



#PurposeMuthootBlue

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



# Board Presentation dated 30<sup>th</sup> January 2021 Quarter ended 31<sup>st</sup> December 2020



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No of States– 20  
AUM – ₹ 2224 Cr  
Live Customers –  
6,18,665

Disbursement –  
Q3 FY 21: ₹326.5 Cr

New Customers  
Q3 FY 21 : 43,929

Total sanctions  
Q3 FY 21 -₹ 239 Cr

# SNAPSHOT

Quarter ended 31<sup>st</sup> December 2020

As per Feb 20 DPD  
(Own)  
S3 – 7.1 %  
S3 (Net) – 4.0 %

As per Dec 20 including  
Proforma (Own)  
S3 – 11.4 %  
S3 (Net) – 4.4 %

CRAR –26.93 %  
D/E ratio (Ind AS): 3.8

PAT  
Q3 FY 21: ₹ 14.0 Cr

Liquidity  
of ~ ₹ 788  
crs in  
hand/  
undrawn

₹ 326 Cr  
Disbursement

97%  
Collection  
done  
during the  
quarter

Proforma  
NPA  
₹ 95 Cr

Additional  
COVID  
Provision  
₹ 94 Cr;  
5.2 % of  
own book  
AUM excl  
PTC

## OPERATIONAL SNAPSHOT

As on 31st December 2020

Reported  
PAT –  
₹ 14.0 Cr

Prov. at  
9.2% of  
Own  
Book

₹ 239 Cr  
New  
Sanction  
(9MFY21  
₹ 514 Cr)

DPD  
as of Feb20;  
Provision  
covers for as  
per Feb 20  
and proforma  
NPA till Dec20

## ACTION TAKEN

### Operational Impact

- Since Oct 20, staff attendance is back to normal.
- Disbursements has improved gradually from Sept with volumes being 50% of pre-covid levels; which has improved to 70% as of Dec 20; Cautious approach on disbursements.
- The collections has been regularized both in the retail as well as corporate loan segments.
- Monthly Collections of HYP loans increased from 34% in Apr '20 to 95% in Sep '20 and continued at the same levels in Q3FY21 also.
- Monthly Collections from corporate customers has been steady in Q3FY21 except for 3 additional stressed accounts who has been settling at delayed intervals since last quarter. Q3 FY 21 Collections was at ~95 %.
- Collection agencies engaged from June for harder buckets & also where quantum of accounts was large, seeing significant increase in collection costs .

### Liquidity Position

- Cash position of the Company is comfortable with ~ ₹ 788 crs as at end Dec 20
- The Company got sanctions worth ₹ 110 Cr from Banks for WC Loans (**HDFC - ₹ 100 Crs, DCB bank- ₹ 10 Crs**) and ₹ 100 crs of NCD (**PNB and Canara Bank - NCDs of ₹ 50 crs each**) and ₹ 29 Cr from NBFC, (Tata Capital)
- All rollovers due for the quarter were done as normal, with lower interest rates bringing down the cost of borrowings to 9.41%. Q4 will see pricing going down further.
- **The Company is aggressively sourcing FDs and raised ₹ 8.66 Cr in Q3FY21.** Average cost continues at < 8% p.a.

## Credit costs

- The company continues a conservative approach in estimating the delinquency post the moratorium & has provided additional **₹ 10 Cr** in Q3 FY21. Now the total provision for COVID impact is **₹ 94 Cr (Sep 20- ₹ 84 Cr)**, which comes to **5.2 % towards own book portfolio** excluding PTC, which is line with peers in the industry.
- The credit costs have reduced to 2.0% for the quarter from 6.6% for Q2FY21 because of higher additional provisions considered in the earlier quarters and no significant addition in NPA expected going forward.
- Loan Loss Provision for Q3 FY21 - ₹ 11.67 Cr as against ₹ 38.50 Cr in Q2 FY21 and ₹ 15.6 Cr in Q3 FY 20. This is considered sufficient because of prudent provisioning done in earlier quarters
- Provision on overall own book as on 31.12.20 - **9.2% v/s 8.8%** as on 30.09.20.

## Operational costs control

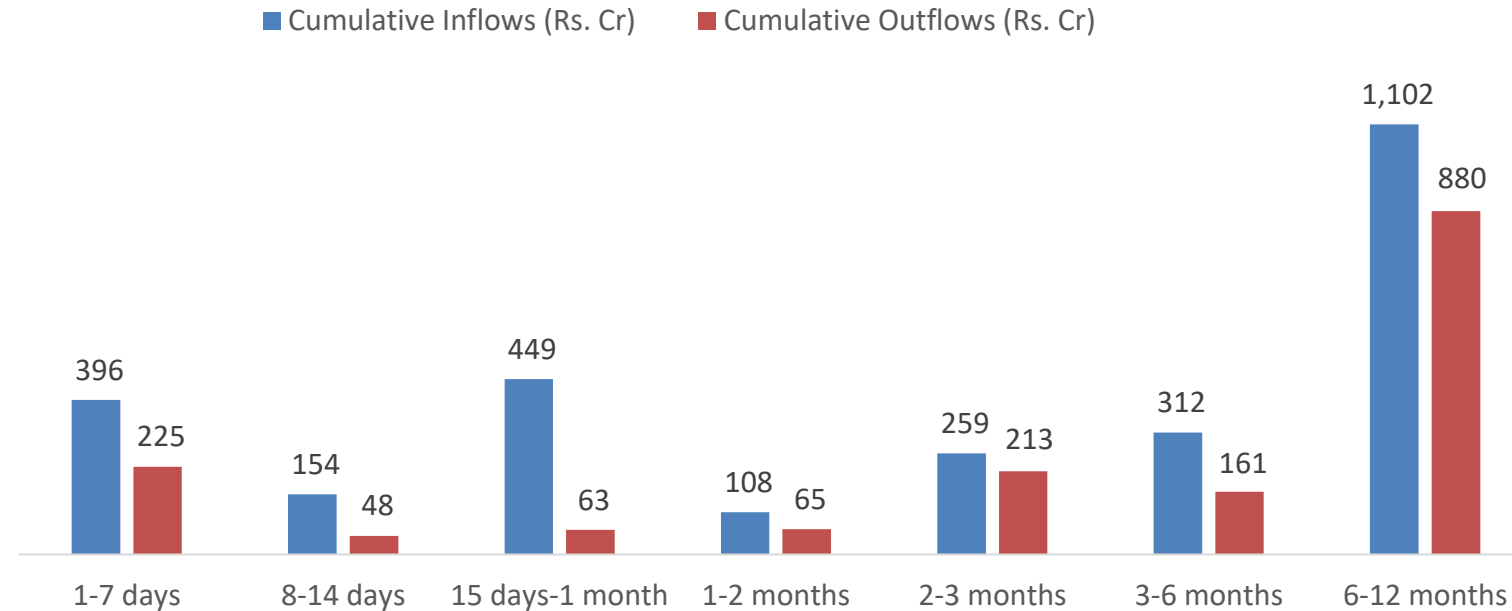
- While no staff attritions are planned, new recruitments and increments currently on hold, till business bounces back in a big way; Q4 will see additional recruitments
- With the disbursement volumes starting to rise and a reasonably large portion of collection happening through collection agencies, the costs have risen which is seen in higher OPEX to NII Ratio.
- Other operating expenses being monitored and controlled
- New products are now being looked at and the Company would expect some volumes from the new initiatives in Q4 FY21

## Restart Plan

- All dealer points are functional as of date.
- Disbursement started from Jul 2020, steadily improved over the months and reached 70% of pre- Covid level in Dec 20. Q4 likely to see pre-COVID volumes with economy now back on track and all round improvement in activities.
- Collections have normalized by Sept 2020; improved further in October and stabilized by end of Q3FY21

**STRUCTURAL LIQUIDITY AS ON 31.12.2020**

₹. In Crores



<b>Cumulative Positive Gap</b>	<b>171</b>	<b>278</b>	<b>664</b>	<b>707</b>	<b>753</b>	<b>904</b>	<b>1,127</b>
<b>Cumulative %</b>	<b>76%</b>	<b>584%</b>	<b>1056%</b>	<b>1094%</b>	<b>353%</b>	<b>562%</b>	<b>128%</b>

- 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 31.12.20 there was "undrawn sanctions+ Bank Balance" of ₹ 788 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.



