



#PurposeMuthootBlue

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



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



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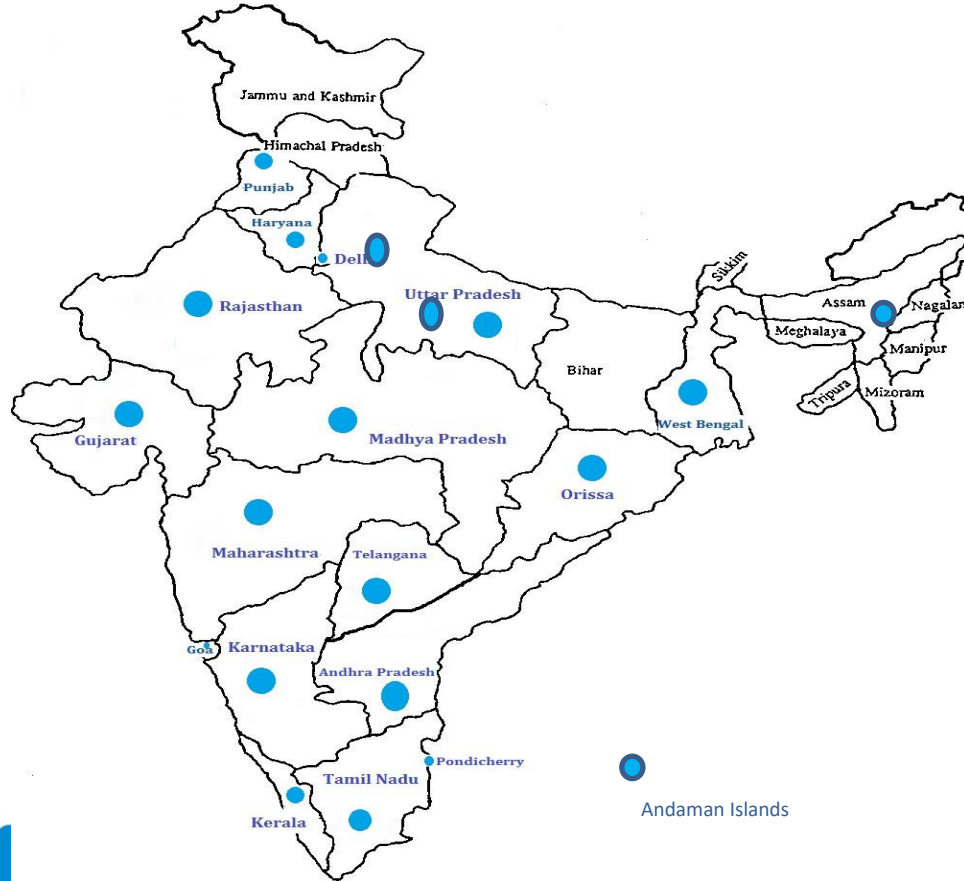
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OPERATIONAL SNAPSHOT

Quarter ended 30th 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**
30th 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.(30th Sep 2022- ₹ 43.84 Crs).**

KEY UPDATES ...

Credit costs

- The Company, not availing the relaxation given vide RBI Circular of 15th Feb 2022, and adhering to circular of 12th 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 30th 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 & 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
Disbursement :							
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%
Total Disbursements	298.4	310.5	-4%	327.7	626.1	446.6	40%
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%
Net Interest Income(NII)	74.7	60.0	25%	73.7	148.4	117.7	26%
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%
Profit Before Tax	24.4	-10.6	330%	19.8	44.2	-30.6	245%
Profit After Tax	18.3	-8.1	326%	14.3	32.6	-22.8	243%
	Q2 FY 23	Q2 FY 22		Q1 FY 23	H1 FY 23	H1 FY 22	
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 30th 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
Shareholders Funds	420.3	402.0	536.7	Deferred Tax Assets	102.8	112.8	46.5
Bank Debts	959.4	1014.0	1322.6				
Securitizations 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
Total Borrowings	1567.5	1528.7	1914.8	Total Loans *	1591.1	1598.1	1711.5
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
Total	2052.3	1989.6	2514.1	Total	2052.3	1989.6	2514.1

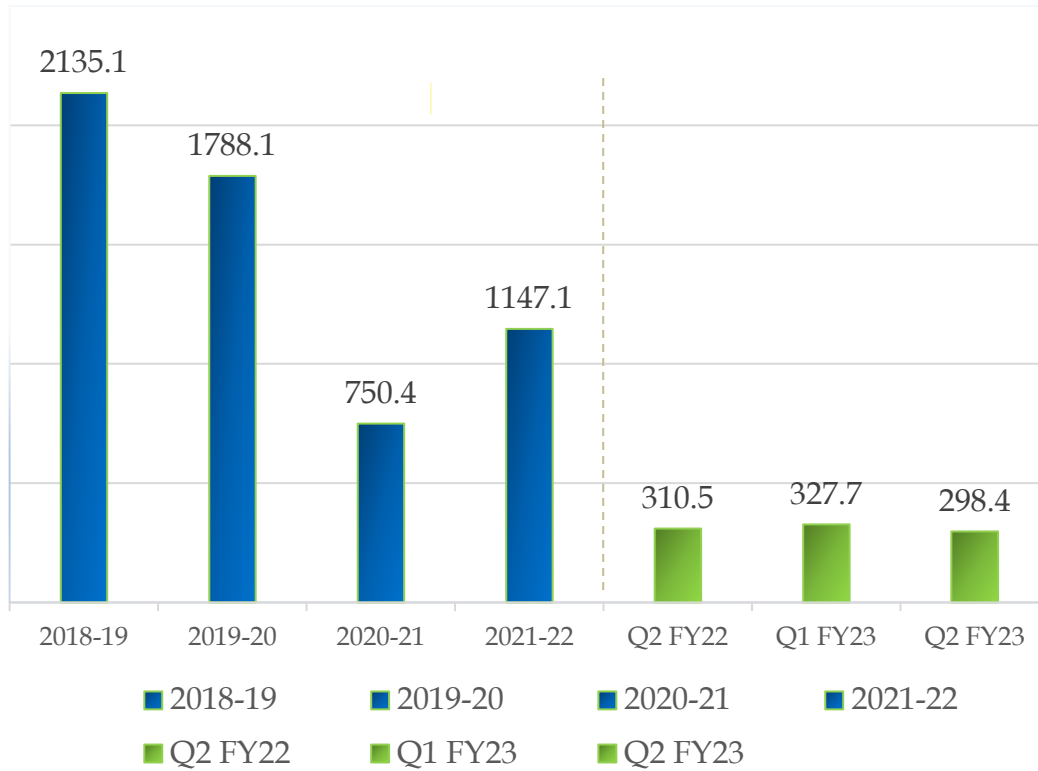
FINANCIAL SUMMARY

₹. In Crores

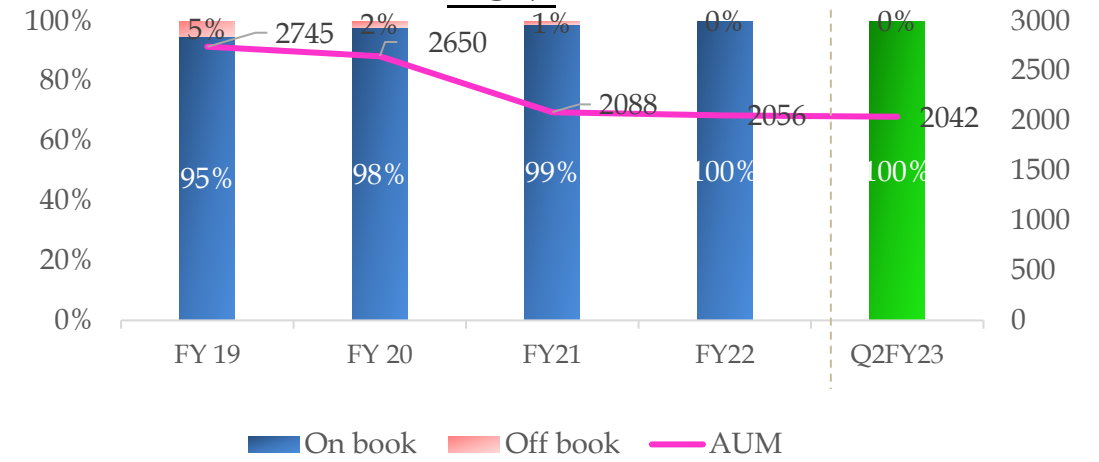
Year	Paid up Capital	Networth	Disbursements	AUM	Revenue	PAT	Market Capitalisation	Book Value
2013-14	12.5	118.6	588.6	690.6	158.8	22.2	120.3	94.9
2014-15	12.5	133.3	648.8	845.1	191.3	22.3	252.2	106.6
2015-16	12.5	147.9	928.0	1038.8	228.5	22.9	185.8	118.3
2016-17	12.5	178.0	1297.8	1439.7	284.2	30.1	342.9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

