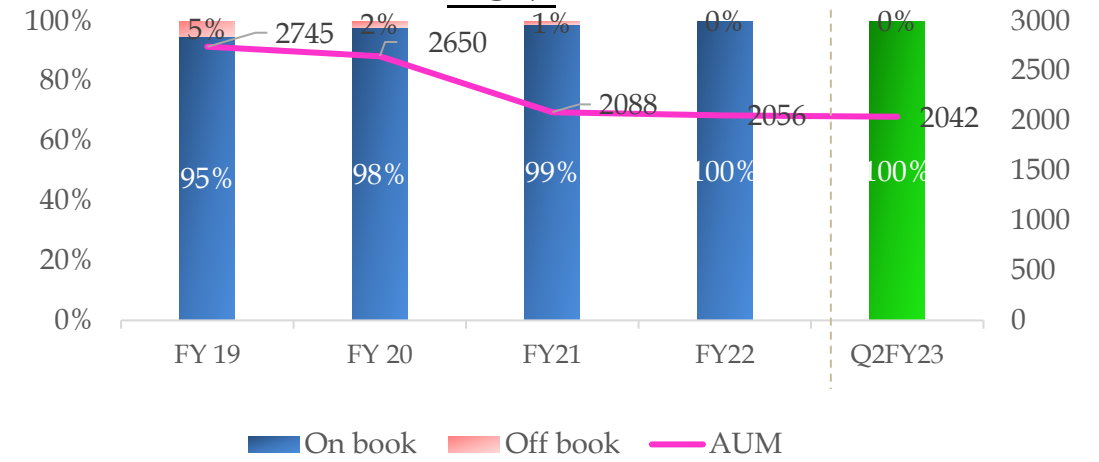
- \* Bonus in Jun 2017

- \*QIP done in November 2017

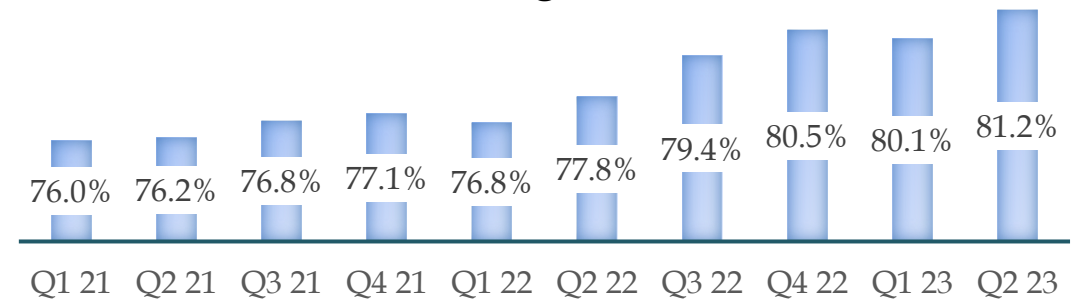


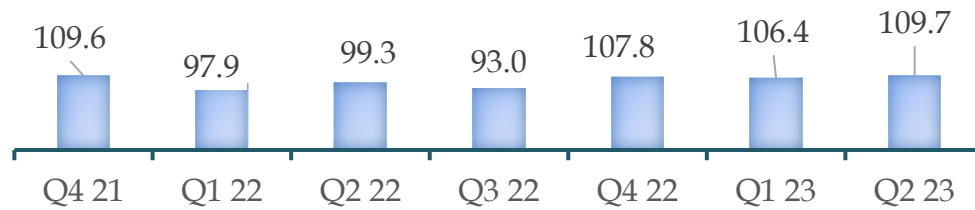
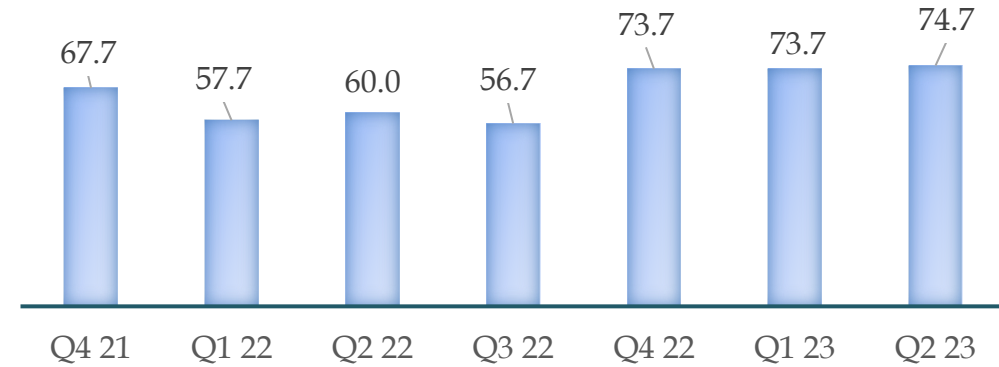
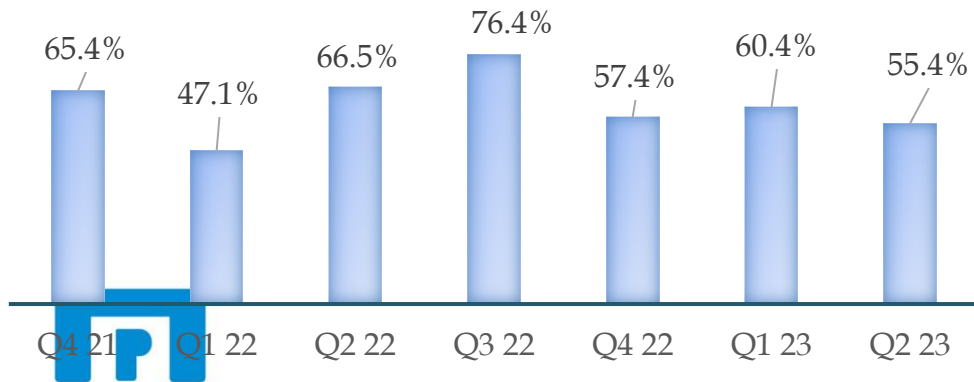
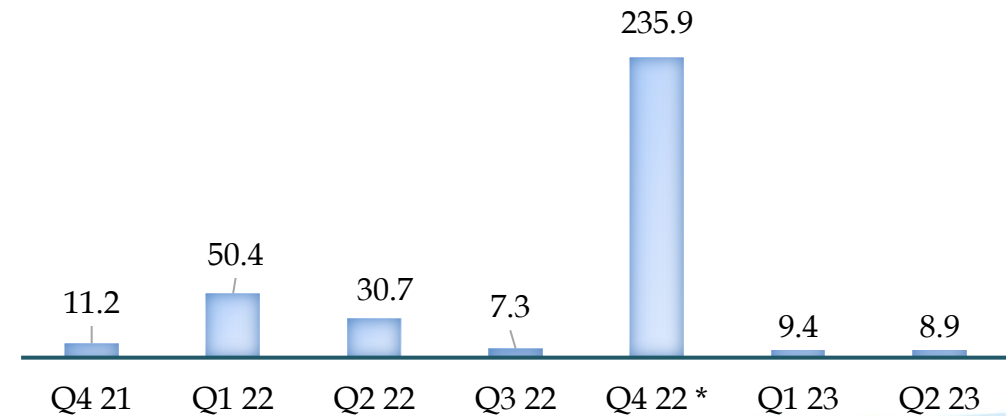
**DISBURSEMENTS**