## Quarterly Trend

₹. In Crores

Financial Statement Metrics	Q3 FY 21	Q2 FY 21	Q-o-Q	Q3 FY 20	Y-o-Y
<b>Disbursement :</b>					
Hyp Loans	304.4	106.1	187%	460.7	-34%
Other Loans	22.0	10.0	120%	5.1	331%
<b>Total Disbursements</b>	<b>326.4</b>	<b>116.1</b>	<b>181%</b>	<b>465.8</b>	<b>-30%</b>
AUM at the end of the period *	2199.6	2235.4	-2%	2677.7	-18%
Average AUM	2245.7	2332.5	-4%	2678.8	-16%
Total Interest and Fee Income	120.7	143.7	-16%	150.9	-20%
Finance Expenses	44.9	47.8	-6%	58.0	-23%
<b>Net Interest Income(NII)</b>	<b>75.9</b>	<b>95.9</b>	<b>-21%</b>	<b>92.9</b>	<b>-18%</b>
Operating Expenses	45.6	36.1	26%	51.8	-12%
Loan Losses & Provisions **	11.7	38.5	-70%	15.6	-25%
<b>Profit Before Tax</b>	<b>18.6</b>	<b>21.3</b>	<b>-13%</b>	<b>25.5</b>	<b>-27%</b>
<b>Profit After Tax</b>	<b>14.0</b>	<b>15.7</b>	<b>-11%</b>	<b>19.0</b>	<b>-26%</b>

## 9 Month Trend

₹. In Crores

	9MFY21	9MFY20	Y-o-Y
	427	1375.2	-69%
	32.5	65.4	-50%
	<b>459.5</b>	<b>1440.6</b>	<b>-68%</b>
	2199.6	2677.7	-18%
	2378.6	2613.2	-9%
	395.7	439.9	-10%
	145.1	171.5	-15%
	<b>250.5</b>	<b>268.4</b>	<b>-7%</b>
	109.6	145.2	-25%
	83.6	48.2	73%
	<b>57.4</b>	<b>75.0</b>	<b>-23%</b>
	<b>43.2</b>	<b>46.6</b>	<b>-7%</b>

Q3 FY 21

Q2 FY 21

Q3 FY 20

9M FY 21

9M FY 20

Total Opex to NII

60.1%

37.6%

56.0%

43.8%

54.0%

Return on Avg. AUM

2.5%

2.7%

2.8%

2.4

2.4%

Earnings per Share

8.4

9.6

11.5

25.8

28.3

• Total AUM including off book as on 31<sup>st</sup> Dec 20 is ₹ 2224 crs ( Q-o-Q- 2% down) (Y-o-Y- 19 % down)

• Interest Income lower than Q2 FY21 in view of the drop in AUM and also due to Income considered on POS during the moratorium period , while based on repayment schedule in Q3

\*\* Includes additional provisions during the year to handle COVID 19 impact – ₹ 10 Cr in Q3 FY21, ₹ 34 Cr in Q2 FY21 and ₹ 76 Cr for 9M FY 21




## STATEMENT OF SOURCES AND APPLICATION OF FUNDS

₹. In Crores

Sources	30-Dec-19	30-Sep-20	30-Dec-20	Application	30-Dec-19	30-Sep-20	30-Dec-20
Share Capital	16.4	16.4	16.4	Fixed Assets	3.9	4.1	4.1
Reserve & Surplus	477.4	520.2	534.1	Investments	105.6	102.2	103.5
<b>Shareholders Funds</b>	<b>493.8</b>	<b>536.6</b>	<b>550.6</b>	Deferred Tax Assets	24.5	28.0	23.1
Bank Debts	1544.8	1088.9	1295.6				
Securitized	617.0	498.8	364.3	Hypothecation Loan	2247.6	1817.3	1792.9
Sub debt / Debentures	66.7	242.7	347.2	Loan Buyout	39.3	19.1	12.1
Public Deposit/ICD	55.7	55.1	58.2	Term Loans	200.9	146.2	132.5
Loan From Directors	10.2	10.2	10.2	Other Loans	7.2	11.1	10.7
Interest Accrued on Loans	3.5	3.0	3.5	Interest Accrued on Loans	25.3	23.0	27.7
<b>Total Borrowings</b>	<b>2297.8</b>	<b>1898.7</b>	<b>2079.0</b>	<b>Total Loans *</b>	<b>2520.4</b>	<b>2016.7</b>	<b>1975.9</b>
Trade Payable	26.4	28.2	36.6	Cash & Cash Equivalents	158.8	312.7	547.4
Provisions	3.4	5.4	4.6	Other Financial Assets	21.6	17.0	32.3
Other Financial Liabilities	28.1	24.6	36.5	Other Non-Financial Assets	18.7	14.7	24.3
Other Non-Financial Liabilities	3.0	1.8	1.7				
Derivative Financial Instruments	1.0	0.1	1.1				
<b>Total</b>	<b>2853.5</b>	<b>2495.4</b>	<b>2710.2</b>	<b>Total</b>	<b>2853.5</b>	<b>2495.4</b>	<b>2710.2</b>

## Disbursement

Q2 FY 21 : ₹ 116.1 Cr  
Q3 FY 21 : ₹ 326.4Cr  181%

Q3 FY 20 : ₹ 465.8 Cr  
Q3 FY 21 : ₹ 326.4Cr  30%

## Borrowing Cost

Q2 FY 21 : 9.67%  
Q3 FY 21 : 9.41%  3%


Q3 FY 20 : 10.3%  
Q3 FY 21 : 9.41%  9%

## PAT

Q2 FY 21 : ₹ 15.7 Cr  
Q3 FY 21 : ₹ 14.0 Cr  11%

Q3 FY 20 : ₹ 19.0 Cr  
Q3 FY 21 : ₹ 14.0 Cr  26%

## Gross AUM

Q2 FY 21 : ₹ 2269 Cr  
Q3 FY 21 : ₹ 2224 Cr  2%

Q3 FY 20 : ₹ 2751 Cr  
Q3 FY 21 : ₹ 2224 Cr  19%

Stage 3 –Own book  
Including Proforma S3

Q2 FY 21 : ₹ 171.2 Cr  
Q3 FY 21 : ₹ 252.3 Cr  47%

Q3 FY 20 : ₹ 161.3 Cr  
Q3 FY 21 : ₹ 252.3 Cr  56%

## ROA

Q2 FY 21 : 2.7%  
Q3 FY 21 : 2.5%  7%

Q3 FY 20 : 2.8%  
Q3 FY 21 : 2.5%  11%

## Revenue

Q2 FY 21 : ₹ 143.7 Cr  
Q3 FY 21 : ₹ 120.7 Cr  16%

Q3 FY 20 : ₹ 150.9 Cr  
Q3 FY 21 : ₹ 120.7 Cr  20%

## Loan Losses &amp; Provision

Q2 FY 21 : ₹ 38.5 Cr  
Q3 FY 21 : ₹ 11.7 Cr  70%

Q3 FY 20 : ₹ 15.6 Cr  
Q3 FY 21 : ₹ 11.7 Cr  25%

## ROE

Q2 FY 21 : 11.9 %  
Q3 FY 21 : 10.2%  14%

Q3 FY 20 : 15.4%  
Q3 FY 21 : 10.2%  34%

**EXPECTED CREDIT LOSS (ECL)****As on 31.12.2019**

₹. In Crores

Particulars	Outstanding	Provision	ECL%
<b>Total</b>	<b>2644.16</b>	<b>108.81</b>	<b>4.11%</b>
S1 and S2 (Std assets)	2232.52	38.71	1.74%
S3 (NPA)	161.3	68.58	42.5%
Other Loans	250.34	1.52	0.61%

