



MCSL/SEC/20-21/57

August 10, 2021

**BSE Limited**  
Phiroze Jeejeebhoy Towers  
Dalal Street,  
Mumbai - 400 001  
**Scrip Code - 511766**

**National Stock Exchange of India Limited**  
Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex,  
Bandra (E), Mumbai - 400 051  
**Trading Symbol - MUTHOOTCAP**

Dear Sir/Madam,

**Sub: Regulation 33 - Unaudited Financial Results with Limited Review Report for the quarter ended June 30, 2021**

Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the unaudited financial results for the quarter ended June 30, 2021 along with Limited Review Report.

It may please be noted that the meeting was commenced at 14.00 IST and concluded at 16.15 IST.

Kindly take the same on your records.

Thanking You,

Yours Faithfully,

**For Muthoot Capital Services Limited**

A handwritten signature in black ink, appearing to read 'Abhijith Jayan', written over a diagonal line.

**Abhijith Jayan**  
**Company Secretary & Compliance Officer**



**Encl:** As above



Statement of Standalone Unaudited Financial Results for the quarter and three months ended June 30, 2021

(₹ In lakhs except earnings per share)

Particulars	Quarter Ended		Year Ended	
	30.06.2021	31.03.2021	30.06.2020	31.03.2021
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
<b>I Revenue from operations</b>				
(i) Interest Income	97 65	109 07	131 08	503 88
(ii) Dividend Income	3	-	-	-
(iii) Net gain on fair value changes	12	12	12	26
<b>Total Revenue From Operations</b>	<b>97 80</b>	<b>109 19</b>	<b>131 20</b>	<b>504 14</b>
<b>II Other income</b>	<b>8</b>	<b>40</b>	<b>1</b>	<b>90</b>
<b>III Total income (I+II)</b>	<b>97 88</b>	<b>109 59</b>	<b>131 21</b>	<b>505 04</b>
<b>IV Expenses</b>				
(i) Finance costs	40 17	41 90	52 54	187 05
(ii) Impairment on financial instruments	50 44	11 24	33 38	94 79
(iii) Employee benefits expenses	16 42	16 04	18 44	69 28
(iv) Depreciation, amortisation and impairment	23	34	31	1 30
(v) Other expenses	10 56	27 93	9 06	83 12
<b>Total expenses (IV)</b>	<b>117 82</b>	<b>97 45</b>	<b>113 73</b>	<b>435 54</b>
<b>V Profit before tax (III-IV)</b>	<b>-19 94</b>	<b>12 14</b>	<b>17 48</b>	<b>69 50</b>
<b>VI Tax expense</b>				
(1) Current tax	9 76	4 98	3 82	16 20
(2) Deferred tax	-14 66	1 69	75	5 42
(3) Tax Relating to Prior Years	-	-3 58	-	-3 58
<b>Total tax expenses</b>	<b>-4 90</b>	<b>3 09</b>	<b>4 57</b>	<b>18 04</b>
<b>VII Profit for the period (V-VI)</b>	<b>-15 04</b>	<b>9 05</b>	<b>12 91</b>	<b>51 46</b>
<b>VIII Other Comprehensive Income</b>				
(A) Items that will not be reclassified to profit or loss				
- Remeasurement of defined benefit plans	-	-20	-	-20
- Fair value changes on equity instruments through other comprehensive income	49	-1	84	1 05
- Costs of Hedging	-12	6	2	16
- Income tax relating to items that will not be reclassified to profit or loss	-9	4	-22	-25
<b>Subtotal (A)</b>	<b>28</b>	<b>-11</b>	<b>64</b>	<b>76</b>
(B) Items that will be reclassified to profit or loss				
- Cash flow hedging reserve	3	-4	-	-4
- Income tax relating to items that will be reclassified to profit or loss	-1	1	-	1
<b>Subtotal (B)</b>	<b>2</b>	<b>-3</b>	<b>-</b>	<b>-3</b>
<b>Other Comprehensive Income (A+B) (VIII)</b>	<b>30</b>	<b>-14</b>	<b>64</b>	<b>73</b>
<b>IX Total Comprehensive Income for the period (VII+VIII)</b>	<b>-14 74</b>	<b>8 91</b>	<b>13 55</b>	<b>52 19</b>
<b>X Earnings per equity share (Face value of Rs.10/- each)</b>				
Basic (Rs.) (Quarterly figures are not annualized)	-9.15	5.50	7.85	31.29
Diluted (Rs.) (Quarterly figures are not annualized)	-9.15	5.50	7.85	31.29