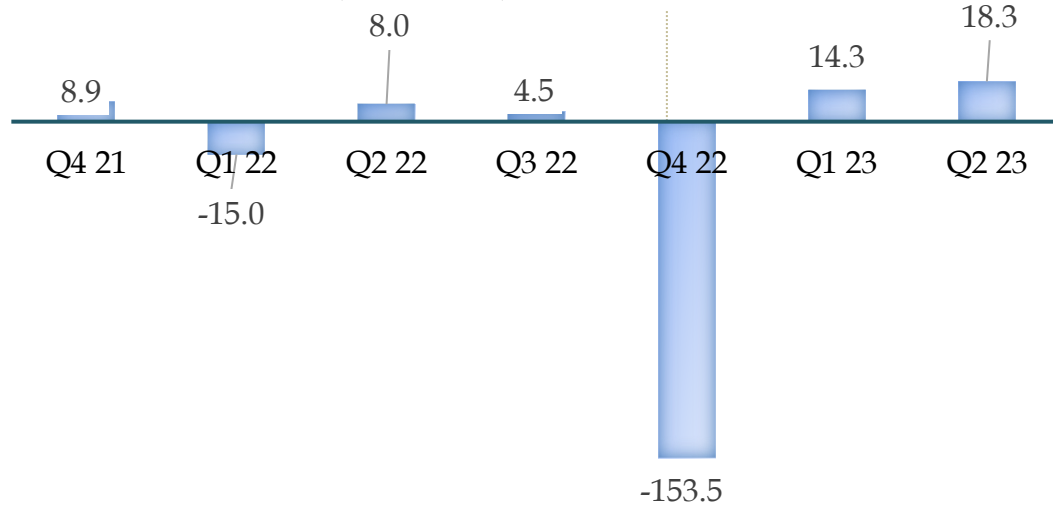
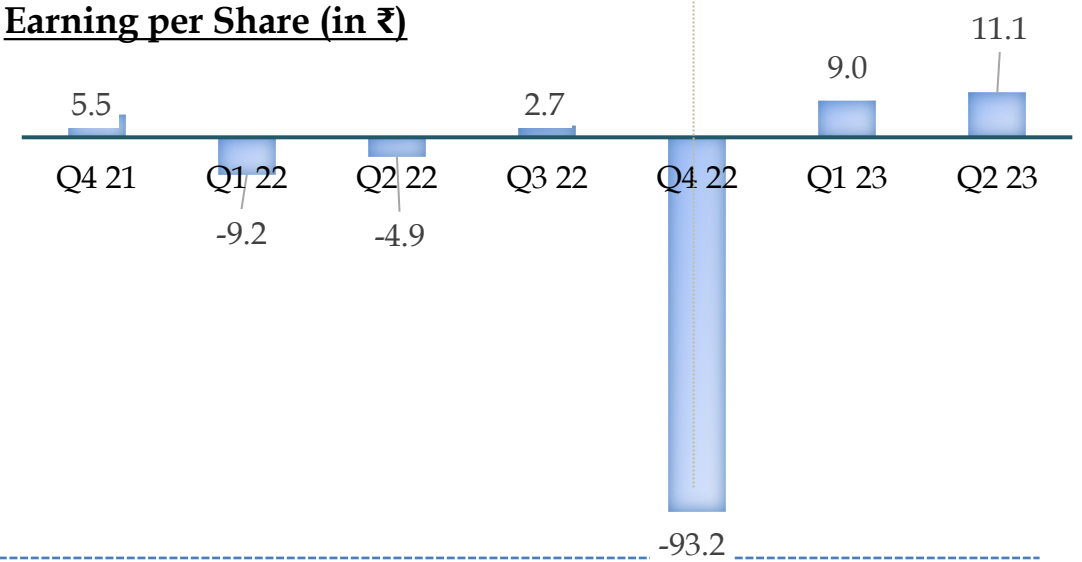
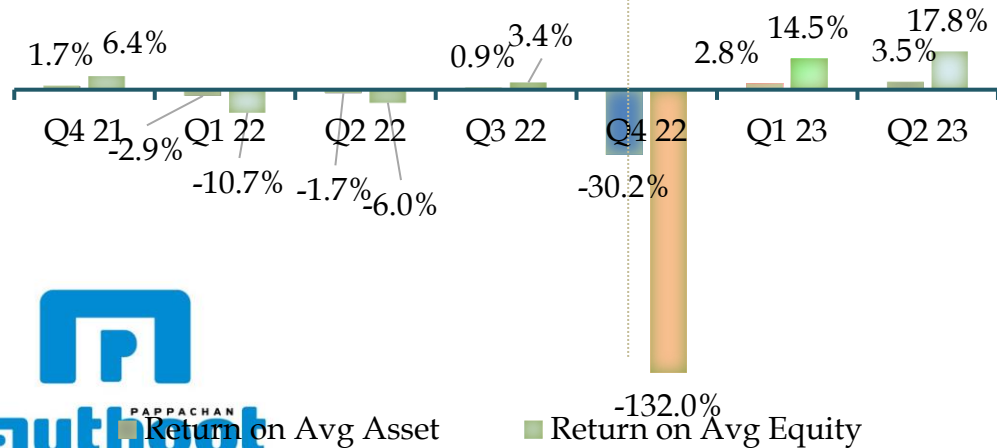
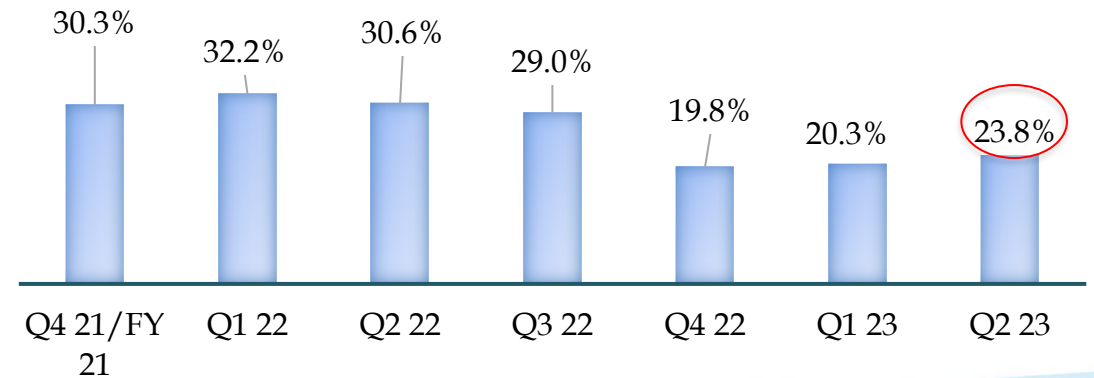
| Growth (year) | 8% | -16% | -58% | 53% |
|---------------|----|------|------|-----|
|---------------|----|------|------|-----|

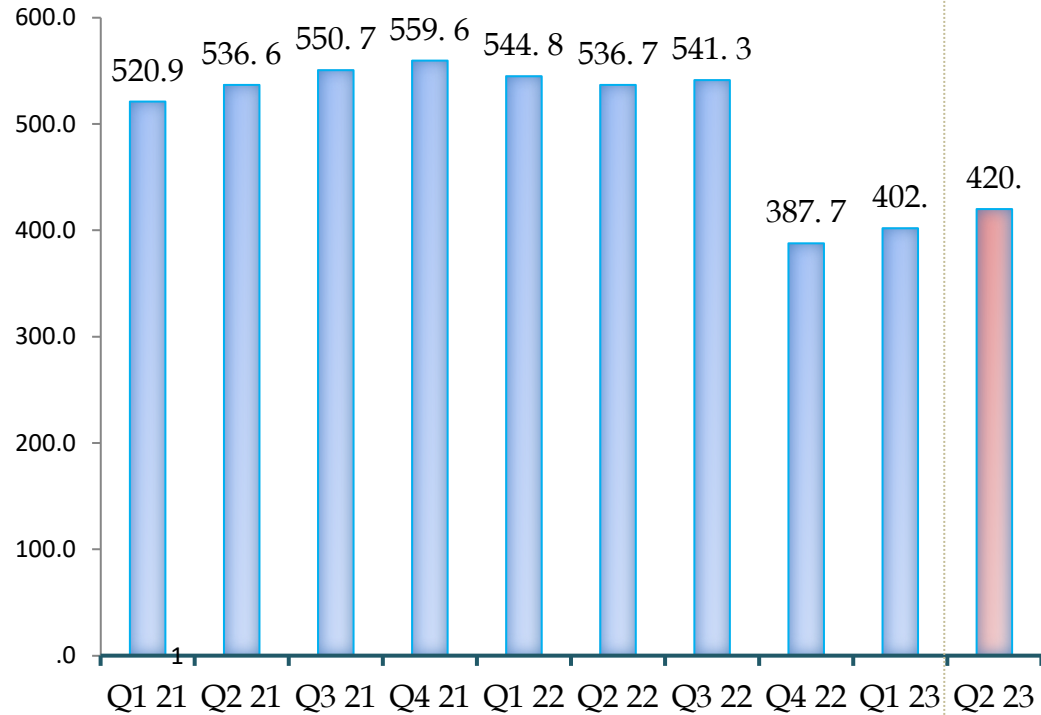
**AUM**

| Growth(year) | 22% | -3% | -21% | -2% |
|--------------|-----|-----|------|-----|
|--------------|-----|-----|------|-----|