**As on 30.09.2020**

Particulars	Outstanding	Provision	ECL %
<b>Total</b>	<b>2235.35</b>	<b>196.25</b>	<b>8.78%</b>
S1 and S2 (Std assets)	1893.71	108.73	5.74%
S3 (NPA)	160.68	71.97	44.80%
S1 and S2 Other Loans (Std Assets)	170.43	10.28	6.03%
S3 Other Loans ( NPA )	10.53	5.27	50.0%

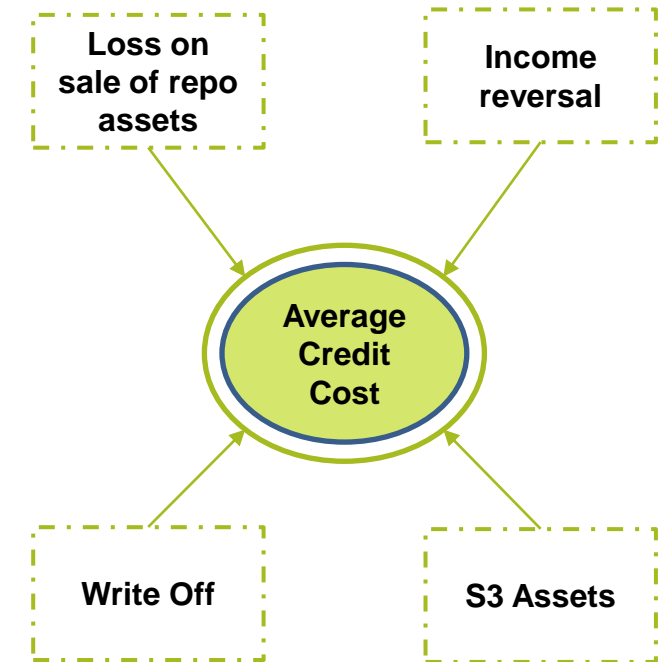
**As on 31.12.2020**

Particulars	Outstanding	Provision	ECL %
<b>Total</b>	<b>2199.6</b>	<b>202.47</b>	<b>9.20%</b>
S1 and S2 (Std assets)	1818.9	42.88	2.36%
S3 (includes Proforma NPA)	223.50	143.62	64.26%
S1 and S2 Other Loans (Std Assets)	128.44	3.20	2.5%
S3 Other Loans (includes Prof. NPA )	28.79	12.77	44.4%

**MAIN FACTORS IMPACTING PROFITABILITY – DELINQUENCIES**

₹. In Crores

Particulars	FY 20	Q1 FY 21	Q2 FY 21	Q3 FY 21
Unrealized Income reversed	<b>8.0</b>	2.42	0.06	(0.46)
Loss on sale + Provision for diminution in value of repo. Assets	<b>26.91</b>	1.02	1.45	5.10
S3 write off	-	-	-	-
ECL Provision	<b>25.77</b>	0.36	3.05	(3.43)
Addl ECL Provision	<b>18.00</b>	32.00	34.00	10.0
<b>Total</b>	<b>78.68</b>	<b>35.8</b>	<b>38.56</b>	<b>11.21</b>
Avg AUM	<b>2613.9</b>	<b>2513.9</b>	2332.5	2245.7
<b>% of Credit cost on Avg AUM (annualized)</b>	<b>3.0%</b>	<b>5.7%</b>	<b>6.6%</b>	<b>2.0%</b>



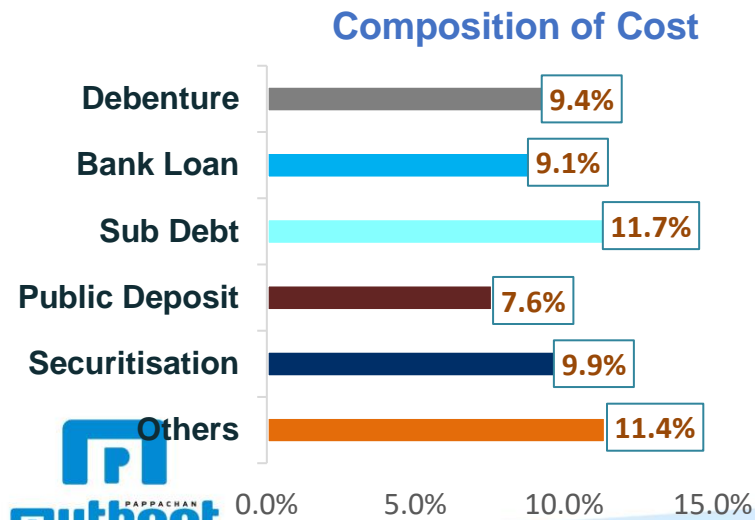
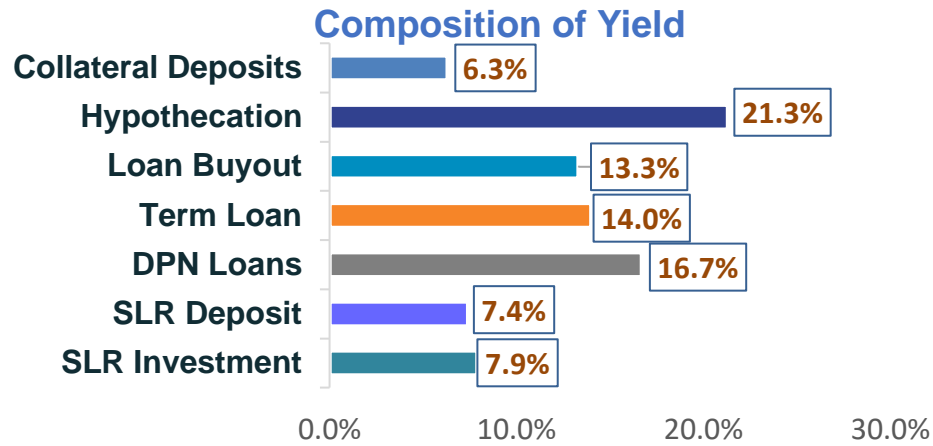
## SPREAD ANALYSIS

Analysis on Avg Loan Book Size	Q3 FY 20		Q4 FY 20		Q1 FY 21		Q2 FY 21		Q3 FY 21	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
<b>Avg Loan Book Size</b>	<b>2678.8</b>		<b>2616.1</b>		<b>2513.9</b>		<b>2332.5</b>		<b>2245.7</b>	
Revenue from operations	150.5	22.5%	146.7	22.4%	131.1	20.86%	143.6	24.63%	120.7	21.50%
Direct exp.	65.4	9.8%	61.0	9.3%	52.83	8.41%	50.43	8.65%	50.62	9.02%
<b>Gross Spread</b>	<b>85.1</b>	<b>12.7%</b>	<b>85.7</b>	<b>13.1%</b>	<b>78.27</b>	<b>12.45%</b>	<b>93.17</b>	<b>15.98%</b>	<b>70.08</b>	<b>12.48%</b>
Personnel Expenses	23.2	3.5%	21.4	3.3%	18.4	2.93%	17.3	2.97%	17.5	3.12%
OPEX (incl. depreciation etc...)	21.1	3.2%	23.6	3.6%	9.08	1.45%	15.97	2.74%	22.38	3.99%
<b>Total Expenses</b>	<b>44.3</b>	<b>6.6%</b>	<b>45.0</b>	<b>6.9%</b>	<b>27.48</b>	<b>4.37%</b>	<b>33.27</b>	<b>5.70%</b>	<b>39.88</b>	<b>7.10%</b>
<b>Pre Provison Profits</b>	<b>40.7</b>	<b>6.1%</b>	<b>40.7</b>	<b>6.2%</b>	<b>50.79</b>	<b>8.08%</b>	<b>59.91</b>	<b>10.27%</b>	<b>30.20</b>	<b>5.38%</b>
Loan Loss and provisions	15.6	2.3%	22.5	3.4%	33.38	5.31%	38.5	6.13%	11.67	1.86%
<b>Net Spread</b>	<b>25.1</b>	<b>3.8%</b>	<b>18.3</b>	<b>2.8%</b>	<b>17.41</b>	<b>2.77%</b>	<b>21.41</b>	<b>3.67%</b>	<b>18.53</b>	<b>3.30%</b>