See accompanying notes



Muthoot Capital Services Ltd., Registered Office: 3<sup>rd</sup> Floor, Muthoot Towers, M.G. Road, Kochi - 682035, Kerala, India.

P: +91-484-6619600, 6613450, Email: mail@muthootcap.com, www.muthootcap.com

CIN: L67120KL1994PLC007726

Notes:

1. The above standalone financial results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on August 09, 2021, and August 10, 2021. These financial results have been subjected to review by the Statutory Auditors of the company and an unqualified review report has been issued.
2. The above standalone financial results have been prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules 2015. These financial results may require further adjustments, if any, necessitated by guidelines/ clarifications/ directions to be issued in the future by RBI, Ministry of Corporate Affairs or other regulators, which will be implemented as and when the same are made applicable.
3. Consequent to the adoption of Indian Accounting Standards ('Ind AS') as notified under Section 133 of the Companies Act 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules 2015 from April 1, 2019, impairment losses have been determined and recognized under the expected credit loss method as prescribed therein.
4. The COVID-19 pandemic across the world and in India has continued to affect the operations of the company during the current quarter as well. Based on the current assessment of the situation, which includes the forward-looking impact of the regulatory guidelines issued by Reserve Bank of India relating to Restructuring Framework 2.0, the company considers the impairment loss/provision recognized in the books of account, to be adequate as at the reporting date and also higher than the provision required to be maintained under the extant RBI norms. However, the actual impact may vary due to the prevailing uncertainty caused by the pandemic. Given the continuing uncertainties associated with the pandemic, including the impact of 'second wave' which resulted in imposition of renewed restrictions in various parts of the country, the company will continue to monitor the position closely and make appropriate adjustments, including for any significant changes in loan loss estimates, based on future conditions.
5. The company is engaged primarily in the business of financing and accordingly there are no separate reportable operating segments as per IND AS 108 - Operating Segments.
6. The Company has maintained requisite full asset cover by way of first ranking pari passu and continuing charge on standard receivables of the Company on the Secured Listed Non - Convertible Debentures issued aggregating to Rs. 27,500 lakhs at principal value as of June 30, 2021.
7. The impact of changes if any arising on enactment of the Code on Social Security 2020 will be assessed by the company after the effective date of the same and the rules thereunder are notified.

*[Handwritten signature]*



8. The figures for the quarter ended March 31, 2021 are the balancing figures between audited figures in respect of the financial year 2020-21 and the published year to date figures upto December 31, 2020, which were subjected to limited review.
9. Figures for the previous periods have been regrouped /reclassified, wherever found necessary, to conform to current period presentation.

For and on behalf of the Board of Directors



Kochi  
August 10, 2021

  
Thomas George Muthoot  
Managing Director  
DIN - 00011552

  
Thomas Muthoot  
Director  
DIN - 00082099

**Independent Auditor's Review Report on the Quarterly Unaudited Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

**To The Board of Directors**

**Muthoot Capital Services Limited**

1. We have reviewed the accompanying statement of unaudited financial results of Muthoot Capital Services Limited (“the Company”) for the quarter ended June 30, 2021 (“the Statement”). This statement has been prepared by the company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the ‘Listing Regulations’), read with relevant circulars issued by SEBI.
2. The preparation of this Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (‘Ind AS 34’) "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with the Listing Regulations read with the relevant circulars issued by SEBI, is the responsibility of the Company's management and has been approved by the Board of Directors of the Company. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the statement in accordance with the Standard on Review Engagements (SRE) 2410, “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity.*” issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards prescribed under Section 133 of the Companies Act, 2013