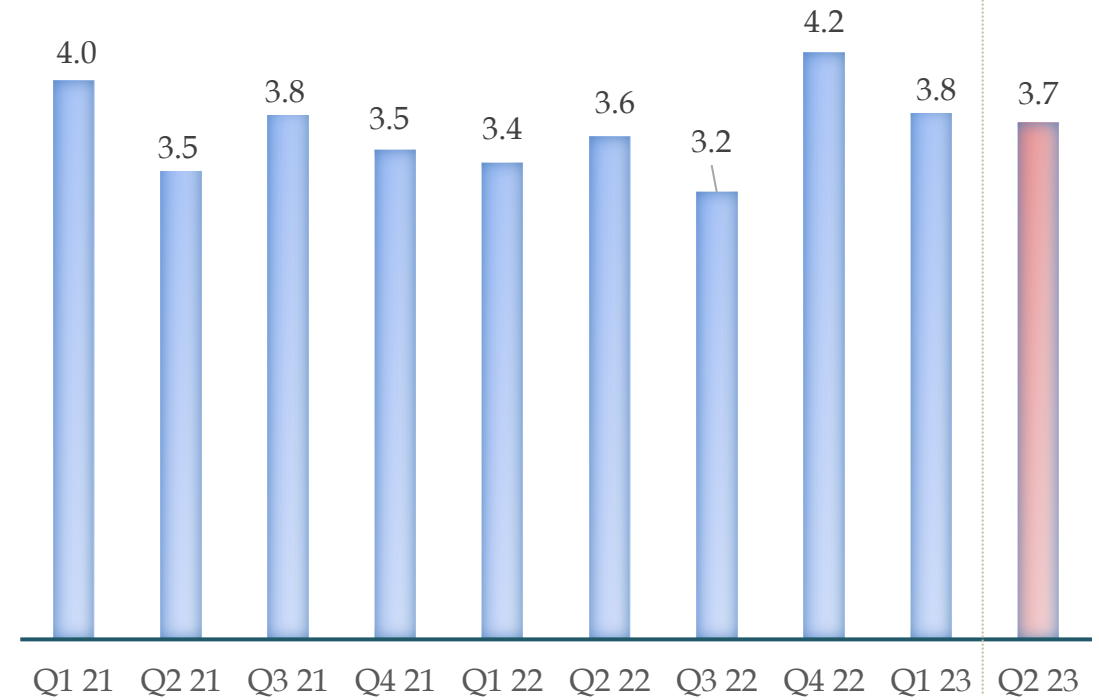
**Average LTV**

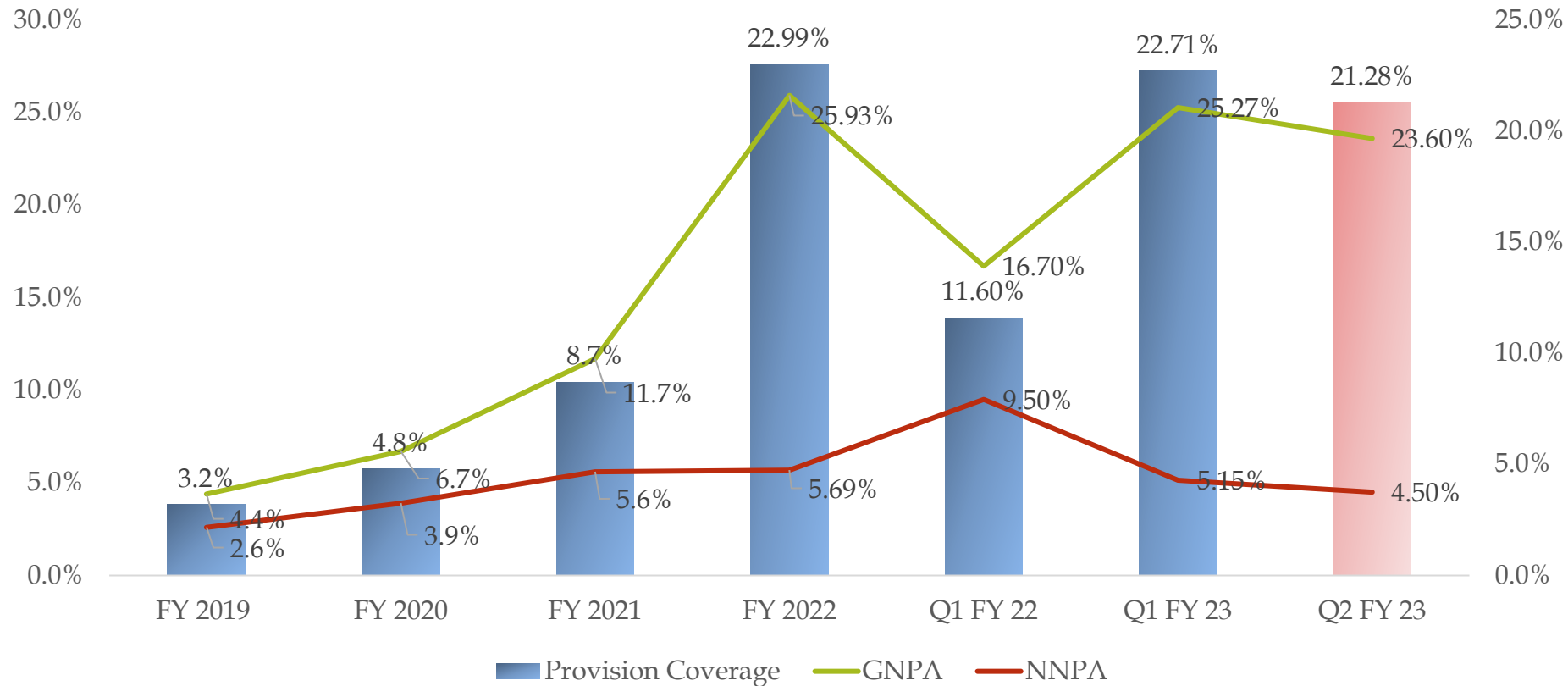
Revenue (in ₹ crores)Net interest income (in Crores)OPEX as a % of NIILoan Loss Provisions and Write offs (in Crores)

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

**Net worth (in Crores)**

|           |        |        |        |        |        |        |       |       |       |
|-----------|--------|--------|--------|--------|--------|--------|-------|-------|-------|
| BV<br>(₹) | 316.72 | 326.27 | 334.80 | 340.21 | 331.25 | 326.33 | 329.1 | 235.7 | 244.5 |
|-----------|--------|--------|--------|--------|--------|--------|-------|-------|-------|

**Debt Equity Ratio**

**ASSET QUALITY AND PROVISION COVERAGE**

As Per IND AS

As on  
31.03.2020As on  
31.03.2021As on  
31.03.2022As on  
30.09.2022Prov as % of Loan  
Book

4.8%

8.7%

23.0%

21.3%

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

1. Based on the 12th Nov, 2021 circular of RBI, accounts which go beyond 90 DPD and now though below 90 DPD, have not gone back to 0 DPD is also reported as NPA. As of 30.09.22, there were 33,004 (₹ 113.2 Crs) such accounts
2. Taking a conservative view, the Company has made provision on the entire amount In line with what is provided on NPAs, to adhere with the PCA categorization norms and have lower NNPA.
3. On these 33 004 accounts, the income will be recognised on realisation basis only . Income of ₹ 5.25 crs has not been recognized for Q2FY23
4. Against the provision requirement of **10% under IRACP, Company has provided an overall provision of 84.8 % for these NPA also, same as that of other 90+DPD accounts.**
5. On the entire own book , **21.3% has been provided against the IRACP requirement of 8.23% towards NPA Accounts**
6. The company has been conservative and **not accounted any income on S3 accounts which comes to ~ ₹ 57.10 crs as on 30<sup>th</sup> Sep 22.**



**EXPECTED CREDIT LOSS (ECL)**

₹. In Crores

**As on 30.09.2021**

| Particulars                        | Outstanding    | Provision     | ECL%         | IRACP%       |
|------------------------------------|----------------|---------------|--------------|--------------|
| <b>Total</b>                       | <b>1980.55</b> | <b>253.86</b> | <b>12.8%</b> | <b>5.84%</b> |
| S1 and S2 (Std assets)             | 1538.80        | 63.09         | 4.10%        | 0.40%        |
| S3                                 | 358.29         | *172.74       | 48.21%       | 27.21%       |
| S1 and S2 Other Loans (Std Assets) | 58.97          | 0.81          | 1.37%        | 0.39%        |
| S3 Other Loans                     | 24.49          | 17.22         | 70.31%       | 49.32%       |

**As on 30.06.2022**

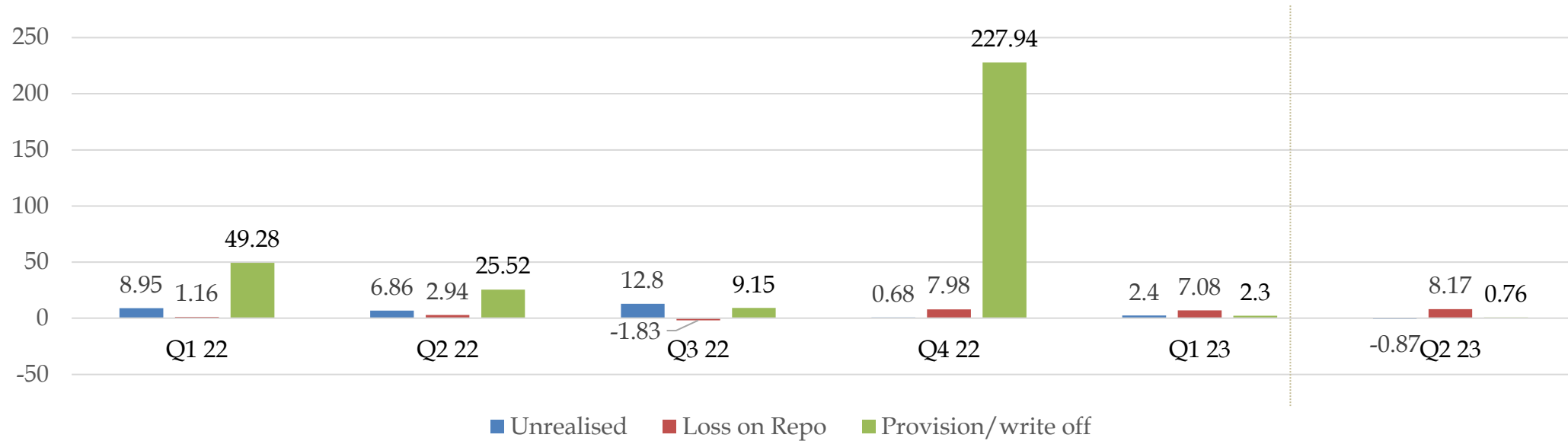
| Particulars                        | Outstanding   | Provision     | ECL %         | IRACP%       |
|------------------------------------|---------------|---------------|---------------|--------------|
| <b>Total</b>                       | <b>2081.9</b> | <b>472.72</b> | <b>22.71%</b> | <b>8.45%</b> |
| S1 and S2 (Std assets)             | 1444.46       | 29.77         | 2.06%         | 0.40%        |
| S3 (includes soft NPA)             | 502.18        | 417.75        | 83.19%        | 31.26%       |
| S1 and S2 Other Loans (Std Assets) | 111.32        | 1.26          | 1.13%         | 0.54%        |
| S3 Other Loans                     | 23.94         | 23.94         | 100.00%       | 52.59%       |

**As on 30.09.2022**

| Particulars                        | Outstanding   | Provision     | ECL %         | IRACP%       |
|------------------------------------|---------------|---------------|---------------|--------------|
| <b>Total</b>                       | <b>2036.3</b> | <b>433.24</b> | <b>21.28%</b> | <b>8.23%</b> |
| S1 and S2 (Std assets)             | 1459.06       | 24.85         | 1.70%         | 0.40%        |
| S3 (includes soft NPA)             | 480.54        | 407.27        | 84.75%        | 33.56%       |
| S1 and S2 Other Loans (Std Assets) | 96.7          | 1.12          | 1.16%         | 0.40%        |