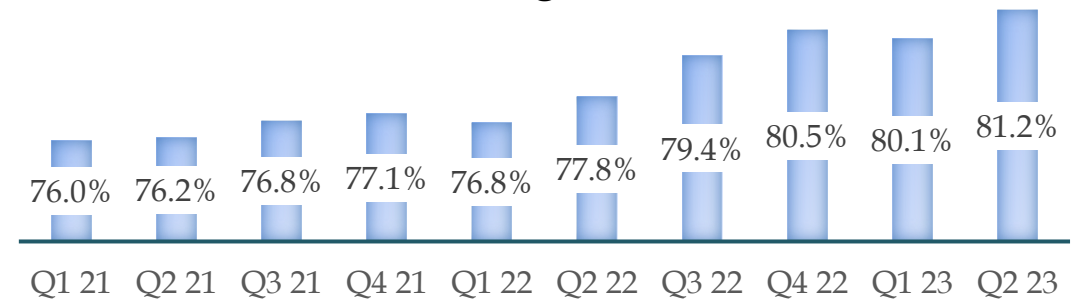
- *QIP done in November 2017

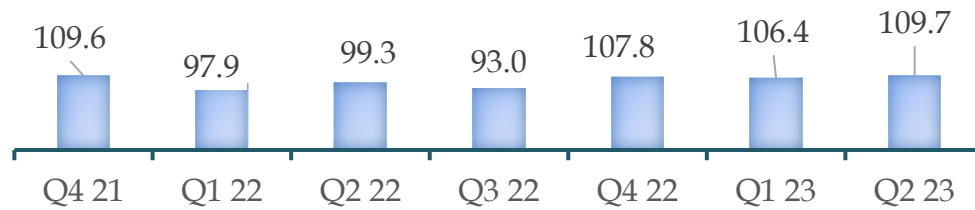
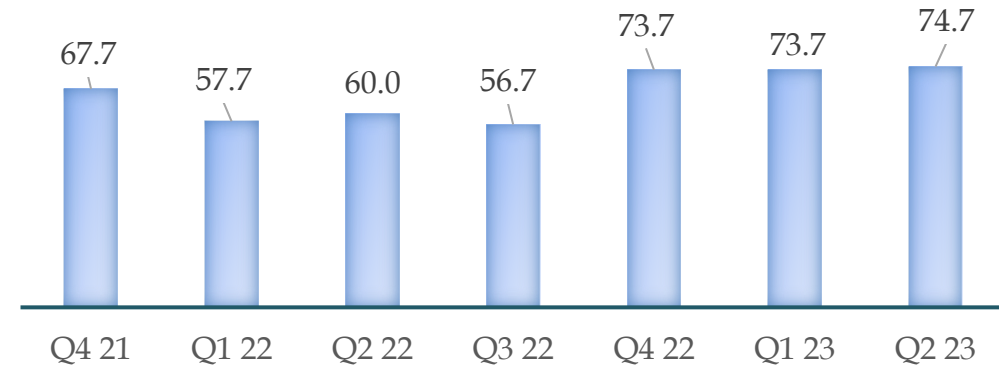
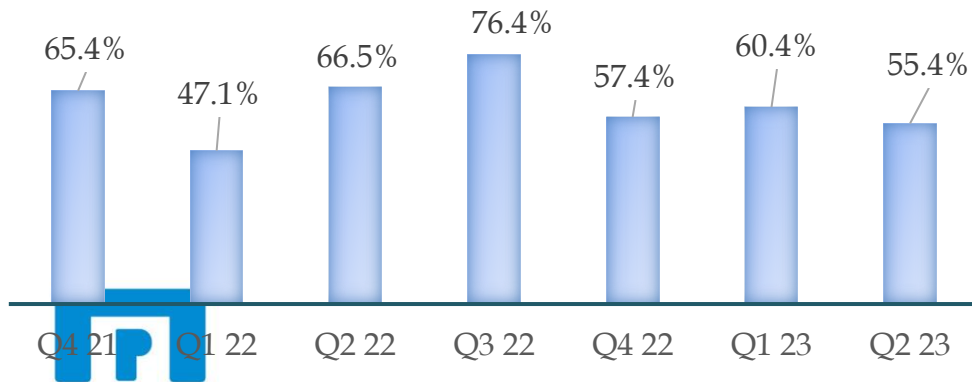
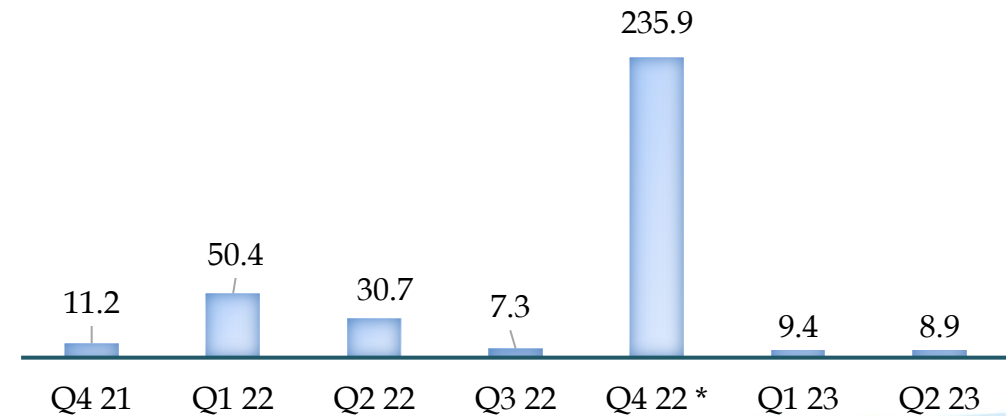
DISBURSEMENTS