read with relevant rules issued thereunder and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of the Listing Regulations read with relevant circulars issued by SEBI, including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. We draw attention to Note No. 4 to the Statement which describes the impact of the COVID-19 pandemic on the operations and financial position of the company, including the Company's estimates of impairment losses and the continuing uncertainties which may require changes in such estimates in the future.

Our conclusion is not modified in respect of this matter.

For Varma & Varma

Chartered Accountants

 Digitally signed  
by GOPI K  
Date: 2021.08.10  
16:27:07 +05'30'

Gopi K

Partner

Place: Kochi

Membership No.214435

Date: August 10,2021

UDIN: 21214435AAAAAIS2943



#PurposeMuthootBlue

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



# Financial Presentation to the Board on 10<sup>th</sup> August 2021 Quarter ended 30<sup>th</sup> Jun 2021

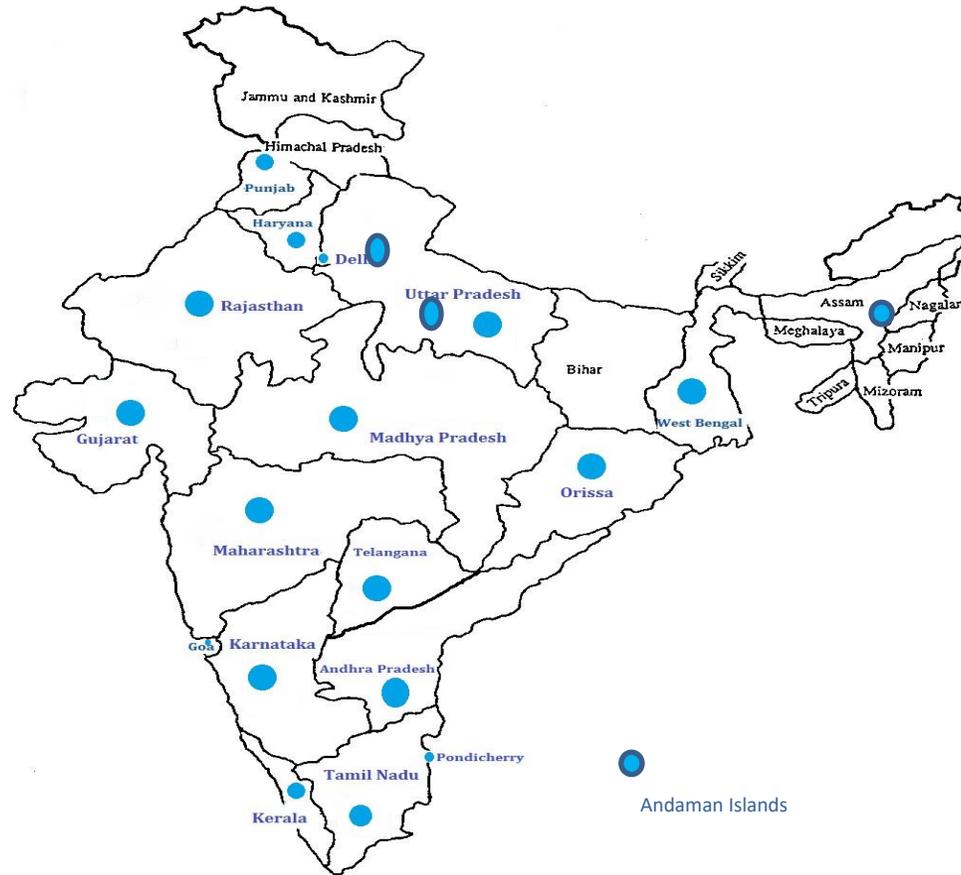


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# OPERATIONAL SNAPSHOT

Quarter ended 30<sup>th</sup> June 2021



No of States- 20  
AUM - ₹ 1978 Cr

New Customers  
Q1 FY 22 : 19 074

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

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

Retail customers (Live)  
- 5 69 686

Disbursement -  
Q1 FY 22: ₹ 136 Cr

Total sanctions as on  
Q1 FY 22 - ₹ 1910 Cr

PAT  
Q1 FY 22: ( ₹ 14.7 Cr)