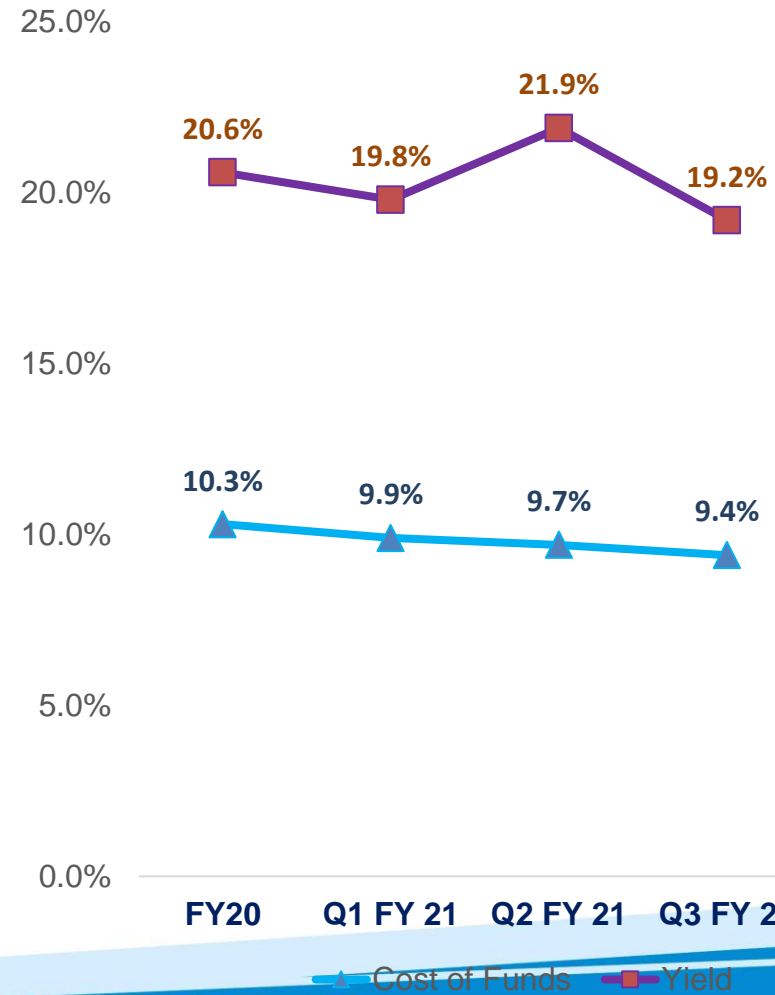
## ANALYSIS OF COST &amp; YIELD

Sl.No.	Description of Loan				
		Q4 FY '20	Q1 FY '21	Q2 FY '21	Q3 FY '21
1	Hypothecation	21.8%	21.3%	23.8%	21.3%
2	Loan Buyout	14.3%	14.1%	13.8%	13.3%
3	Term Loan	14.9%	14.3%	14.5%	14.0%
4	DPN Loans	19.8%	17.8%	18.2%	16.7%
5	SLR Deposit	5.2%	7.2%	7.3%	7.4%
6	SLR Investment (Govt Sec)	8.1%	8.3%	8.2%	7.9%
7	Bank Deposits	7.5%	6.4%	6.7%	6.3%
8	ICD	16.0%			
	<b>Yield</b>	<b>20.6%</b>	<b>19.8%</b>	<b>21.9%</b>	<b>19.2%</b>
1	Bank Loan	10.3%	9.7%	9.5%	9.1%
2	Sub Debt	11.8%	11.8%	11.7%	11.7%
3	Public Deposit	8.3%	7.8%	7.5%	7.6%
4	Debentures	-	10.1%	9.5%	9.4%
5	Securitization/Direct Assignment	10.4%	10.1%	10.0%	9.9%
6	Others	11.5%	11.4%	11.4%	11.4%
	<b>Cost</b>	<b>10.3%</b>	<b>9.9%</b>	<b>9.7%</b>	<b>9.4%</b>
	<b>Interest Spread</b>	<b>10.3%</b>	<b>9.9%</b>	<b>12.2%</b>	<b>9.8%</b>

## ANALYSIS OF COST & YIELD



### Cost of Funds, Yield & Spread

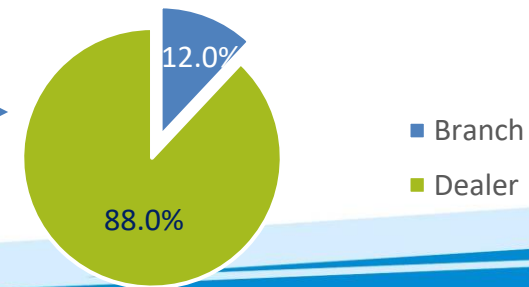




## ZONEWISE DISBURSEMENT (HYP LOANS) – Y- o -Y

Zone	BRANCH				DEALER				TOTAL				Growth%	Overall Share	
	Q3 FY '21		Q3 FY '20		Q3 FY '21		Q3 FY '20		Q3 FY '21		Q3 FY '20			Q3 FY '21	Q3 FY '20
	Count	Value	Count	Value	Count	Value	Count	Value	Count	Value	Count	Value			
South	3618	27.69	8 286	48.1	22890	166.31	37 310	243.2	26508	194.01	45 596	291.3	-33%	64%	63%
West	847	5.11	1 602	8.5	2342	14.94	5 653	34.3	3189	20.05	7 255	42.9	-53%	6%	9%
North	159	1.04	345	1.9	6559	40.27	11 486	64.4	6718	41.32	11 831	66.3	-36%	14%	14%
East	232	1.49	369	2.0	7282	47.53	9 899	58.1	7514	49.01	10 268	60.2	-20%	16%	13%
<b>Overall</b>	<b>4856</b>	<b>35.33</b>	<b>10 602</b>	<b>60.6</b>	<b>39073</b>	<b>269.06</b>	<b>64 348</b>	<b>400.1</b>	<b>43929</b>	<b>304.39</b>	<b>74 950</b>	<b>460.7</b>	<b>-34%</b>	<b>100%</b>	<b>100%</b>

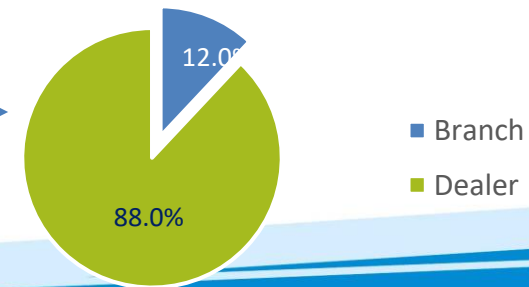
Share of Branch and Dealer of zone-wise disbursement



## ZONEWISE DISBURSEMENT (HYP LOANS) FOR 9 MONTH PERIOD

Zone	BRANCH				DEALER				TOTAL				Growth%	Overall Share	
	Apr-Dec20		Apr-Dec19		Apr-Dec20		Apr-Dec19		Apr-Dec20		Apr-Dec19			Apr-Dec20	Apr-Dec19
	Count	Value	Count	Value	Count	Value	Count	Value	Count	Value	Count	Value			
South	5 431	41.19	27 037	158.50	33 733	241.07	118 730	763.28	39 164	282.25	145 767	921.77	-69%	66%	67%
West	1 023	6.12	4 087	21.35	2 735	17.32	15 067	90.29	3 758	23.45	19 154	111.64	-79%	5%	8%
North	236	1.52	1 255	6.76	8 552	51.59	30 594	168.17	8 788	53.12	31 849	174.93	-69%	12%	13%
East	306	1.93	1 045	5.84	10 340	66.23	28 052	161.04	10 646	68.16	29 097	166.87	-60%	16%	12%
<b>Overall</b>	<b>6 996</b>	<b>50.76</b>	<b>33 424</b>	<b>192.45</b>	<b>55 360</b>	<b>376.21</b>	<b>1 92 443</b>	<b>1182.78</b>	<b>62 356</b>	<b>426.97</b>	<b>2 25 867</b>	<b>1375.23</b>	<b>-69%</b>	<b>100%</b>	<b>100%</b>