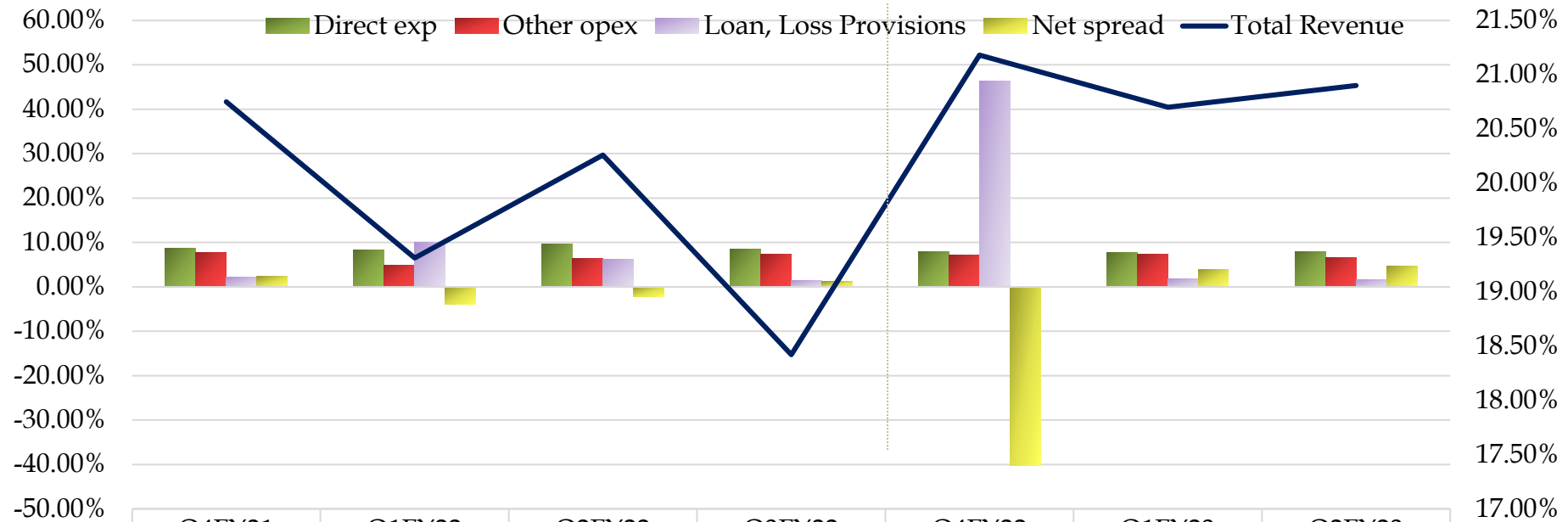
**MAIN FACTORS IMPACTING PROFITABILITY - DELINQUENCIES**

₹. In Crores

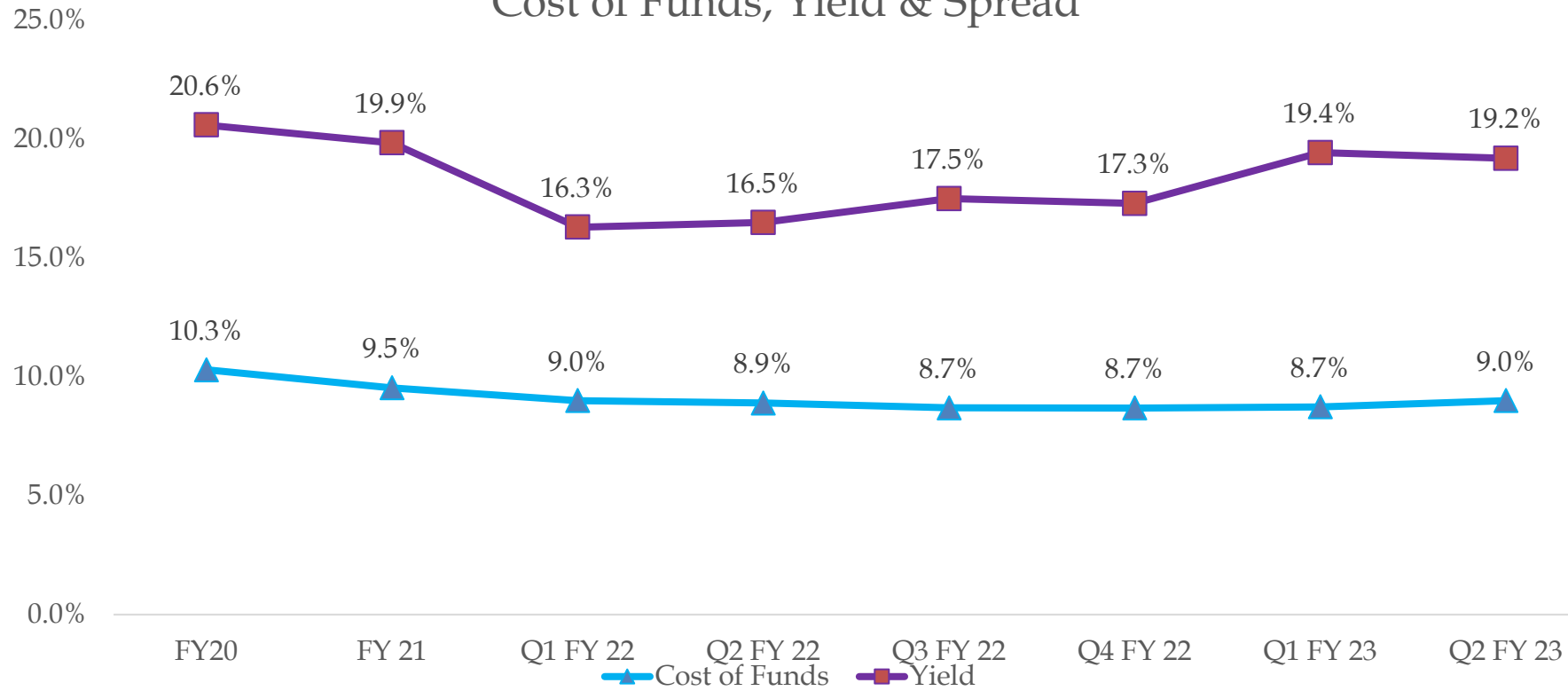


| Particulars                              | FY 20  | FY 21  | FY 22   | Q1FY23 | Q2FY23 |
|--|--------|--------|---------|--------|--------|
| Total P&L Impact                         | 78.68  | 100.44 | 351.41  | 11.78  | 8.06   |
| Avg AUM                                  | 2613.9 | 2307.2 | 2033.5  | 2056.6 | 2099.3 |
| % of Credit cost on Avg AUM (annualized) | 3.0%   | 4.4%   | 17.28%* | 2.29%  | 1.54%  |

\* From Q4FY22 onwards the credit costs, includes provisioning on Soft NPA as per the RBI circular dated 12<sup>th</sup> Nov 2021

**SPREAD ANALYSIS**

\* From Q4FY22 onwards the loan, loss provisions includes provisioning on Soft NPA as per the RBI circular dated 12<sup>th</sup> Nov 2021

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

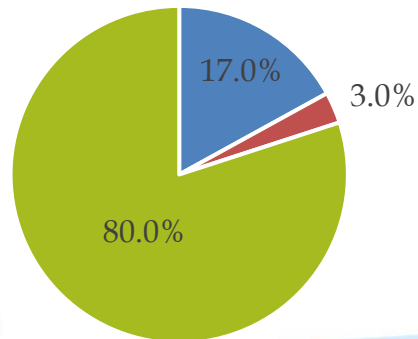
**ZONEWISE DISBURSEMENT (RETAIL LOANS) - Y-o-Y-Quarterly**

₹. In Crores

| Zone           | BRANCH    |       |           |       | DEALER    |        |           |        | TOTAL     |        |           |        | Overall Share |         |           |
|----------------|-----------|-------|-----------|-------|-----------|--------|-----------|--------|-----------|--------|-----------|--------|---------------|---------|-----------|
|                | Q1 FY '23 |       | Q1 FY '22 |       | Q1 FY '23 |        | Q1 FY '22 |        | Q1 FY '23 |        | Q1 FY '22 |        | Q1 FY '23     |         | Q1 FY '22 |
|                | Count     | Value | Count     | Value | Count     | Value  | Count     | Value  | Count     | Value  | Count     | Value  | Growth %      |         |           |
| South          | 4 401     | 38.04 | 4 111     | 33.64 | 19 869    | 169.29 | 24 467    | 192.59 | 24 270    | 207.33 | 28 578    | 226.23 | -8.36%        | 71.16%  | 72.92%    |
| West           | 987       | 7.21  | 660       | 4.28  | 1 272     | 9.4511 | 1 800     | 12.53  | 2 259     | 16.66  | 2 460     | 16.82  | -0.94%        | 5.72%   | 5.42%     |
| North          | 414       | 3.11  | 179       | 1.24  | 3 305     | 23.217 | 4 486     | 28.85  | 3 719     | 26.32  | 4 665     | 30.09  | -12.52%       | 9.03%   | 9.70%     |
| East           | 308       | 2.40  | 298       | 2.05  | 3 931     | 30.178 | 5 220     | 35.04  | 4 239     | 32.58  | 5 518     | 37.10  | -12.18%       | 11.18%  | 11.96%    |
| HO- Co Lending |           |       |           |       |           |        |           |        | 1 512     | 8.48   | 0         |        | 100.00%       | 2.91%   | 0.00%     |
| Overall        | 6 110     | 50.75 | 5 248     | 41.21 | 28 377    | 232.14 | 35 973    | 269.02 | 35 999    | 291.36 | 41 221    | 310.23 | -6.08%        | 100.00% | 100.00%   |

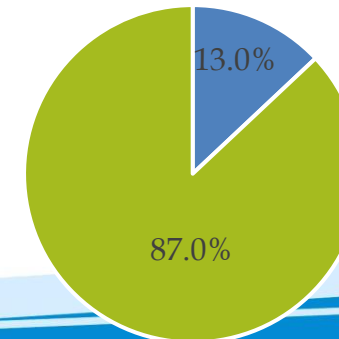
**Share of Branch and Dealer of zone-wise disbursement**

Q2 FY 23



■ Branch  
■ HO  
■ Dealer

Q2 FY 22



■ Branch  
■ Dealer

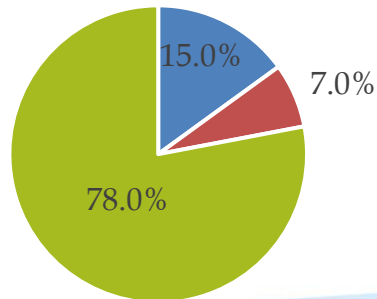
**ZONEWISE DISBURSEMENT (RETAIL LOANS) - Y-o-Y- Half yearly**