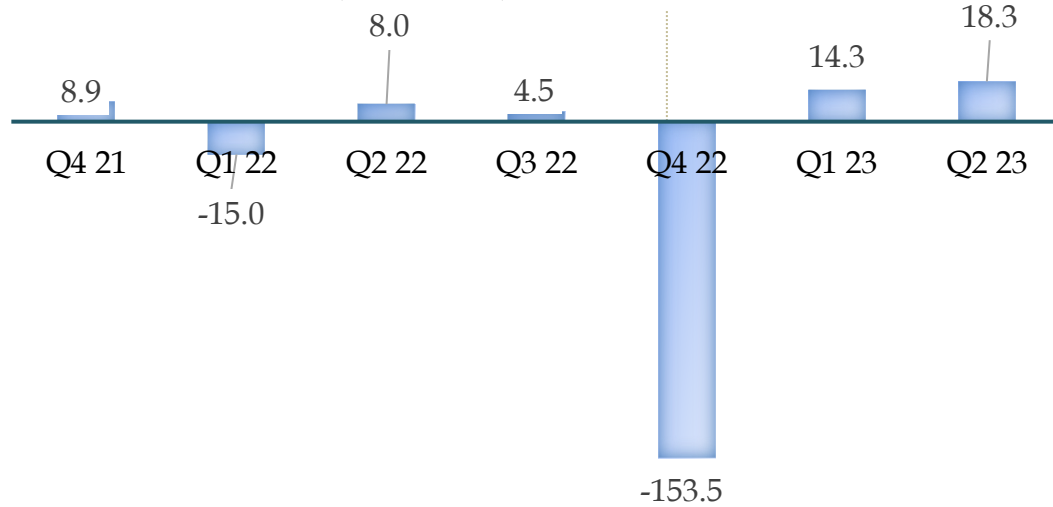
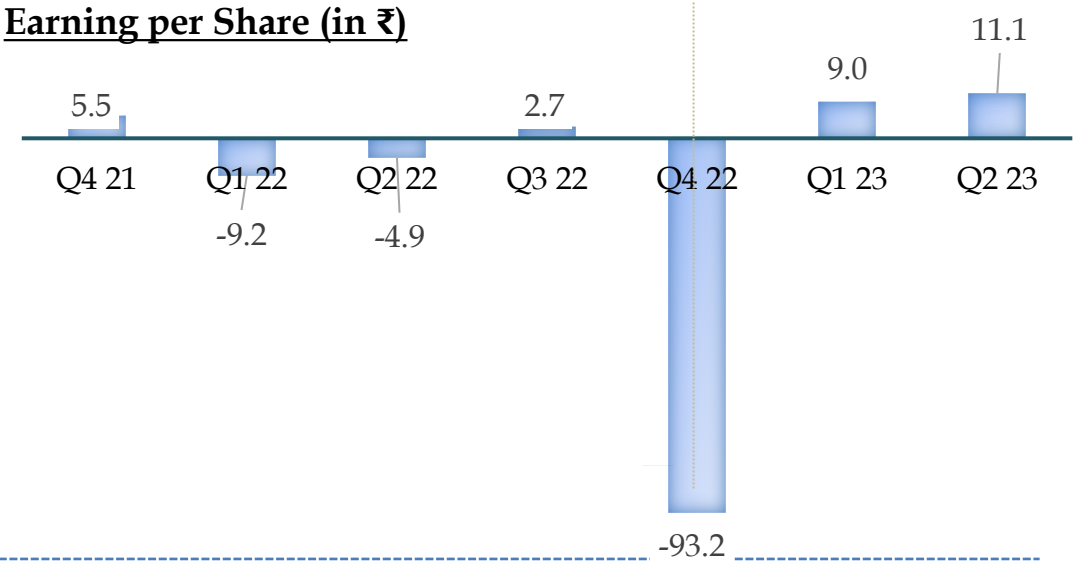
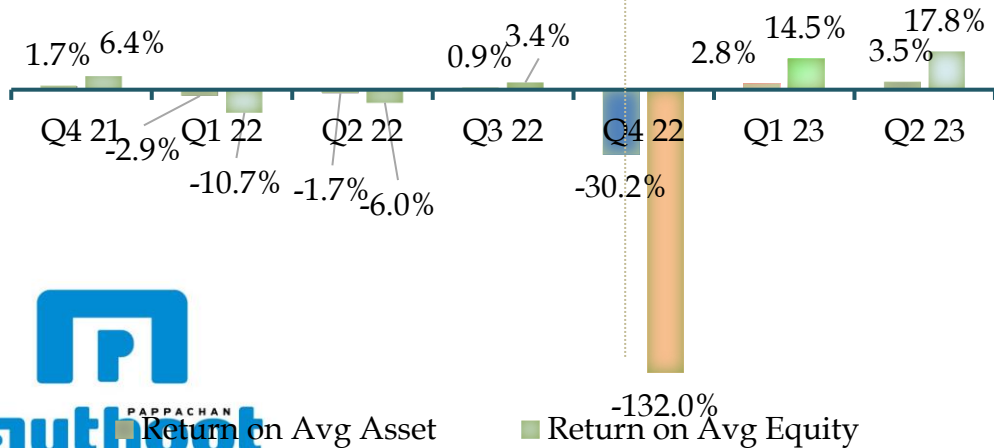
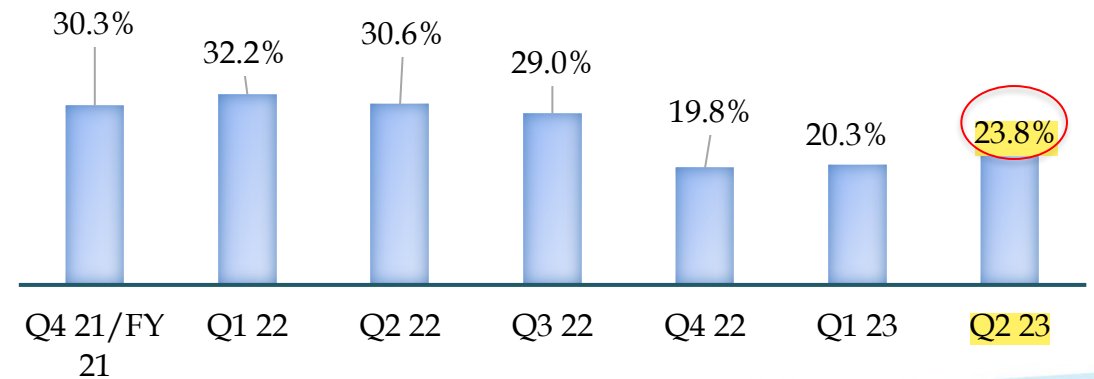
Growth (year)	8%	-16%	-58%	53%
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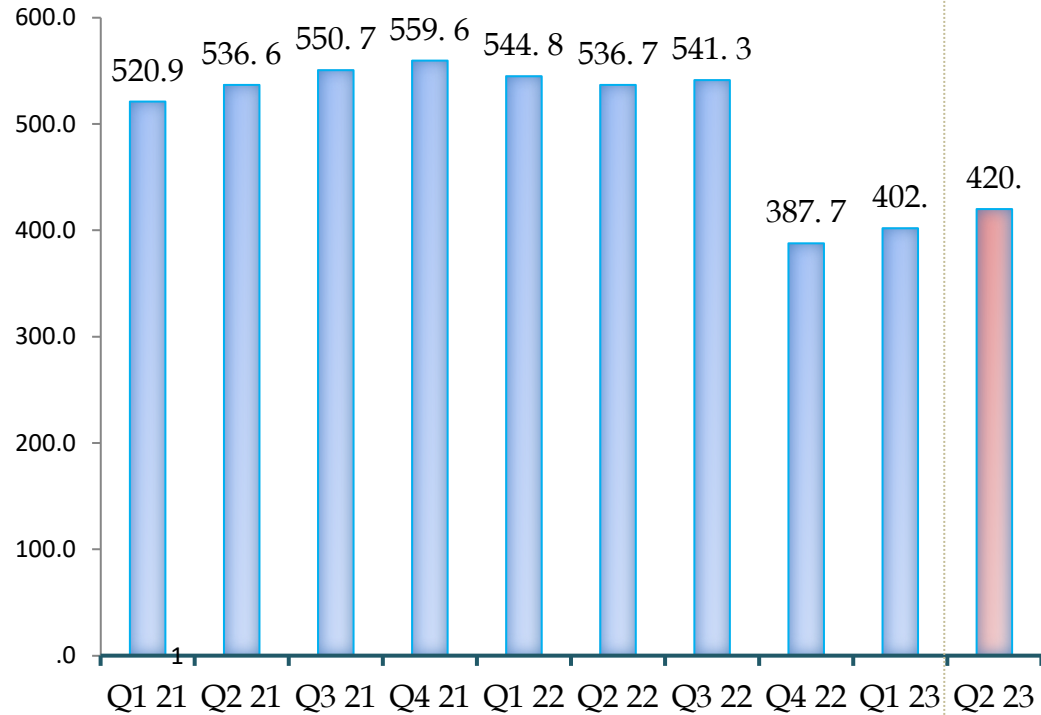
AUM

Growth(year)	22%	-3%	-21%	-2%
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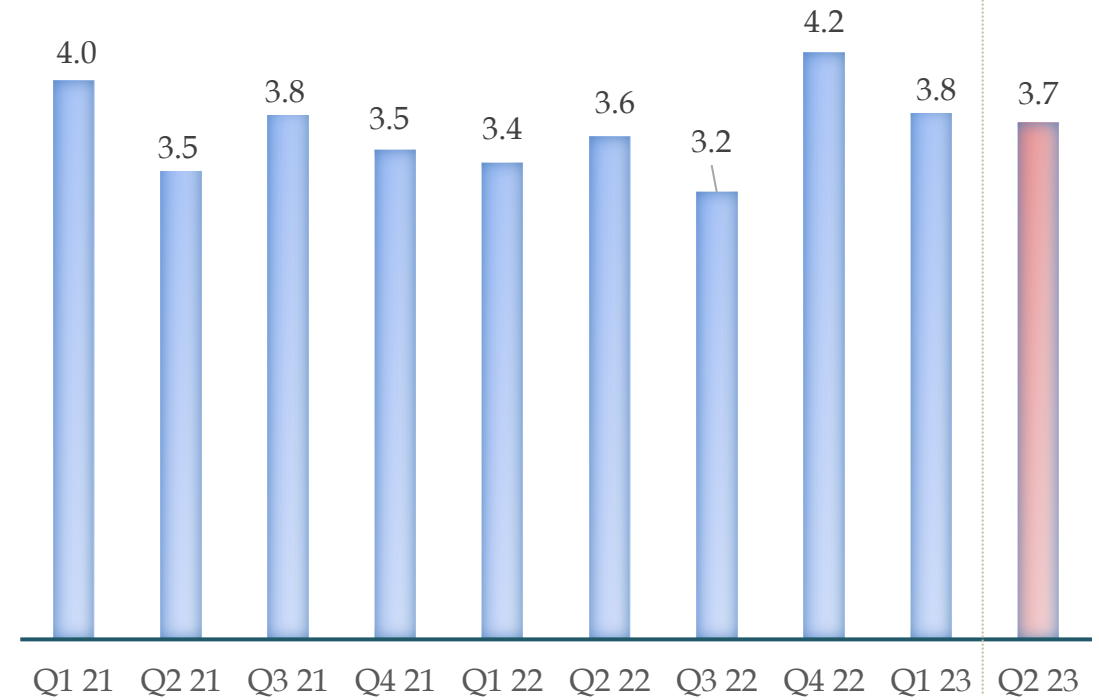
Average LTV