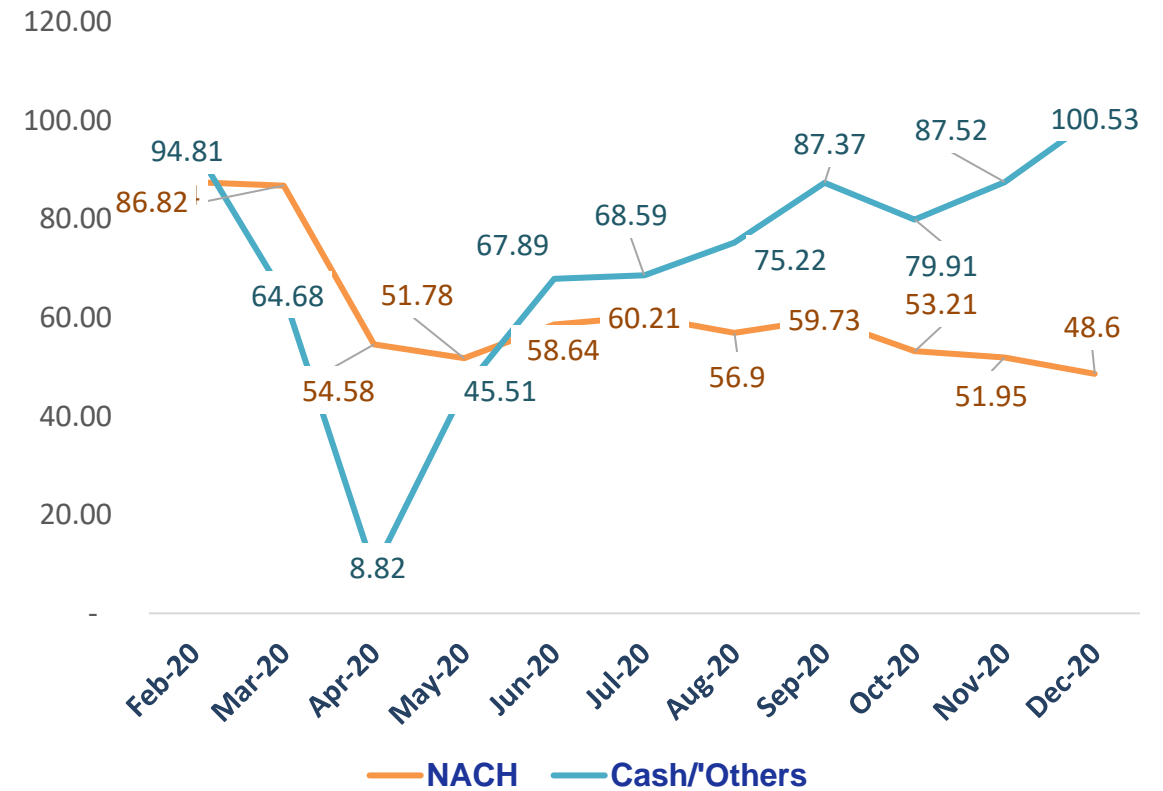
Share of Branch and Dealer of zone-wise disbursement



## MODE WISE COLLECTION OVER LAST 11 MONTHS (HYP)

₹. In Crores

Month	NACH	CASH/ Other modes*
FEB	87.54	94.81
MAR	86.82	64.68
APR	54.58	8.82
MAY	51.78	45.51
JUN	58.64	67.89
JUL	60.21	68.59
AUG	56.90	75.22
SEP	59.73	87.37
OCT	53.21	79.91
NOV	51.95	87.52
DEC	48.60	100.53



## COLLECTION PERFORMANCE MONITORING

## HYP LOANS

₹. In Crores

Month	Monthly Collections	Monthly Billing	% of collection
Apr-20	67.28	178.54	37.68%
May-20	97.29	179.87	54.09%
Jun-20	118.96	167.48	71.03%
Jul-20	121.56	159.88	76.03%
Aug-20	124.70	152.83	81.59%
Sep-20	138.36	145.54	<b>95.07%</b>
Oct-20	133.11	139.02	95.75%
Nov-20	139.47	148.74	93.76%
Dec-20	149.13	148.28	100.57%

## CORP LOANS

₹. In Crores

Month	Monthly Collections	Monthly Billing	% of collection
Apr-20	5.32	18.75	28.39%
May-20	6.33	17.61	35.92%
Jun-20	7.02	18.40	38.14%
Jul-20	14.19	15.78	89.95%
Aug-20	11.87	15.31	77.48%
Sep-20	18.94	15.39	<b>123.03%</b>
Oct-20	16.70	16.59	101.00%
Nov-20	12.70	13.87	92.00%
Dec-20	22.20	23.95	93.00%

- The demand referred above is without considering the moratorium given to the borrowers . .

- The spike in Sep collections on Corp Loans was due to preclosures, reemittance of interest accrued during morat period and settlement of prior period EMIs..

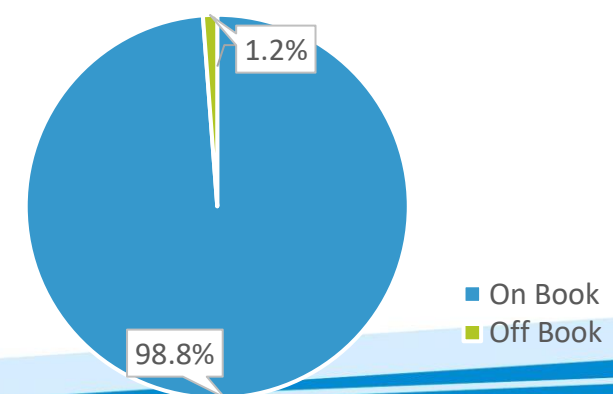
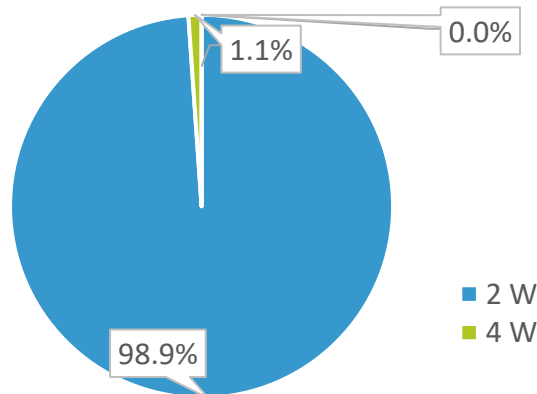
- The collections has been full in respect of majority of the corp loan borrowers except in case of 3 stressed accounts and 2 NPA accounts.

- Collection includes other charges/Overdue Interest which is not a part of billing leading to the collection % being higher than billing by ~3% p.m from Oct 20.