₹. In Crores

| Zone             | BRANCH    |       |           |       | DEALER    |        |           |        | TOTAL     |        |           |        | Overall Share |         |           |
|------------------|-----------|-------|-----------|-------|-----------|--------|-----------|--------|-----------|--------|-----------|--------|---------------|---------|-----------|
|                  | H1 FY '23 |       | H1 FY '22 |       | H1 FY '23 |        | H1 FY '22 |        | H1 FY '23 |        | H1 FY '22 |        | H1 FY '23     |         | H1 FY '22 |
|                  | Count     | Value | Count     | Value | Count     | Value  | Count     | Value  | Count     | Value  | Count     | Value  | Growth %      |         |           |
| South            | 8 141     | 70.01 | 5339      | 43.34 | 41 378    | 346.54 | 33925     | 263.72 | 49 519    | 416.55 | 39 264    | 307.06 | 35.66%        | 67.46%  | 68.88%    |
| West             | 1 902     | 13.72 | 1109      | 7.13  | 3 354     | 24.66  | 2943      | 20.51  | 5 256     | 38.38  | 4 052     | 27.64  | 38.85%        | 6.22%   | 6.20%     |
| North            | 618       | 4.53  | 253       | 1.7   | 7 116     | 48.72  | 7629      | 48.54  | 7 734     | 53.25  | 7 882     | 50.24  | 6.00%         | 8.62%   | 11.27%    |
| East             | 552       | 4.20  | 391       | 2.67  | 8 509     | 63.67  | 8707      | 58.19  | 9 061     | 67.87  | 9 098     | 60.86  | 11.52%        | 10.99%  | 13.65%    |
| HO- Retail Loans |           |       |           |       |           |        |           |        | 7 846     | 32.92  |           |        | 100.00%       | 5.33%   |           |
| HO- Co Lending   |           |       |           |       |           |        |           |        | 1 512     | 8.48   |           |        | 100.00%       | 1.37%   |           |
| Overall          | 11 213    | 92.46 | 7 092     | 54.84 | 60 357    | 483.6  | 53 204    | 390.96 | 80 928    | 617.46 | 60 296    | 445.8  | 38.5%         | 100.00% | 100.00%   |

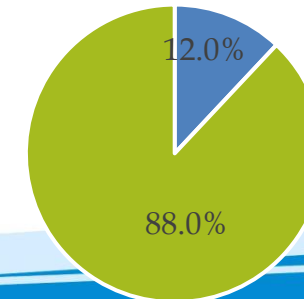
**Share of Branch and Dealer of zone-wise disbursement**

H2 FY 23



■ Branch  
■ HO  
■ Dealer

H2 FY 22

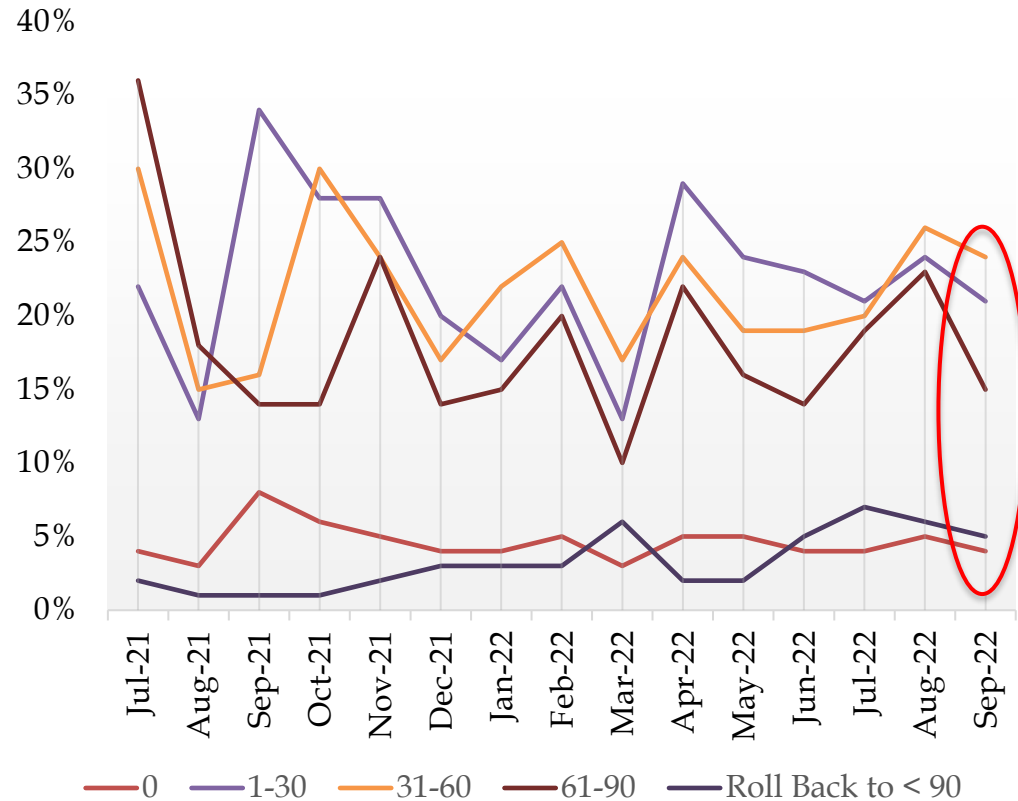


■ Branch  
■ Dealer



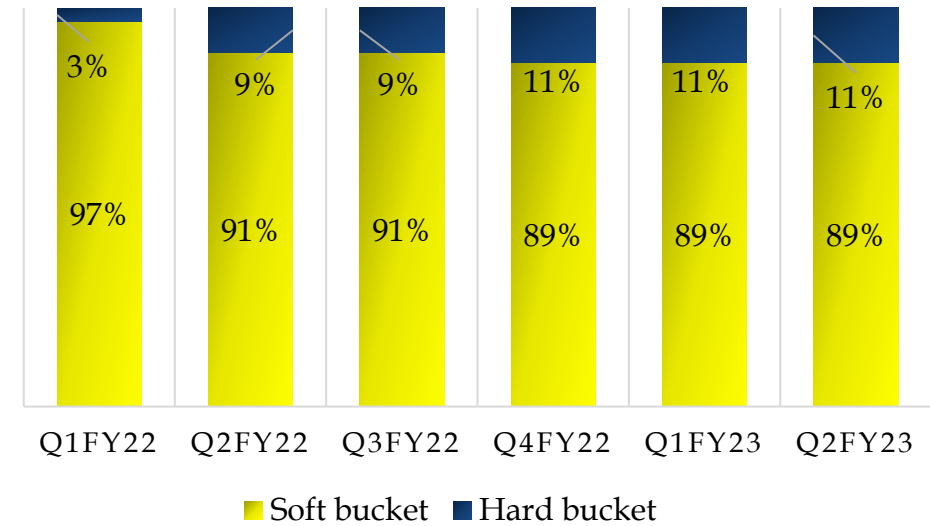
## COLLECTION PERFORMANCE MONITORING (HYP)

₹. In Crores

Bucket-wise Flow

Only post moratorium period considered

## Collection Performance

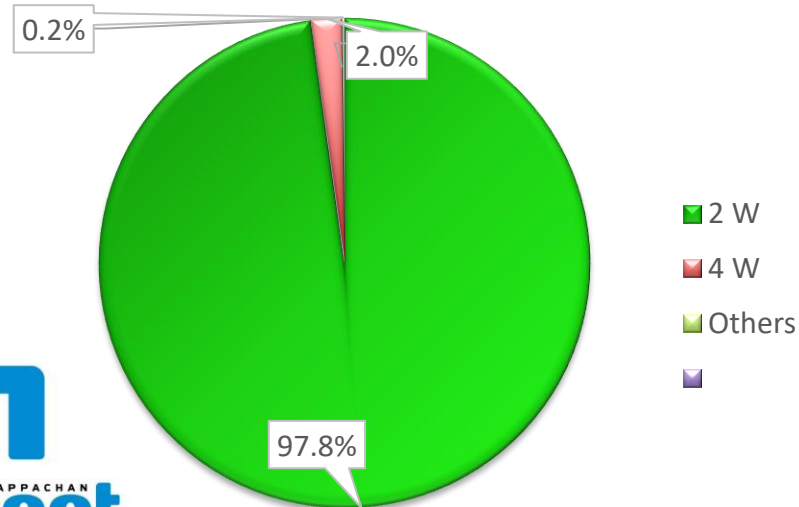


₹. In Crores

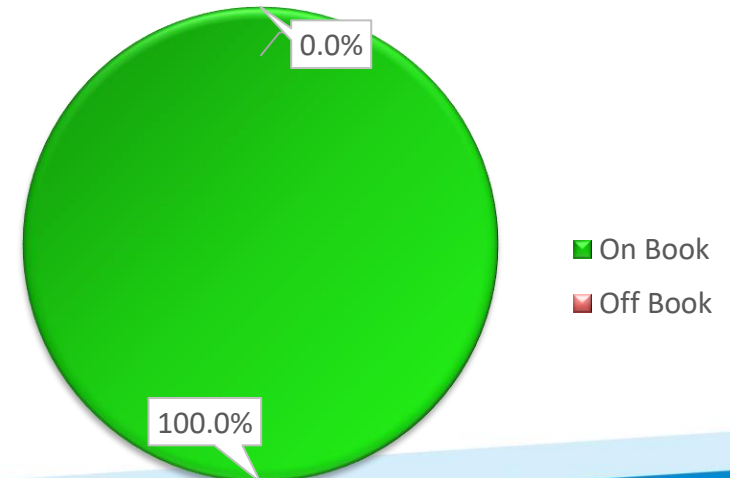
|                    | Q1 FY 22   | Q2 FY 22   | Q3 FY 22   | Q4 FY 22   | Q1 FY 23   | Q2 FY 23   |
|--------------------|------------|------------|------------|------------|------------|------------|
| Soft Bucket (1-90) | 274        | 304        | 316        | 319        | 307        | 310        |
| Hard Bucket (>90)  | 8          | 30         | 31         | 41         | 38         | 37         |
| <b>Total</b>       | <b>282</b> | <b>334</b> | <b>347</b> | <b>360</b> | <b>345</b> | <b>347</b> |