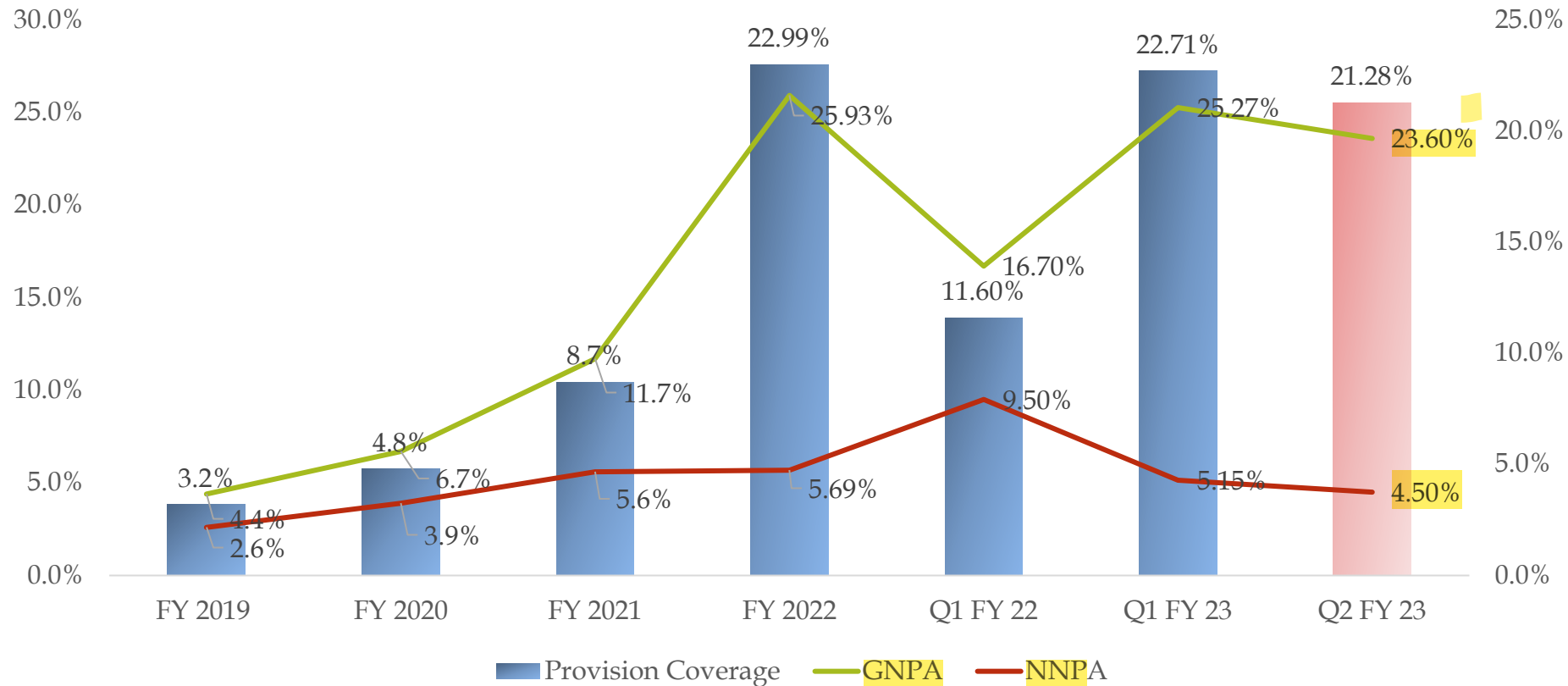
Revenue (in ₹ crores)Net interest income (in Crores)OPEX as a % of NIILoan Loss Provisions and Write offs (in Crores)

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

Net worth (in Crores)

BV (₹)	316.72	326.27	334.80	340.21	331.25	326.33	329.1	235.7	244.5
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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 30th Sep 22.**

EXPECTED CREDIT LOSS (ECL)

₹. In Crores

As on 30.09.2021

Particulars	Outstanding	Provision	ECL%	IRACP%
Total	1980.55	253.86	12.8%	5.84%
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

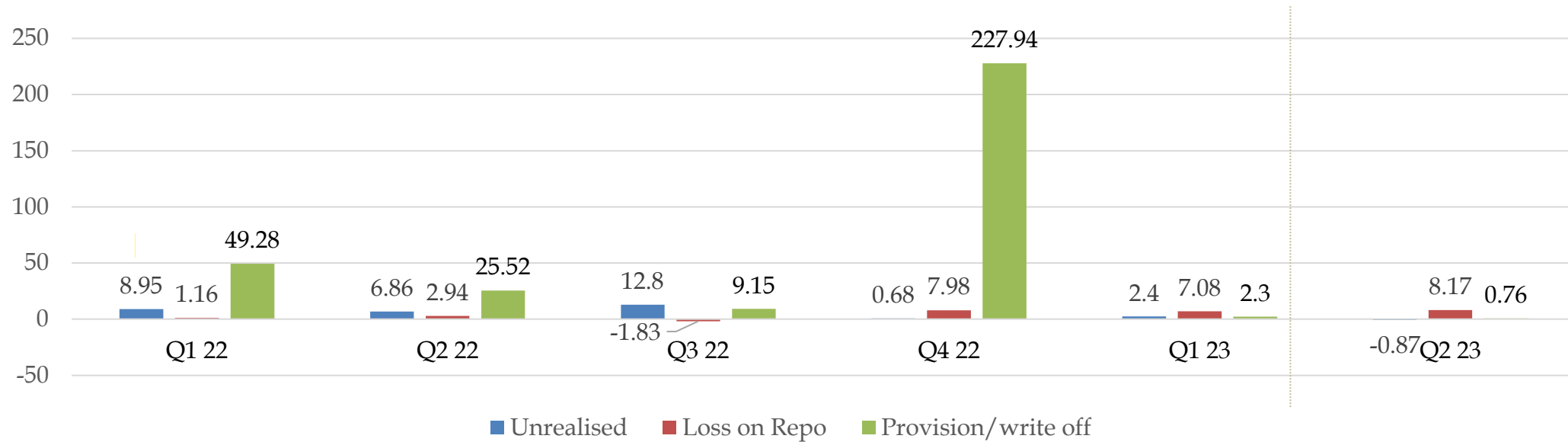
Particulars	Outstanding	Provision	ECL %	IRACP%
Total	2081.9	472.72	22.71%	8.45%
S1 and S2 (Std assets)	1444.46	29.77	2.06%	0.40%
S3 (includes soft NPA)	502.18	417.75	83.19%	31.26%
S1 and S2 Other Loans (Std Assets)	111.32	1.26	1.13%	0.54%
S3 Other Loans	23.94	23.94	100.00%	52.59%

As on 30.09.2022

Particulars	Outstanding	Provision	ECL %	IRACP%
Total	2036.3	433.24	21.28%	8.23%
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%