## KEY UPDATES ...

### Operational Impact

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

### Liquidity Position

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

## KEY UPDATES ...

### Credit costs

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

### Operational costs control

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

# KEY UPDATES

## Impact of COVID

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

## Heading towards

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

## FINANCIAL PERFORMANCE- QUARTERLY &amp; YEARLY

₹. In Crores

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

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

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

Total Opex to NII\*\*\*

Return on Avg. AUM

Earnings per Share

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

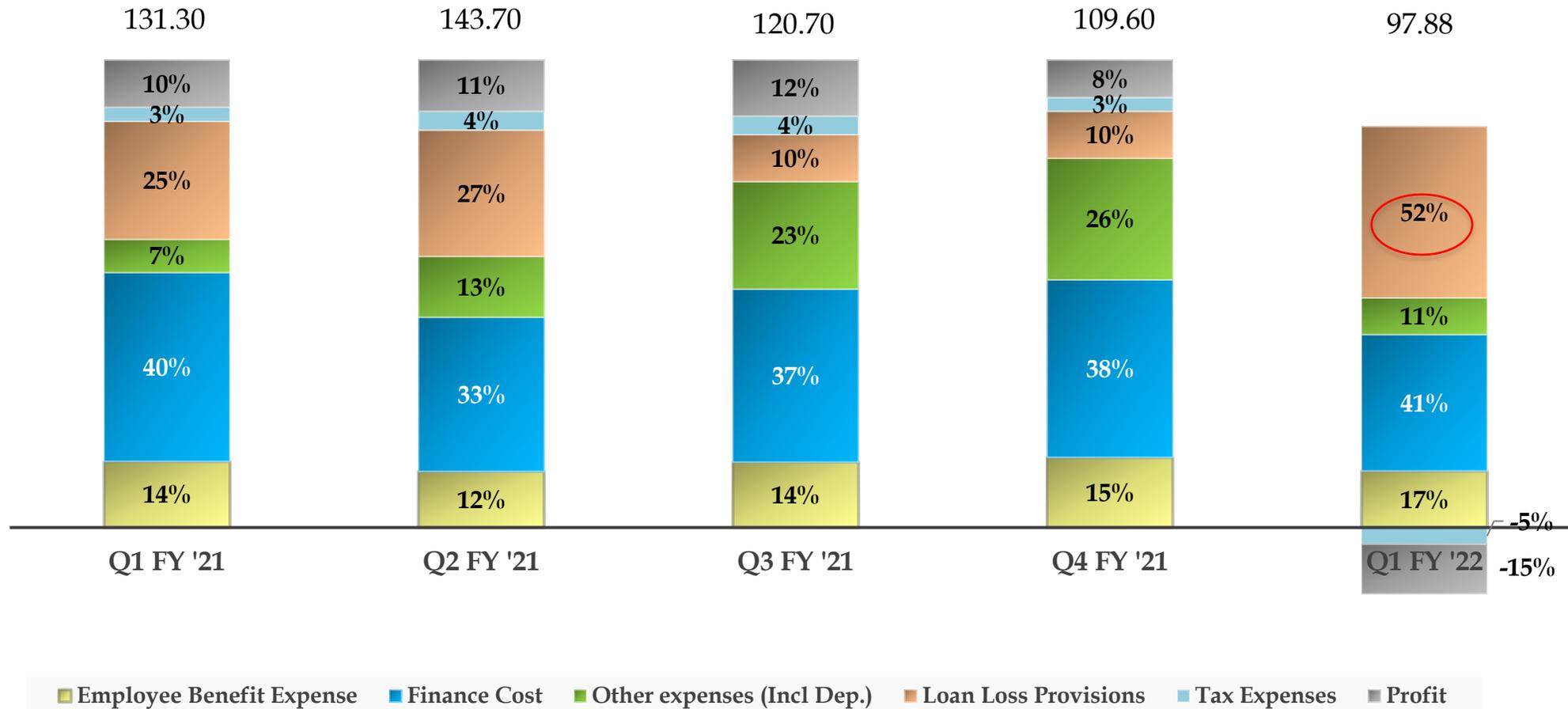
\* Total AUM including off book as on 30<sup>th</sup> Jun 21 is ₹ 1978 crs ( Q-o-Q- 5% down) (Y-o-Y- 20 % down)