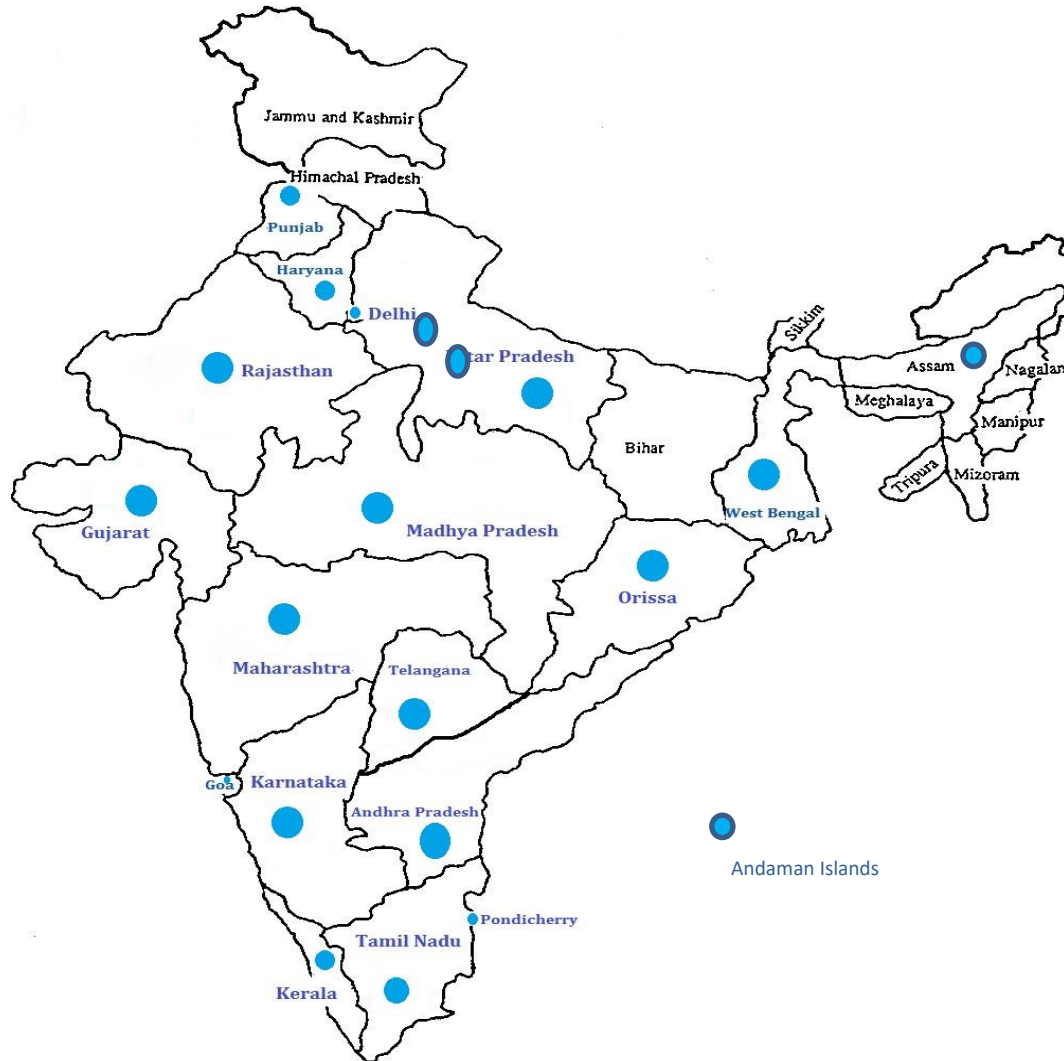
## HYP PORTFOLIO SPLIT AS ON 31<sup>st</sup> December 2020

Segment wise	No . of loans	Amount
2 W	6 17 315	2020.2
4 W	1 134	22.2
Others	216	1.0
<b>Total</b>	<b>6 18 665</b>	<b>2043.4</b>

Transaction Type	No of Transactions	Amount
Securitized (part of own book)	13	541.2
Direct Assignment	9	24.7
Own Portfolio excl securitized		1477.5
		<b>Ind AS</b>
Off Book		24.7
On Book		2018.7
<b>Total Portfolio</b>		<b>2043.4</b>



## MCSL GEOGRAPHIC OVERVIEW – HYP

DEC 31<sup>st</sup> 2020

₹. In Crores

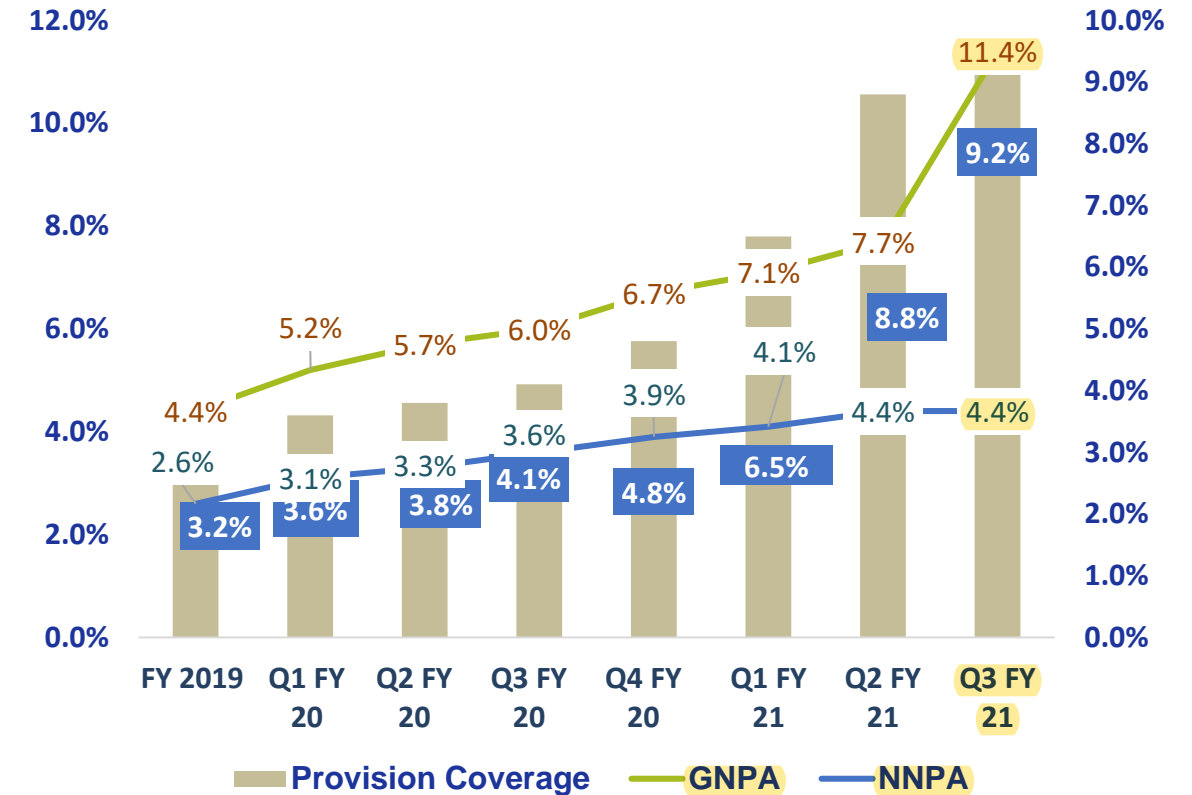
Zone	Active Clients	Regular	S3 Includes Proforma	Total	Zone wise AUM %	% of S3
South India	4 24 443	1272.6	124.7	1397.3	68	9
Western India	49 007	116.8	39.8	156.6	8	25
North India	73 692	185.1	44.7	229.8	11	19
East India	71 522	239.5	20.2	259.7	13	8
<b>Overall *</b>	<b>6 18 664</b>	<b>1813.9</b>	<b>229.5</b>	<b>2043.4</b>	<b>100</b>	<b>11.0</b>

\*Includes securitized/ assigned portfolio

## ASSET QUALITY AND PROVISION COVERAGE

₹. In Crores

<u>As Per IND AS</u>	As on 31.12.2019	As on 30.09.2020	As on 31.12.2020
<b>Own Book Portfolio</b>	<b>2677.7</b>	<b>2235.3</b>	<b>2199.6</b>
Own book NPA	6.0%	7.7%	7.1%
Proforma NPA *	-	-	4.3%
<b>Total NPA</b>	<b>6.0%</b>	<b>7.7%</b>	<b>11.4%</b>
Own book NPA (Net)	3.6%	4.4%	4.1%
Proforma NPA (Net)*	-	-	0.3%
<b>Total NPA (Net)</b>	<b>3.6%</b>	<b>4.4%</b>	<b>4.4%</b>
ECL Provision	108.8	196.3	202.5
<b>Prov as % of Loan Book</b>	<b>4.1%</b>	<b>8.8%</b>	<b>9.2%</b>