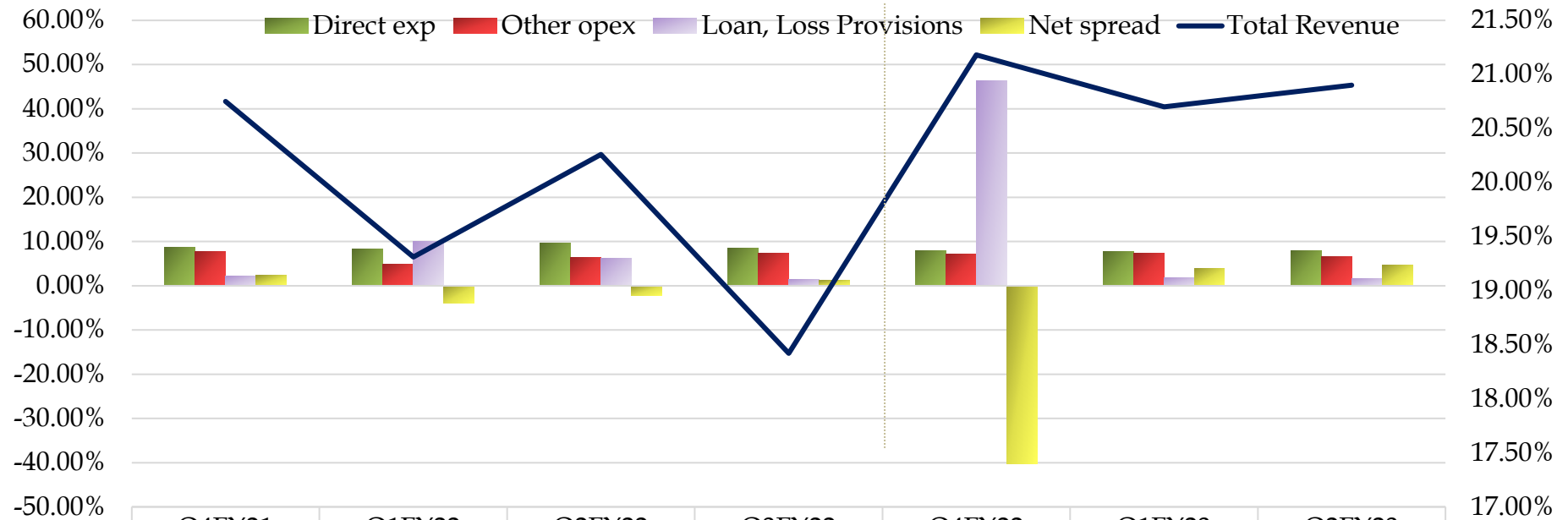
MAIN FACTORS IMPACTING PROFITABILITY - DELINQUENCIES

₹. 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%

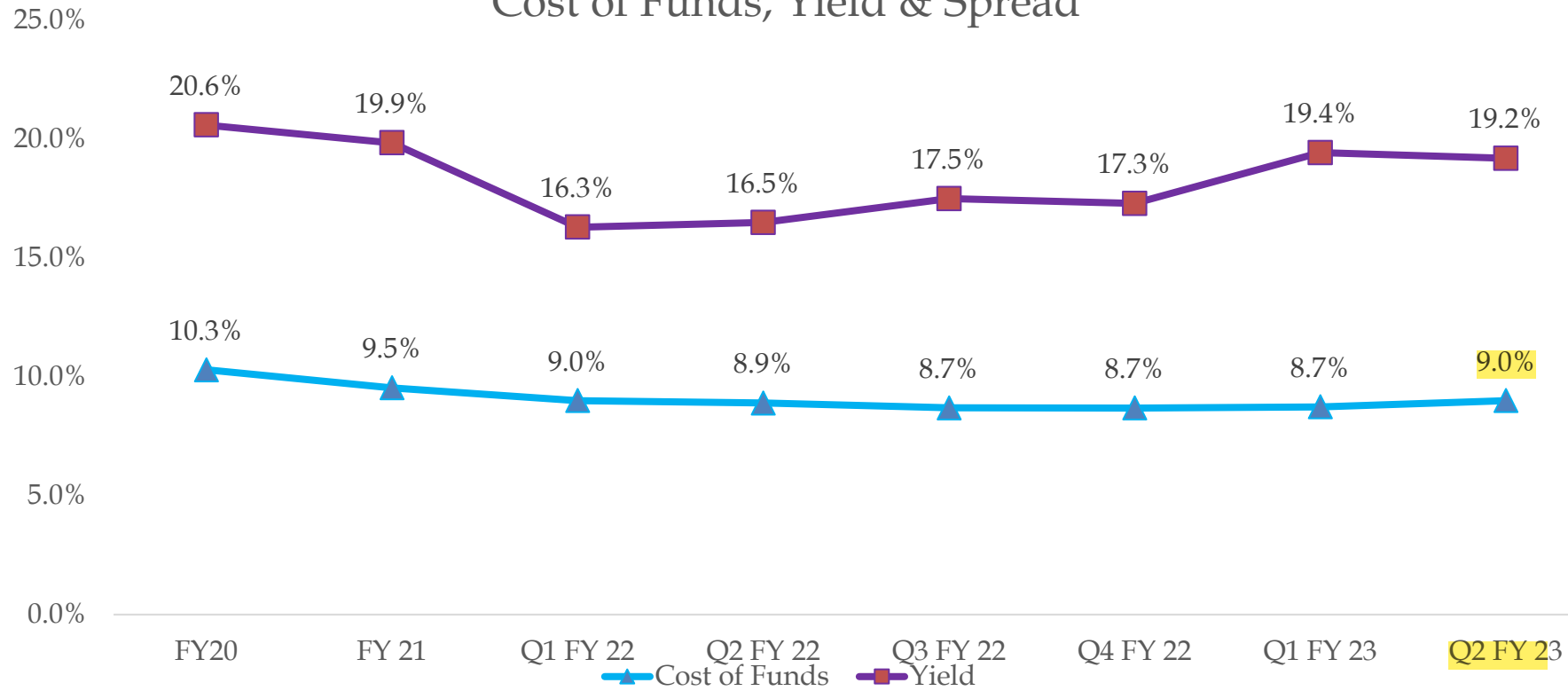
* From Q4FY22 onwards the credit costs, includes provisioning on Soft NPA as per the RBI circular dated 12th Nov 2021

SPREAD ANALYSIS

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

ANALYSIS OF COST & YIELD

Cost of Funds, Yield & Spread



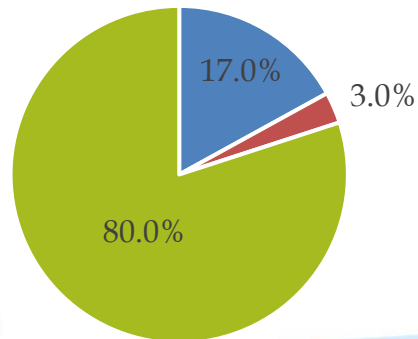
ZONEWISE DISBURSEMENT (RETAIL LOANS) - Y-o-Y-Quarterly

₹. 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%

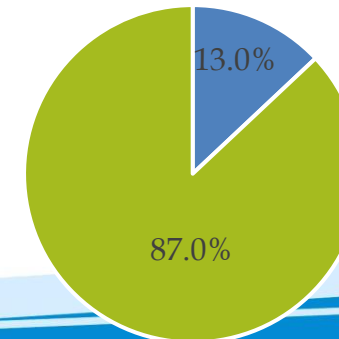
Share of Branch and Dealer of zone-wise disbursement

Q2 FY 23



■ Branch
■ HO
■ Dealer

Q2 FY 22



■ Branch
■ Dealer

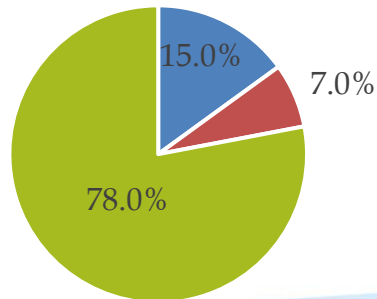
ZONEWISE DISBURSEMENT (RETAIL LOANS) - Y-o-Y- Half yearly

₹. 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%

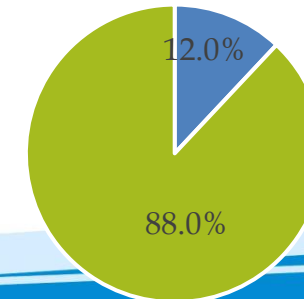
Share of Branch and Dealer of zone-wise disbursement