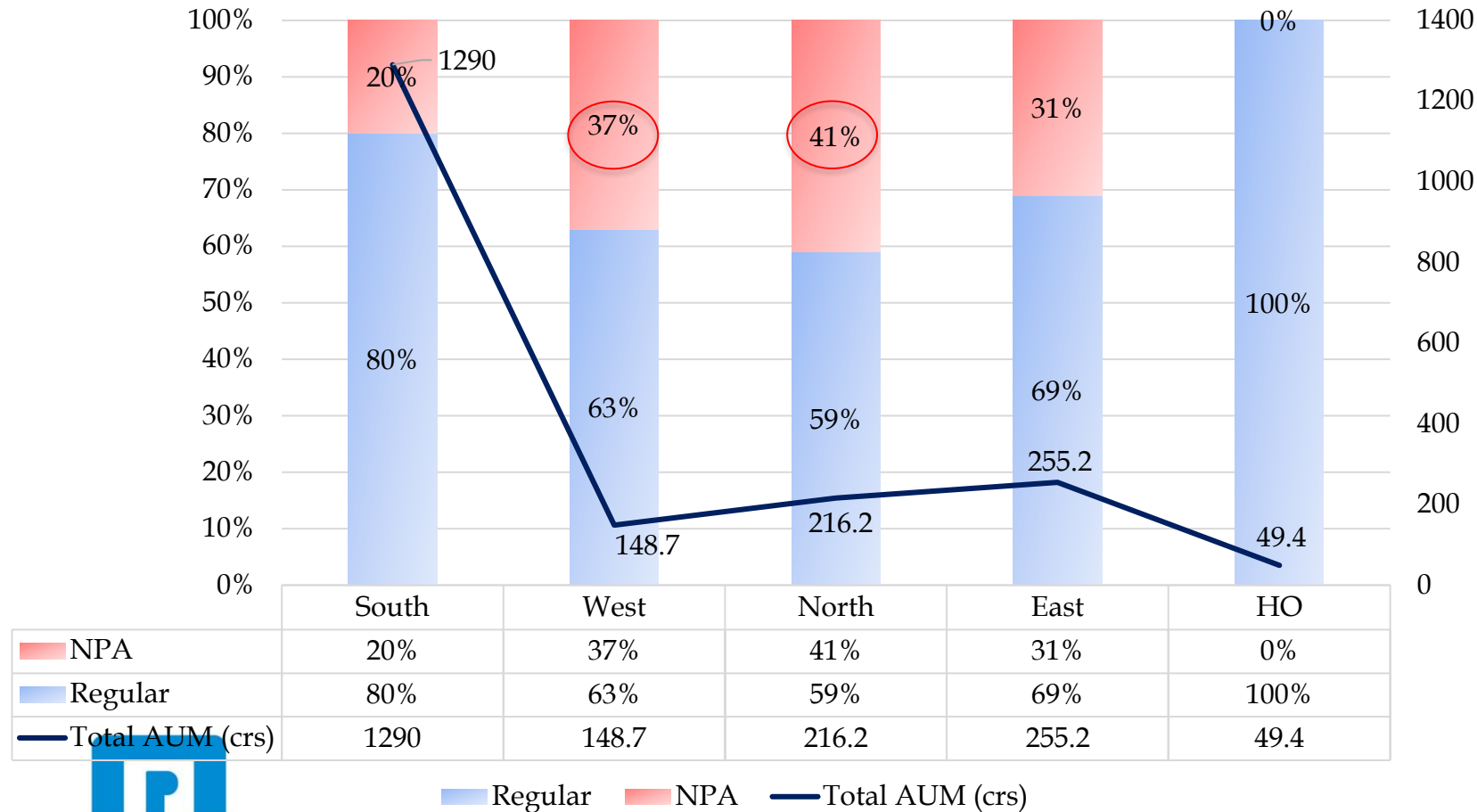
RETAIL PORTFOLIO SPLIT AS ON 30<sup>th</sup> Sep 2022

| Segment wise | No . of loans   | Amount (crs)  |
|--------------|-----------------|---------------|
| 2 W          | 49 2 243        | 1916.3        |
| 4 W          | 2 485           | 39.2          |
| Others       | 3 294           | 4.0           |
| <b>Total</b> | <b>4 98 022</b> | <b>1959.5</b> |



| Transaction Type               | No of Transactions | Amount (crs)  |
|--------------------------------|--------------------|---------------|
| Securitized (part of own book) | 5                  | 306.9         |
| Direct Assignment              | 9                  | 6.0           |
| Own Portfolio excl securitized |                    | 1646.6        |
|                                |                    | <b>Ind AS</b> |
| Off Book                       |                    | 6.0           |
| On Book                        |                    | 1953.5        |
| <b>Total Portfolio</b>         |                    | <b>1959.5</b> |



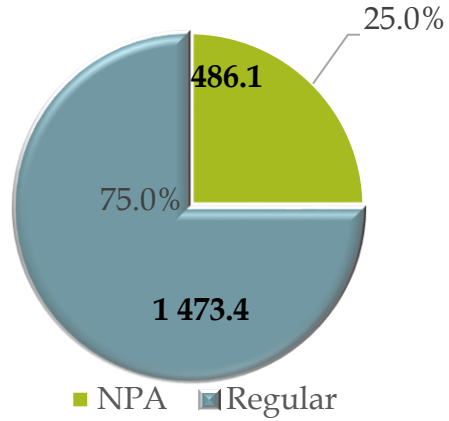
**MCSL GEOGRAPHIC OVERVIEW - RETAIL LOANS**

| Zone          | Active Clients | Total AUM (crs) | Zone wise AUM % | Zone wise NPA % |
|---------------|----------------|-----------------|-----------------|-----------------|
| South India   | 3 12 922       | 1290.0          | 66%             | 54%             |
| Western India | 38 858         | 148.7           | 8%              | 11%             |
| North India   | 63 204         | 216.2           | 11%             | 18%             |
| East India    | 70 612         | 255.2           | 13%             | 16%             |
| HO            | 12 426         | 49.4            | 2%              | 0%              |
| Overall       | 4 98 022       | 1959.5          | 100%            | 100%            |