- The Proforma NPA refers to Stage 3 assets as of Dec 20, but not technically classified as Stage 3.
- Own book NPA as per books is ₹.157.14 Cr assuming no movement in DPD after Feb 29<sup>th</sup> 2020
- Proforma NPA considering movement in DPD will be additional ₹.95.14 Cr



**NPA (PROFORMA) MOVEMENT – HYP LOAN – Q3 FY 2021**

₹. In Crores

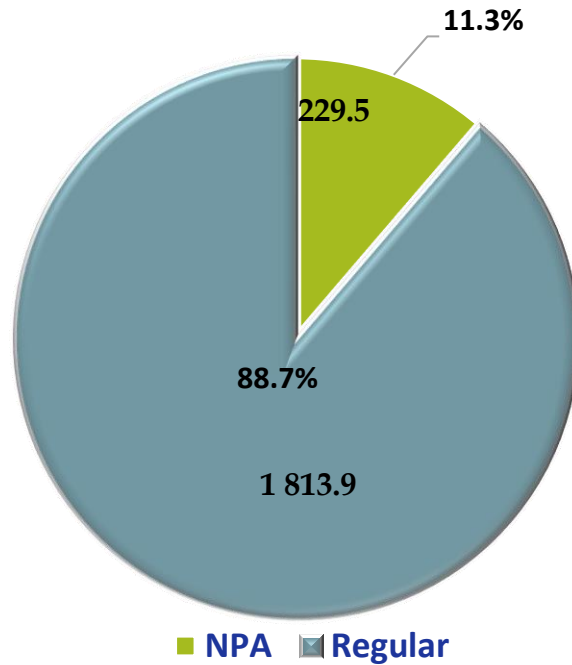
Particulars	HP Nos	Balance stock	Provision	Unrealised Income
Balance as on 28.02.20	91,693	174.16	76.70	22.47
Add: Estimated addition during Mar 20 to Dec 20	30,700	83.17	1.99	8.86
Provision made for Proforma NPA a/cs for the period Mar 20 to Dec 20			34.64	
Add: Vehicles repossessed assets sold during the period Mar 20 to Dec 20	950	6.10		
	<b>1,23,343</b>	<b>263.43</b>	<b>113.33</b>	<b>31.33</b>
Less: Moved out from Proforma NPA	17,084	13.82	6.09	0.80
Less: Repossessed vehicle sold during Mar 20 to Dec 20	1,976	8.13	3.58	1.08
Less: Vehicles repossessed assets sold during Mar 20 to Dec 20	950	6.10	-	-
Less: Amount collected during Mar 20 to Dec 20		5.92	2.61	0.11
<b>Balance as on 31.12.2020</b>	<b>1,03,333</b>	<b>229.46</b>	<b>101.05</b>	<b>29.34</b>

Overall Provision as on 31 <sup>st</sup> Dec 2020	Provision
Provision on HYP loans including additional provision	186.50
Provision on Other Loan portfolio including additional provision	15.97
<b>Total Provision in books</b>	<b>202.47</b>

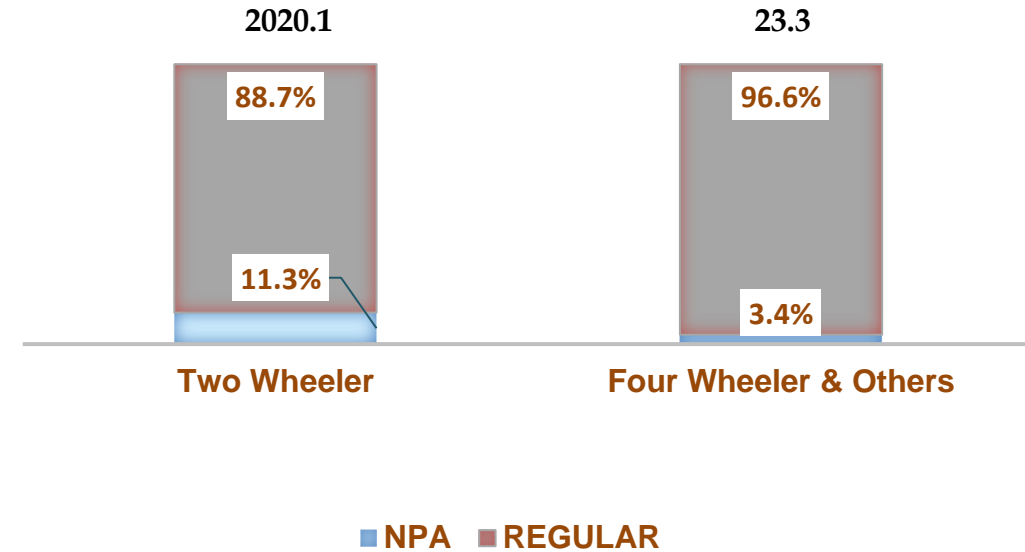
## PORTFOLIO ANALYSIS – HYP based on PROFORMA NPA

₹. In Crores

### Portfolio Analysis



### Segment – wise Analysis



## SOURCES OF BORROWING

₹ 239 Cr

Additional NCD/term  
loans/PTC received during  
the quarter

NCDs raised till Dec 20- ₹ 275 Cr  
Term Loans received till Dec 20-  
₹ 110 Cr.  
PTC with Tata Capital- ₹ 29 Cr

Bank funding - 88% of total borrowing  
as on 31 Dec 2020

₹ 8.84Cr

Collections of Sub-debt  
and Public Deposit

In Q3FY21 Public Deposits collected  
₹ 8.6 Cr., of which ₹ 1.9 Cr. is  
renewal

Additional Term Loan sanction –  
₹ 100 Cr. –from HDFC  
₹ 10 Cr from DCB.

₹ 721 Cr

WC DL roll over

In Q3FY21, ₹ 721 Cr rolled over from  
17 facilities

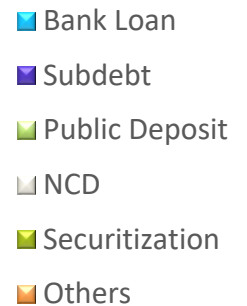
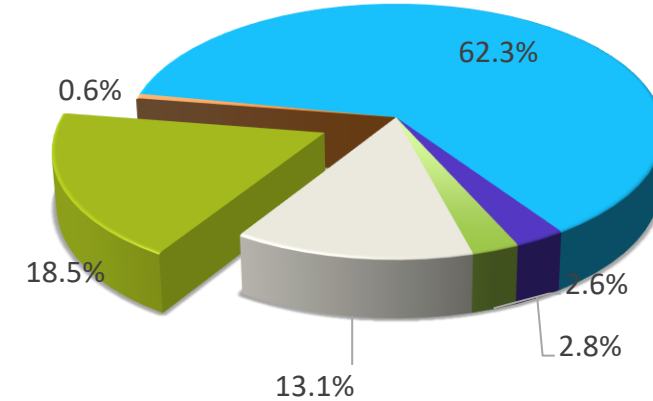
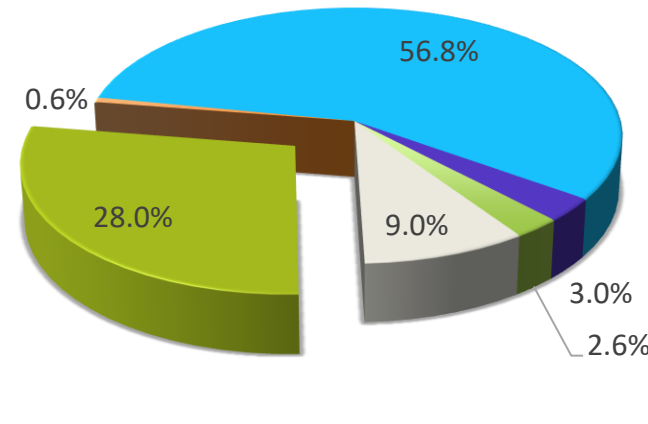
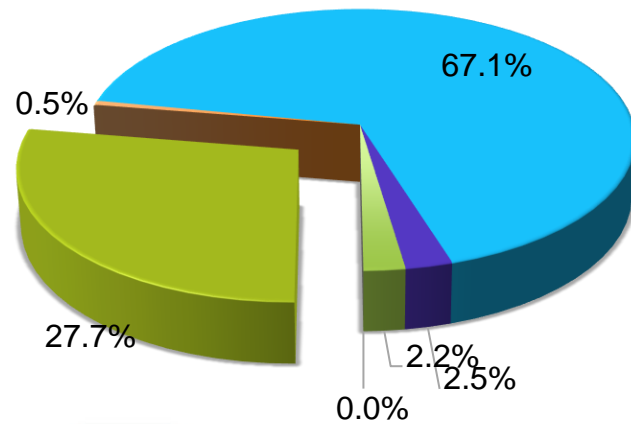
9.41%