H2 FY 23



■ Branch
■ HO
■ Dealer

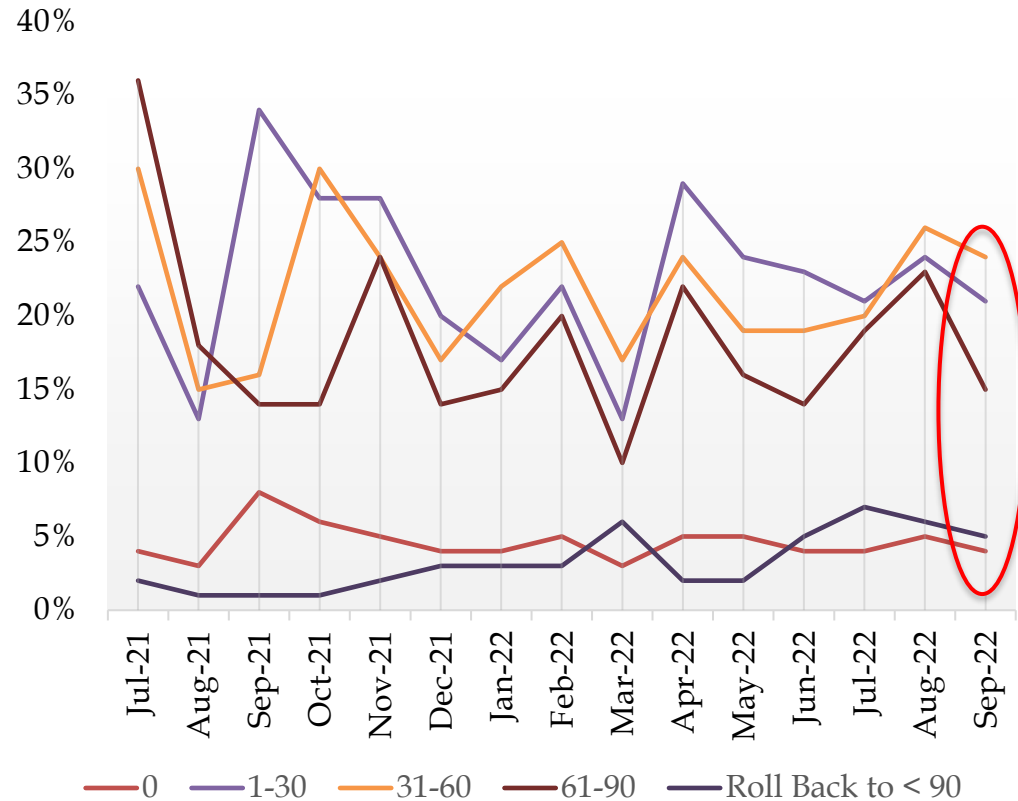
H2 FY 22



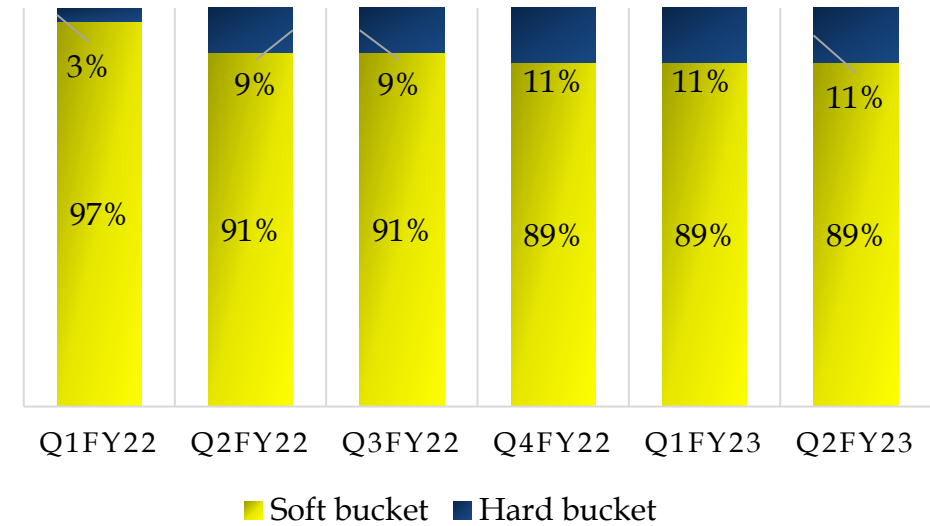
■ Branch
■ Dealer

COLLECTION PERFORMANCE MONITORING (HYP)

₹. In Crores

Bucket-wise Flow

Collection Performance

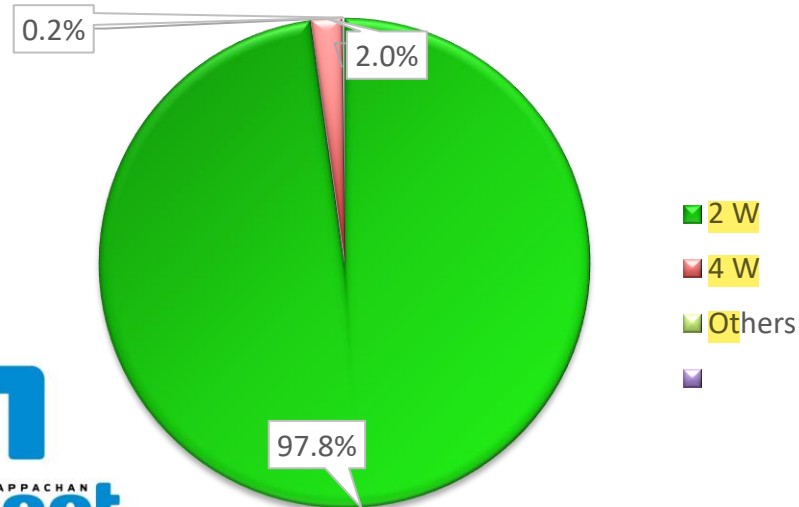


₹. In Crores

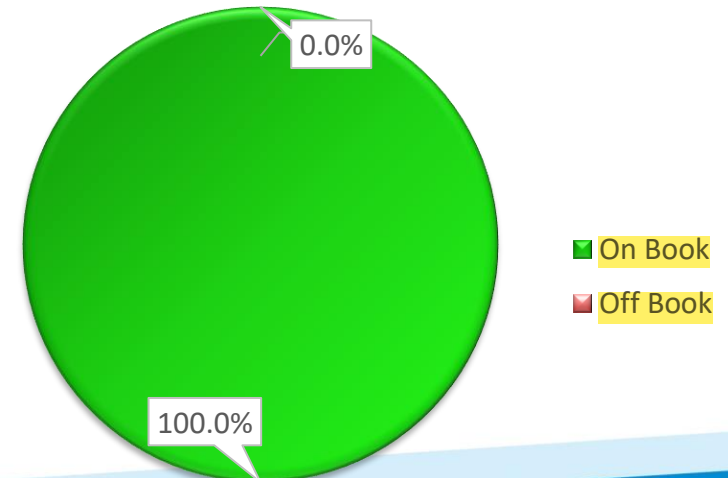
	Q1 FY 22	Q2 FY 22	Q3 FY 22	Q4 FY 22	Q1 FY 23	Q2 FY 23
Soft Bucket (1-90)	274	304	316	319	307	310
Hard Bucket (>90)	8	30	31	41	38	37
Total	282	334	347	360	345	347

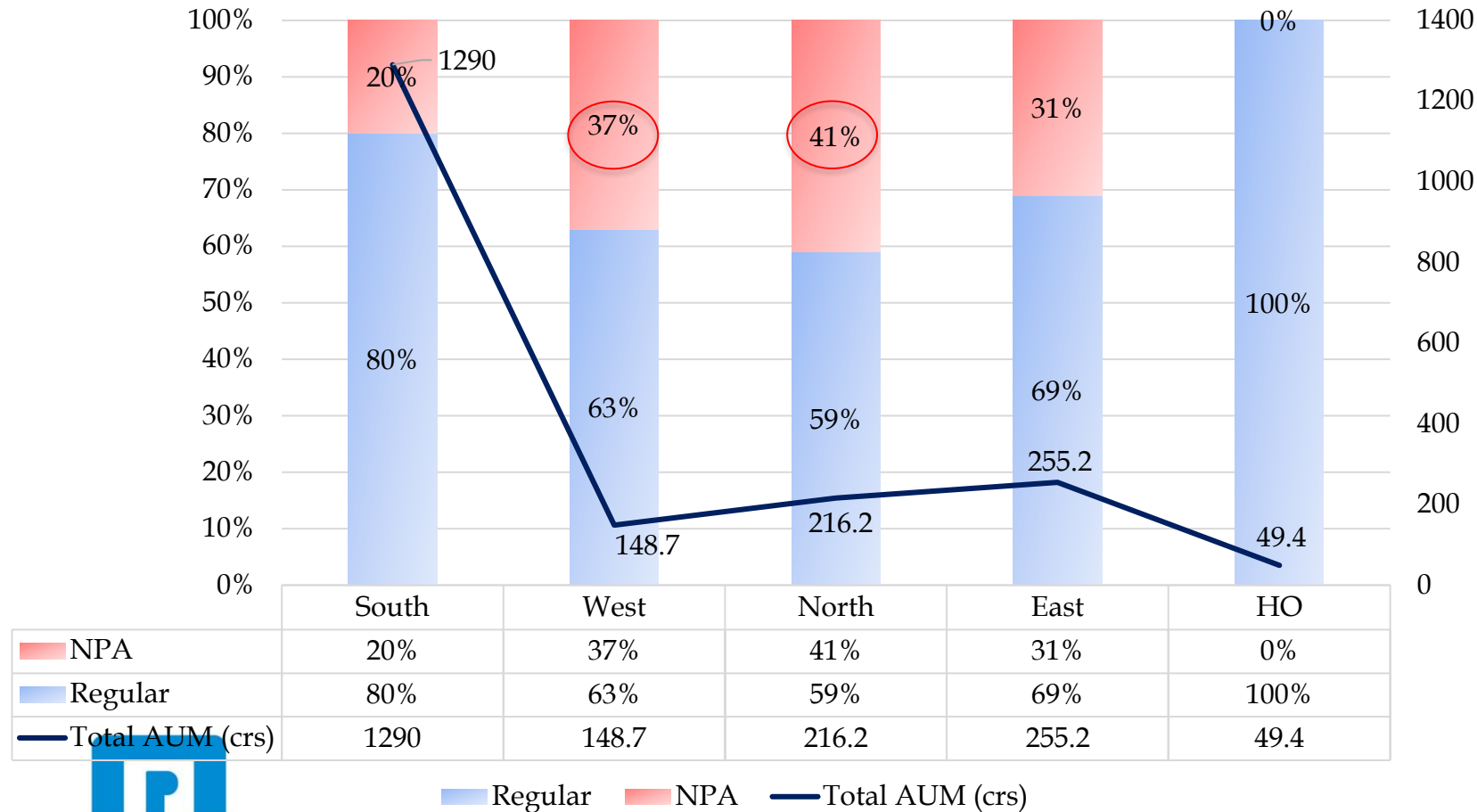
RETAIL PORTFOLIO SPLIT AS ON 30th Sep 2022