## PORTFOLIO ANALYSIS - RETAIL LOANS

₹. In Crores

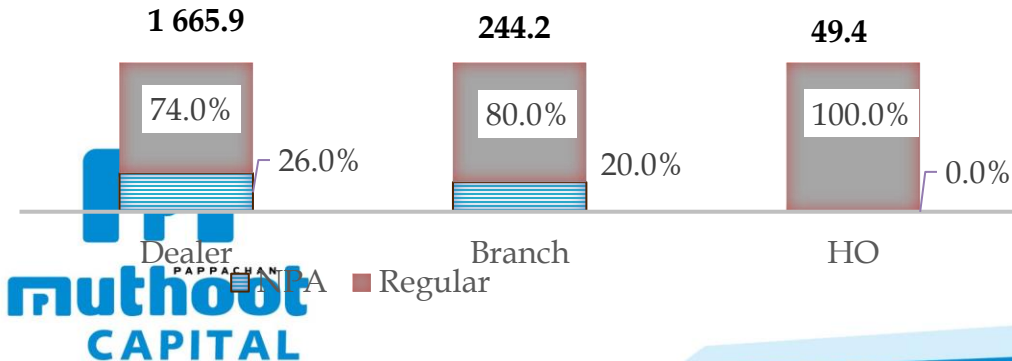
## Portfolio Analysis



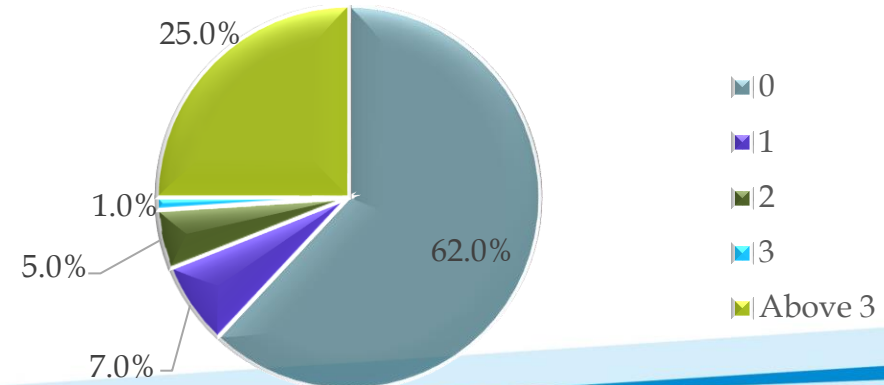
## Segment - wise Analysis

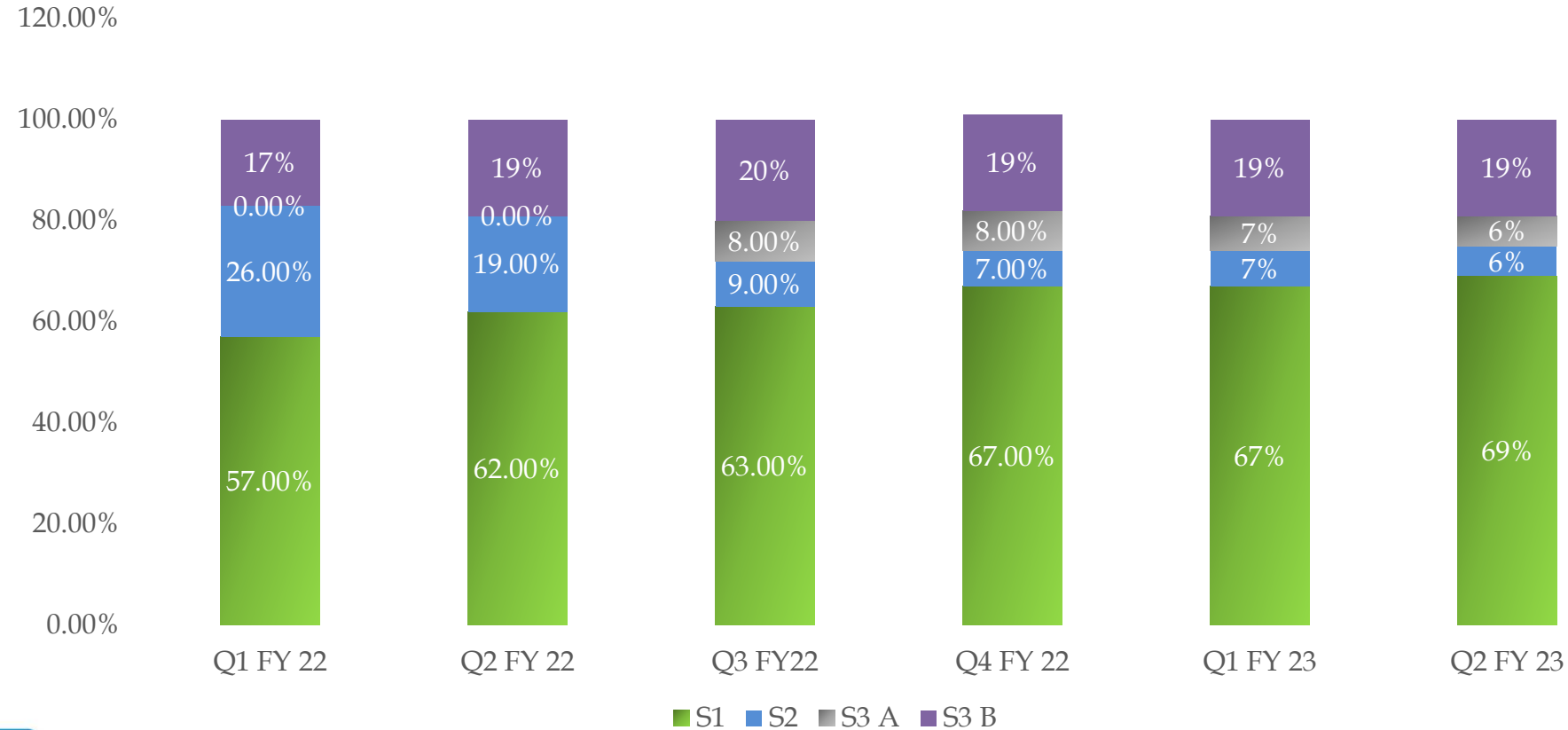


## Source - wise Analysis



## Bucket - wise Analysis



**PORTFOLIO CREDIT QUALITY- RETAIL LOANS**

## NPA MOVEMENT - Own HYP LOAN - Q2FY23

₹. In Crores

| Particulars  | HP Nos   | Balance stock | Provision | Unrealized Income |
|--|----------|---------------|-----------|-------------------|
| Balance as on 30.06.2022                                   | 2 03 069 | 502.18        | 415.59    | 57.95             |
| Add: Addition during Q2FY23                                | 16 553   | 55.92         | 56.29     | 6.20              |
| Add: Vehicles repossessed and assets sold during Q2FY 23   | 200      | 1.45          | -         | -                 |
|  | 2 19 822 | 559.55        | 471.88    | 64.15             |
| Less: Moved out from NPA during Q2FY23                     | 19 330   | 21.24         | 17.60     | 1.04              |
| Less: Repossessed assets sold during Q2FY 23               | 2 823    | 14.03         | 11.57     | 2.17              |
| Less: Vehicles repossessed and assets sold during Q2FY 23  | 200      | 1.45          | -         | -                 |
| Less: Amount collected during Q2FY 23 from 37 907 accounts |          | 29.08         | 24.10     | 1.27              |
| Less: Written off during Q2FY23                            | 5 681    | 13.61         | 11.34     | 2.57              |
| Balance as on 30.09.2022                                   | 1 91 788 | 480.14        | 407.27    | 57.10             |

| Overall Provision as on 30 <sup>th</sup> Sep 2022                              | Provision     |
|--|---------------|
| Provision on HYP loans including additional provision and on standard accounts | 432.12        |
| Provision on Other Loan portfolio  | 1.12          |
| <b>Total Provision in books</b>  | <b>433.24</b> |



## NPA MOVEMENT - Own HYP LOAN - 6 quarters

₹. In Crores

| Particulars  | Q1FY22   | Q2FY22 | Q3FY22 | Q4FY22 | Q1FY23 | Q2FY23 |
|--|----------|--------|--------|--------|--------|--------|
| Balance as on  | 226.68   | 311.33 | 358.27 | 533.46 | 507.36 | 502.18 |
| Add: Addition during quarter                           | 218.63   | 69.59  | 61.72  | 67.94  | 56.91  | 55.92  |
| Less: Loans restructured during quarter                | (128.11) | -      | -      | -      | -      | -      |
| Add: Vehicles repossessed                              | -        | 0.08   | -      | -      | 0.29   | 1.45   |
| Add: Addition due to new RBI guideline (Soft NPA)      | -        | -      | 146.76 | -      | -      | -      |
|  | 317.2    | 381.00 | 566.75 | 601.40 | 564.56 | 559.55 |
| Less: Moved out from NPA during quarter                | 2.42     | 12.05  | 24.09  | 28.37  | 21.04  | 21.24  |
| Less: Repossessed assets sold during quarter           | 0.88     | 3.52   | -      | -      | 9.23   | 14.03  |
| Less: Vehicles repossessed assets sold during quarter  | -        | -      | -      | 10.92  | 0.29   | 1.45   |
| Less: Amount collected during quarter but still in NPA | 2.56     | 7.16   | 9.20   | 36.21  | 31.82  | 29.08  |
| Less: Amount written off during the quarter            | -        | -      | -      | 18.54  | -      | 13.61  |
| Balance as on  | 311.33   | 358.27 | 533.46 | 507.36 | 502.18 | 480.14 |

## SOURCES OF BORROWING

**₹ 304Cr**

Additional Facilities  
received during the quarter

PTC fund- ₹ 274 Cr  
(H1FY23- ₹ 368Cr)  
Commercial Paper - ₹ 30 Crs  
(H1FY23- ₹ 95Cr)

**₹ 5.79Cr**

Collections of Public  
Deposit/Sub debts

In Q2FY23 Public Deposits collected  
₹ 5.79 Cr.(H1FY23- ₹ 11.0Cr) of which  
₹ 2.55 Cr. (H1FY23- ₹ 5.65Cr) is  
renewal

Additional Facilities sanction -  
₹ 274 Crs PTC from DCB , HDFC  
and KMPL in Sep '22

Bank funding - 81% of total borrowing as  
on 30 Sep 2022

**₹ 367 Cr**

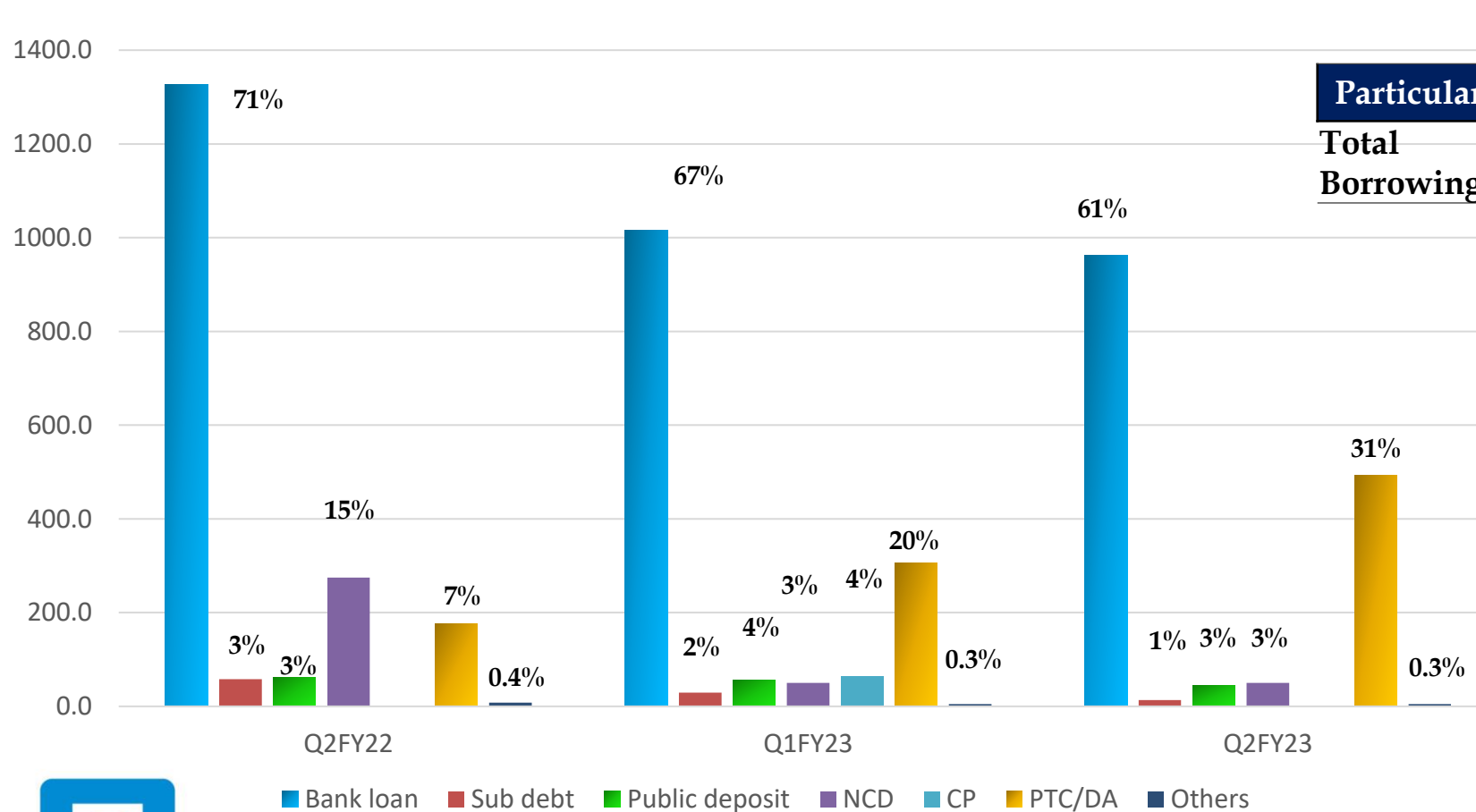
WCDL roll over

In Q2FY23, ₹ 367 Cr rolled over from  
8 facilities  
In H1FY23, ₹ 1210 Cr rolled over  
from 28 facilities