Cost of borrowing for  
Q3 FY 21

Quarter on Quarter decrease in cost  
of borrowing from 9.67% for Q2FY21

**BORROWING PROFILE – by Instrument**

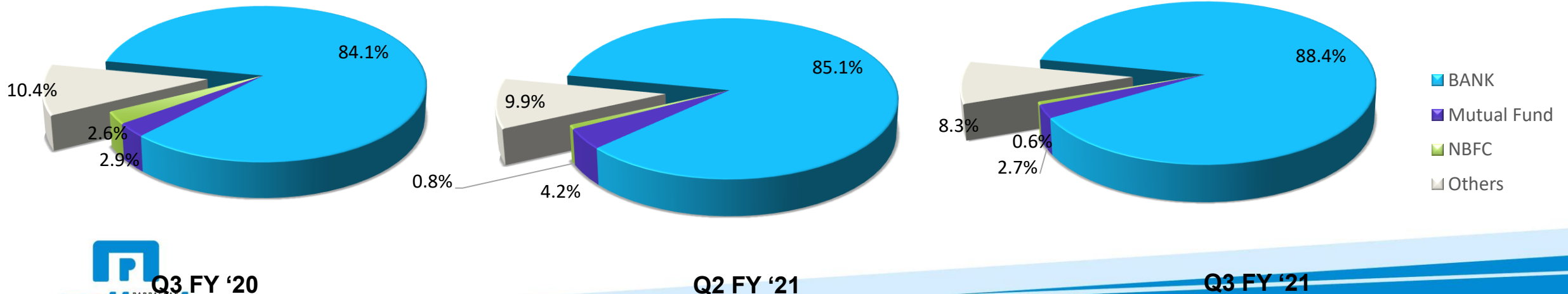
Particulars	Q3 FY '20		Q2 FY '21		Q3 FY '21	
	Amount	Cost*	Amount	Cost*	Amount	Cost*
Bank Loan	1551.0	10.2%	1096.5	9.5%	1302.6	9.1%
Sub debt	58.8	11.5%	58.9	11.7%	59.3	11.7%
Public Deposit	50.7	8.2%	50.9	7.5%	54.0	7.6%
NCD			175.0	9.5%	275.0	9.4%
Securitization	640.9	10.5%	542.0	10.2%	387.2	10.2%
Others	11.9	11.5%	12.0	11.4%	12.0	11.4%
<b>Total</b>	<b>2313.3</b>	<b>10.3%</b>	<b>1935.3</b>	<b>9.7%</b>	<b>2090.1</b>	<b>9.4%</b>



**BORROWING PROFILE – by Investor Profile**

₹. In Crores

Particulars	Q3 FY '20		Q2 FY '21		Q3 FY '21	
	Amount	Cost	Amount	Cost	Amount	Cost
Banks	1946.2	10.2%	1647.6	9.6%	1848.6	9.4%
Mutual Funds	66.3	11.3%	81.0	9.7%	56.7	9.9%
NBFCs	60.7	10.6%	14.6	10.0%	12.5	9.9%
Others	240.2	10.3%	192.2	9.9%	172.3	9.9%
<b>Total</b>	<b>2313.3</b>	<b>10.3%</b>	<b>1935.4</b>	<b>9.7%</b>	<b>2090.1</b>	<b>9.4%</b>



**Disbursement &  
Collection**

- The post COVID volumes are seen rising in the 2 W segment, we have been cautious in terms of lending; tighter norms applied; don't want to rush and disburse for sake of generation of AUM; saw Q3 FY21 being 187% higher than Q2 FY 21 and 34% lower v/s Q3 FY20.
- Industry has seen an increase of 12 % in Q3 FY 21 V/s Q3 FY20
- Non-South disb. share was 36 %; South concentration reducing, augurs well for long term
- Overall collections seen growing in previous quarters, and Q3 continued the same way , NACH clearances reduced, leading to higher collection done thru cash/other feet on street team; Increased the cost of collection, could continue for a while.

**NPA**

- While accounting in the books without moving DPD after 29<sup>th</sup> Feb 2020, based on Dec 31, 2020 DPD any differential provision and more created in the books; reclassification would not lead to any impact on the financials
- NPA including Proforma NPA seen @ ₹ 252.3 Cr (11.4%) as on 31.12.20 and expected to go up in absolute terms in Q4 21, expecting Proforma GNPA (Own) of 12.5%
- Under IND AS overall provision is @ 9.2% of On-book portfolio.

**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 during the moratorium period, 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**

- With support of the initiatives taken by the Government and Reserve Bank through schemes like TLTRO/PGC etc., have been able to get substantial amount by way of NCDs. 42 % through NCDs in Q3 FY21
- Confidence that the lenders / investors have in the Company is high; seen through the traction on the fresh proposals that are being discussed & sanctions coming thru; based on need for funds/ CRAR PTC/DA would be taken up
- Liquidity robust; pricing going down

**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, as per the guidance given the cost of funds have gone down to 9.4% for Q3 FY21, based on the reductions done post end of the quarter, expecting the Q4 price to be even lower.

**Securitization/  
DA**

- 1 Securitization valuing ₹ 29 Cr (net of MRR) done during Q3 FY21, 32 transactions so far, 10 closed. Total amount collected ₹ 2667 Cr .
- 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.

**Geographical  
expansion**

- Had reduced rollout during the pandemic ; now slowing restarted
- 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 , consumer durable to start in FY 21; Co-Lending as a form of sourcing also expected to start in Q4 FY21 in areas where our own presence is lower



**Staff attrition &  
Cost Control**

- Monthly staff attrition at 2.26 % in Q3 FY '21 v/s 1.97 % in Q2 FY 21.
- Dealer incentives has seen a rise @ 1.36 % for Q3FY 21; 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
- Collections costs constantly rising as NACH collections is seeing a decline and collection on the ground was difficult. Was at 5.3 % in Q3 FY21 v/s 4.2% in Q3 FY 20 and 3.1 % as on Q2 FY21

**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**

- Q3 FY21 PAT of ₹ 14.0 Cr v/s ₹ 19.0 Cr in Q3 FY20 ; lower on account of overall lower volumes and higher provisioning on account of higher NPA, contingency provision towards COVID 19 and higher cost of collection;
- Hopeful of improvement in the ground situation going forward with festive seasons now coming up and overall sentiments set to improve.

**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. With things improving on the ground, the expectation is for better disbursements, the pent-up demand for 2 W and used car to ensure maintenance of social distancing would all augur well for the Company. With sufficient provisioning, the Company is confident that there will be minimal additional hit and Q4 FY 21 will see better figures and FY 22 will be a robust year.

# THANK YOU