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
Total	4 98 022	1959.5



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
		Ind AS
Off Book		6.0
On Book		1953.5
Total Portfolio		1959.5



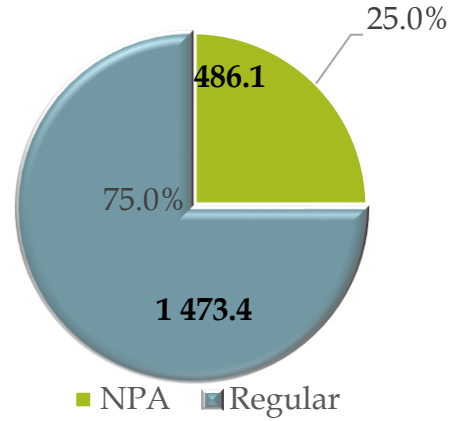
MCSL GEOGRAPHIC OVERVIEW - RETAIL LOANS

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

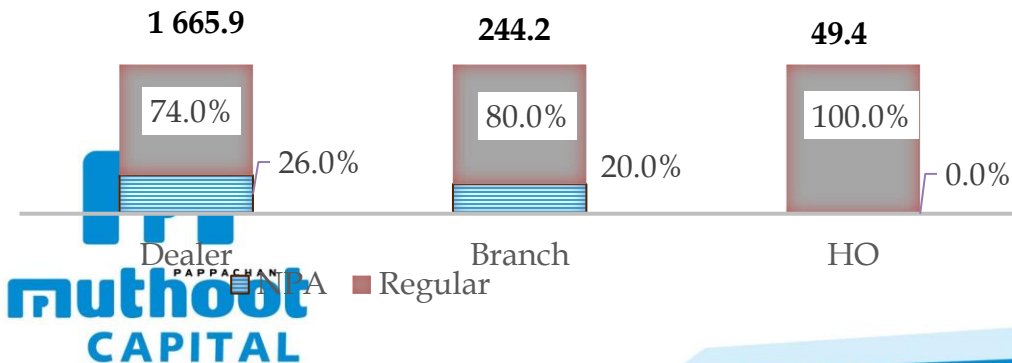
Portfolio Analysis



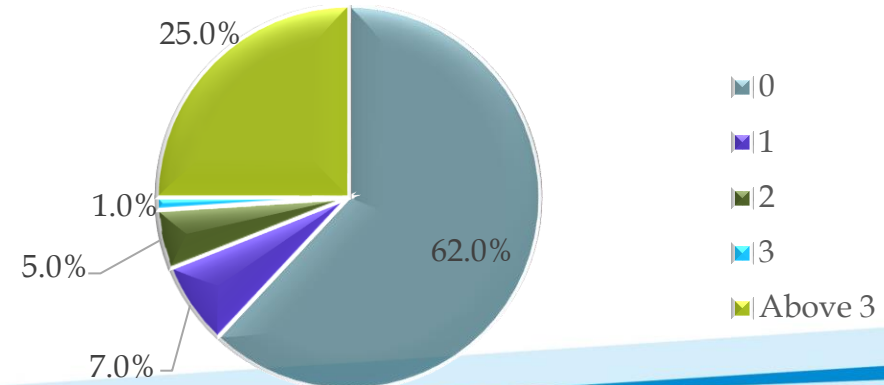
Segment - wise Analysis

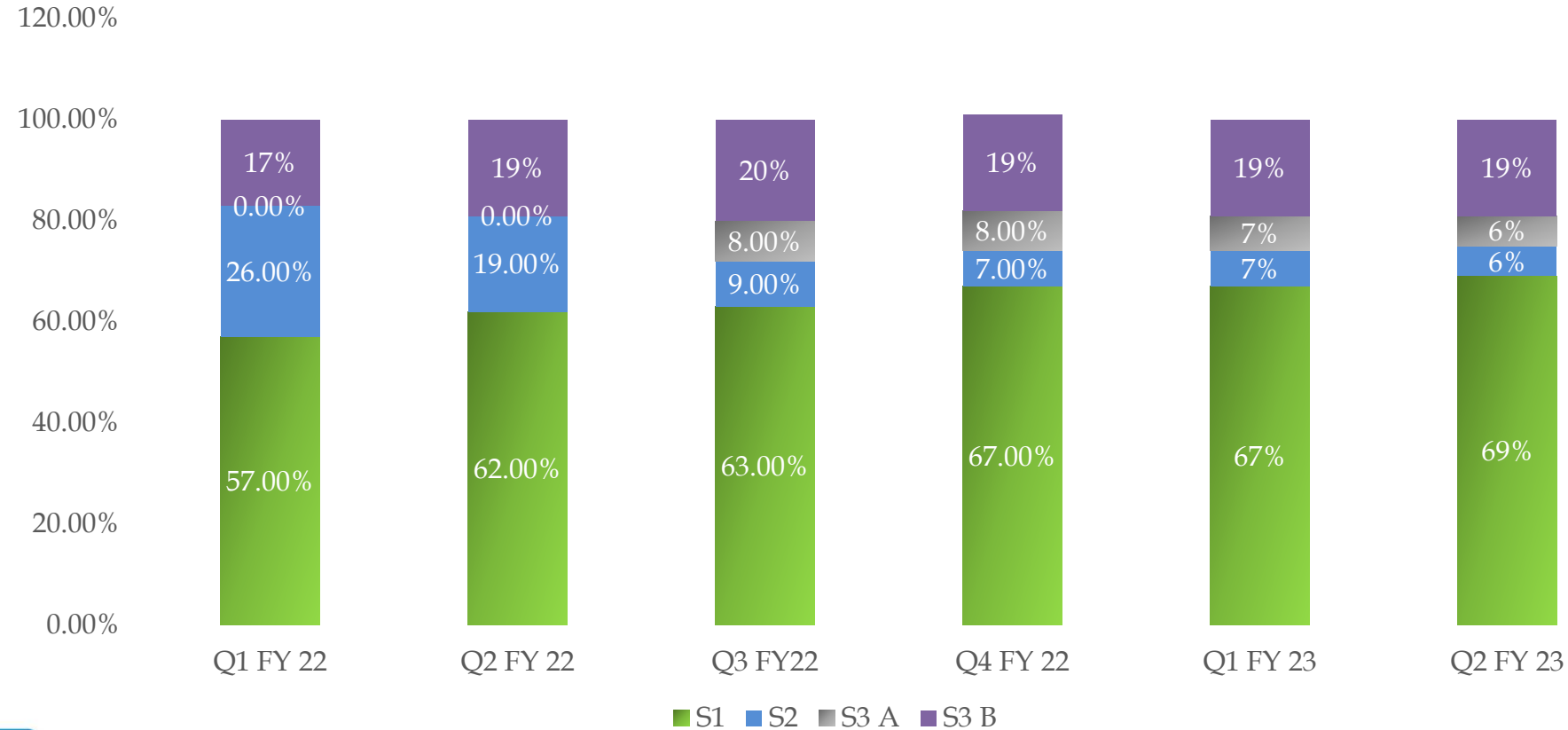


Source - wise Analysis



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 th Sep 2022	Provision
Provision on HYP loans including additional provision and on standard accounts	432.12
Provision on Other Loan portfolio	1.12
Total Provision in books	433.24