**9.0%**

Cost of borrowing for  
Q2 FY 23

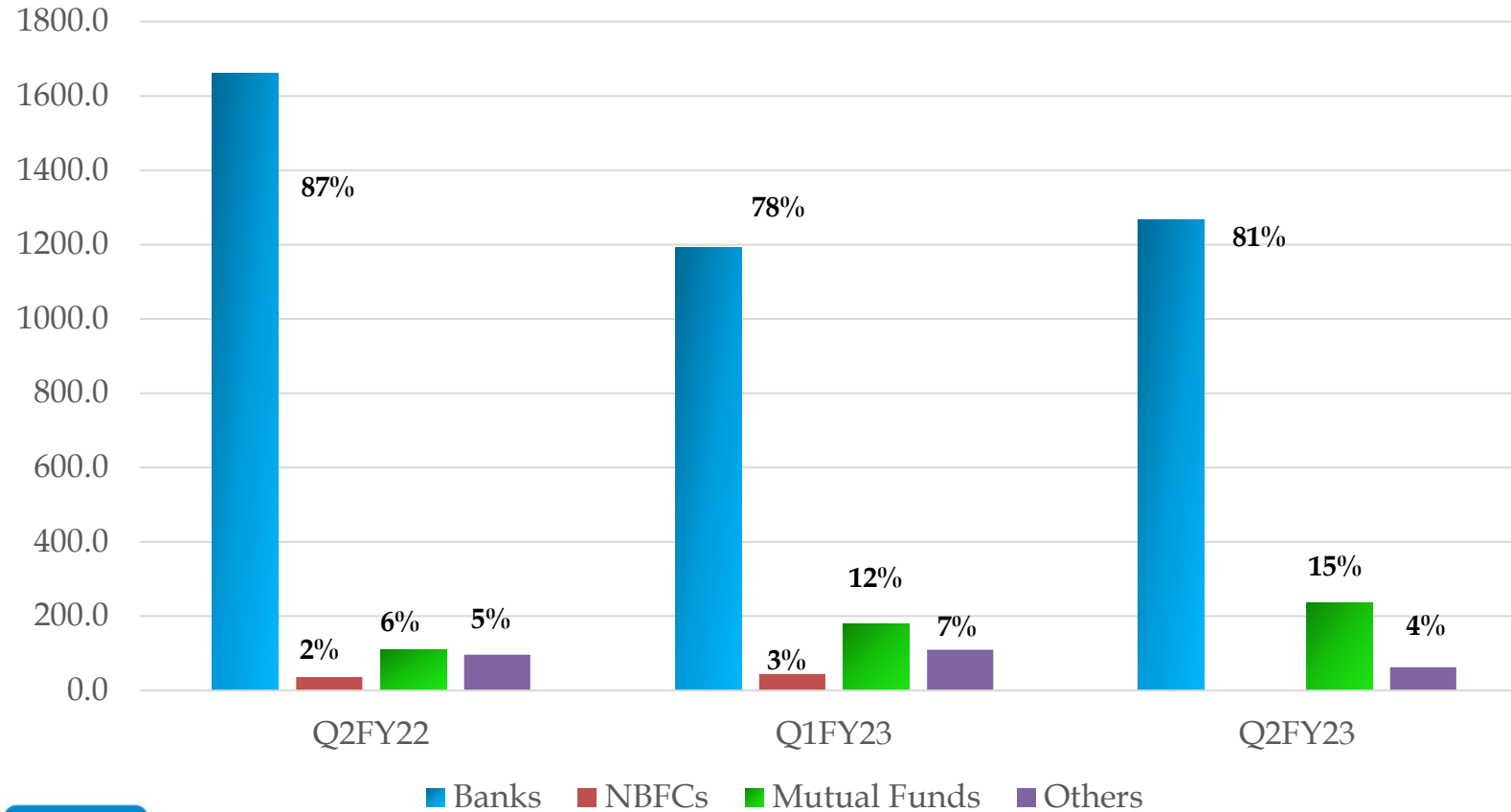
Q-o-Q increase in cost of borrowing  
from 8.74% for Q1FY23 to 8.97%.

**BORROWING PROFILE – by Instrument**

| Particulars      | Q2FY22 | Q1FY23 | Q2FY23 |
|------------------|--------|--------|--------|
| Total Borrowings | 1905.3 | 1526.5 | 1566.2 |

**COST- by Instrument**

| Particulars      | Q1FY22 | Q1FY23 | Q2FY23 |
|------------------|--------|--------|--------|
| Bank Loan        | 8.6%   | 8.6%   | 9.0%   |
| Sub debt         | 11.7%  | 11.0%  | 11.0%  |
| Public Deposit   | 7.5%   | 7.4%   | 6.9%   |
| NCD              | 9.4%   | 9.7%   | 10.1%  |
| Securitization   | 9.7%   | 8.5%   | 8.8%   |
| Commercial Paper | -      | 9.2%   | 9.2%   |
| Others           | 11.0%  | 13.7%  | 11.0%  |
| Total            | 8.9%   | 8.7%   | 9.0%   |

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

| Particulars  | Q2FY22      | Q1FY23      | Q2FY23      |
|--------------|-------------|-------------|-------------|
| Banks        | 8.7%        | 8.7%        | 8.9%        |
| Mutual Funds | 10.4%       | 8.6%        | 9.0%        |
| NBFCs        | 11.7%       | 11.5%       | -           |
| Others       | 8.9%        | 8.2%        | 8.5%        |
| <b>Total</b> | <b>8.9%</b> | <b>8.7%</b> | <b>9.0%</b> |

**Disbursement  
& Collection**

- While things have improved substantially, with the Company tightening its credit norms, disbursements have not grown.
- Disbursement at ₹ 298.4 crs in Q2FY23 lower than ₹ 310.5 crs of Q2 FY22, and lower than the preceding 2 quarters.
- TW has seen an improvement in volumes in Q2 FY23 v/s Q1 FY23, a wholesale growth of 25% but a retail decline of 11%
- Non-South Disb. share was 26%;
- Overall collections growing from Q2FY22, but NACH clearances reduced, hence higher collection through cash/other FOS: Increased the cost of collection, could continue for a while, overall collection cost @ 4.5 % during the quarter v/s 4.8% being there for Q1 FY23.

**NPA/  
Provisioning**

- NPA had grown till Q3 FY 22, but saw some reduction since Q4 FY22 and has continued in Q1 & Q2 FY23
- Basis the RBI Circular of 12<sup>th</sup> November 2021, company had higher NPA as majority of customers who went to 90+ continue to pay ONLY one instalment. As for end Sept 22, ₹ 113.2 Crs was reported as 'Soft' NPA, on which 84.8% PCR is available.
- In spite of these additional provisioning, Company has sufficient CRAR- 23.8%.
- Company has initiated action on the ground to reduce NPA and reverse the provision 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**

- The Company has continued doing securitization transactions for which Company has been able to find several interested investors; also looking at Commercial paper for raising funds.
- The Company is in the process of sourcing through several other modes including NCDs, MLDs etc.; MLD of ₹ 100 crs issued in October 22.
- With a rating upgrade to A+(Stable) Company would get better access to funds at cheaper rates going forward.

**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 maintain its cost of fund in the quarter at 8.97% broadly in line with the previous year. The Costs have started rising and Company anticipates some amount of increase going forward.

**Securitization/  
DA**

- Has played a role in the past generating funds from the portfolio in hand which has helped grow 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. New Investors have come, existing ones have increased exposures.

**Geographical  
expansion**

- Had reduced rollout during the pandemic ; slowly restarted after the 2<sup>nd</sup> wave stopped. Robust rollout planned in the current year
- New Products , new geographies and digitization seen as the way forward for the next few years. Co-Lending as a form of sourcing started in Q2FY23; large geographical expansion seen through the Co-Lending route.



**Staff attrition  
& Cost Control**

- Monthly staff attrition at 3.4 % in Q2 FY '23 v/s 2.9 % in Q1 FY 23.
- Dealer incentives @ 1.92% for Q2FY 23 in view of lower disbursement;
- Collections costs constantly rising as NACH collections is seeing a decline. Was at 4.5 % in Q2 FY23 v/s 4.8% in Q1 FY23 v/s 4.4% in Q2 FY 22.

**Repayment  
Mode**

- Since COVID, bounce of NACH has increased which has led to increased cash collections at higher cost.
- Collection through the mobile app/PAYTM etc. has seen an increase during COVID and currently accounts for about 16-17% of the total collections
- In view to target larger number of customers who do not use bank account constantly, there is a reintroduction of the cash mode of collection in certain locations, which will be ramped up shortly.

**Overall  
Profitability**

- Overall profitability is lower on account of overall lower volumes and higher provisioning/ write off/ Loss on sale of repossessed assets, 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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