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

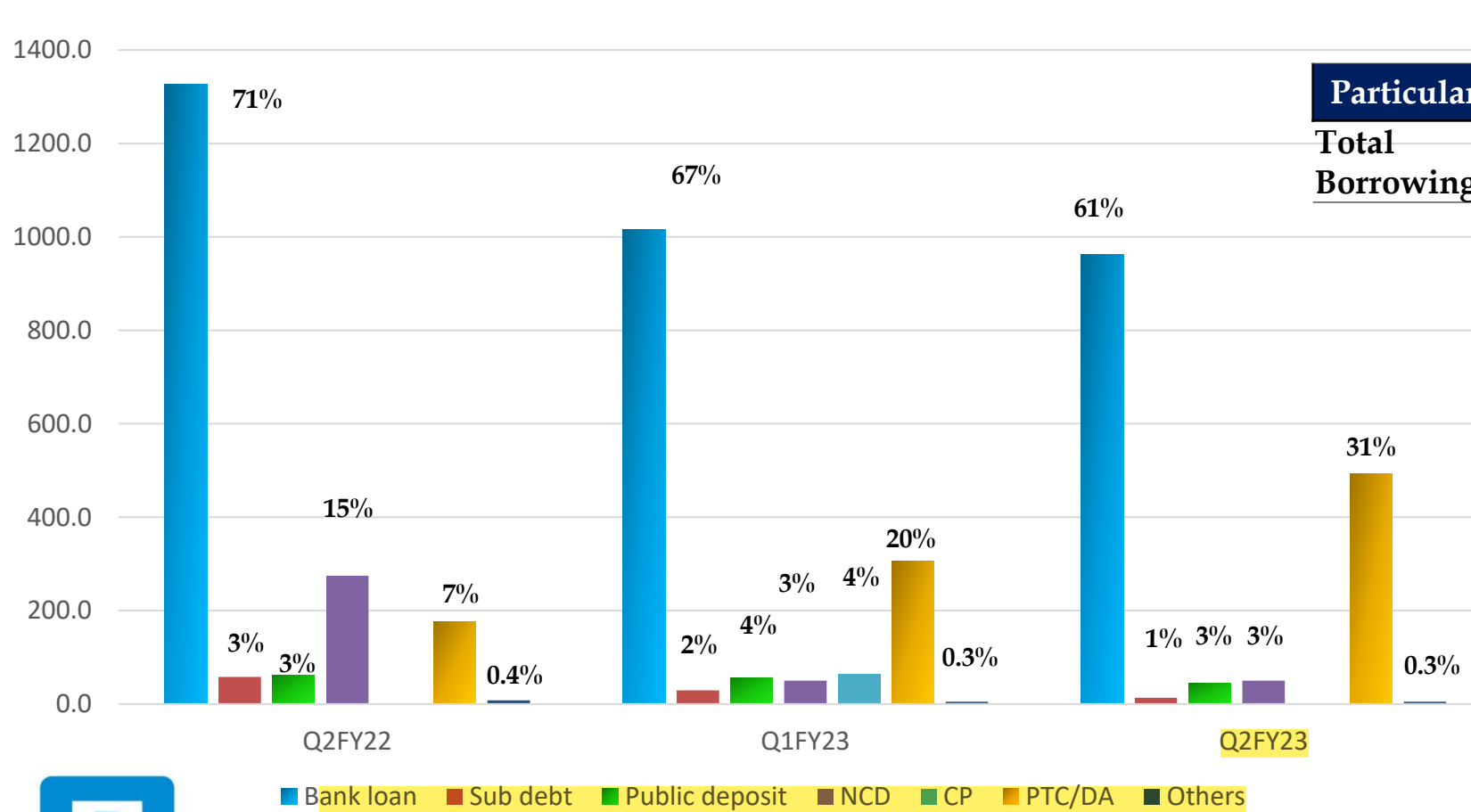
WCDL roll over

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

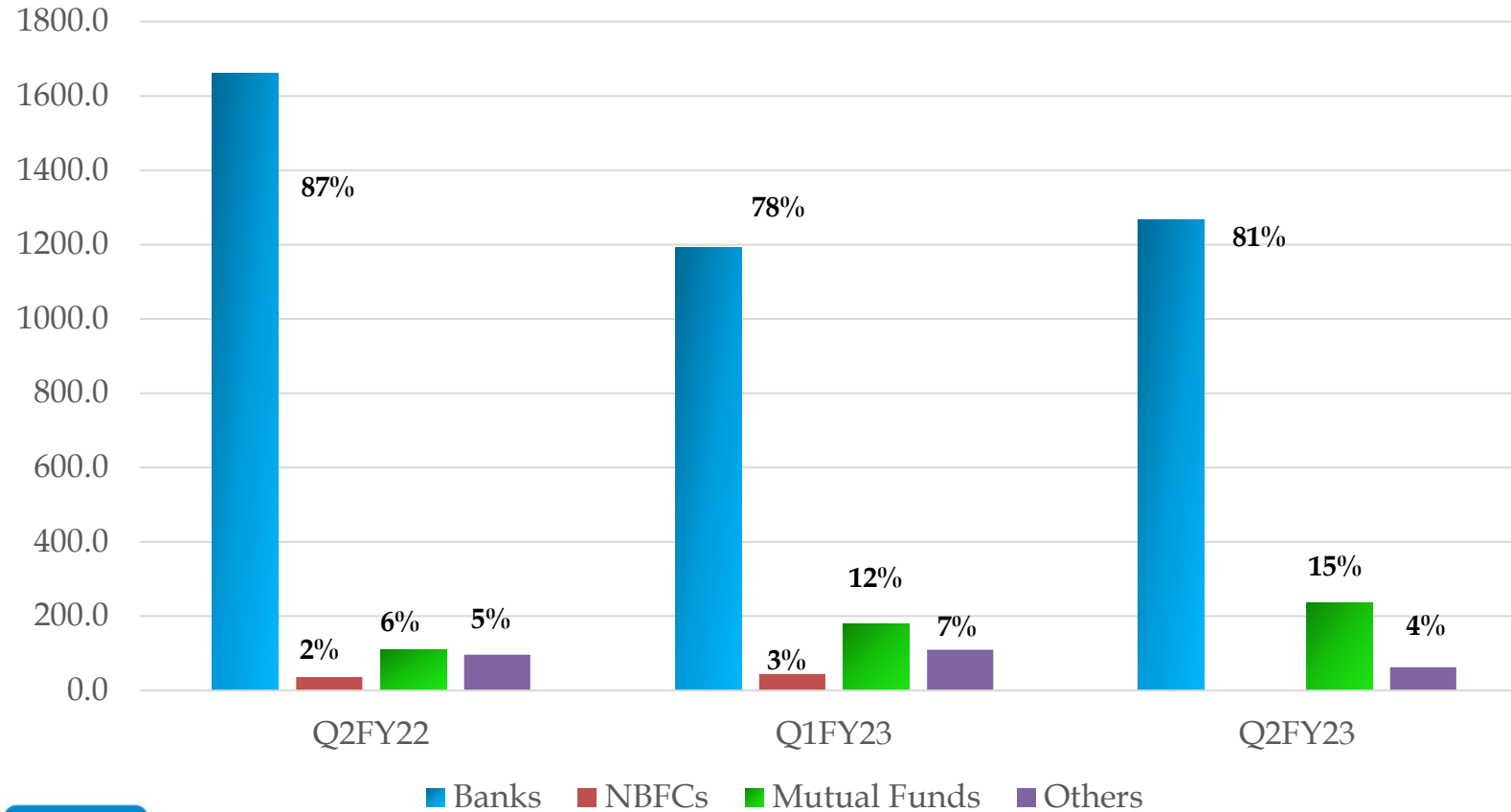
Q-o-Q increase in cost of borrowing
from 8.74% for Q1FY23 to 8.97%.

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%
Total	8.9%	8.7%	9.0%

**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 12th 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 2nd 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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