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

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

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

₹. In Crores



## STATEMENT OF SOURCES AND APPLICATION OF FUNDS

₹. In Crores

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

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

## FINANCIAL SUMMARY

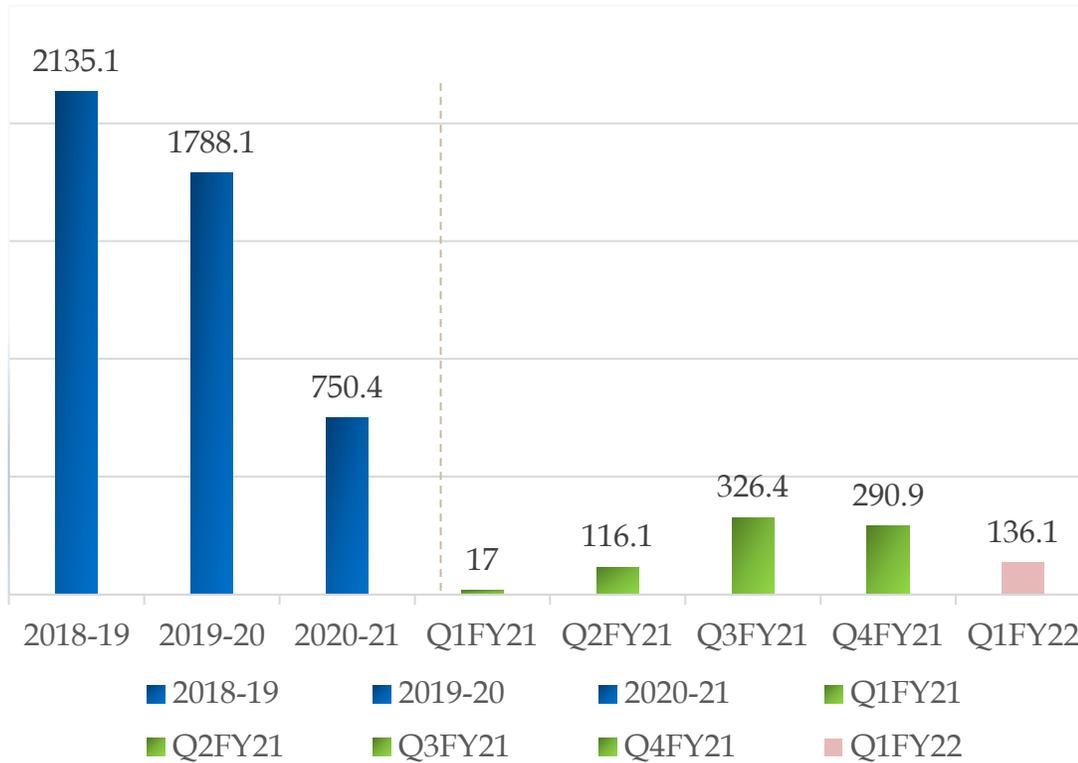
₹. In Crores

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

- \* Bonus in Jun 2017

- \*QIP done in November 2017

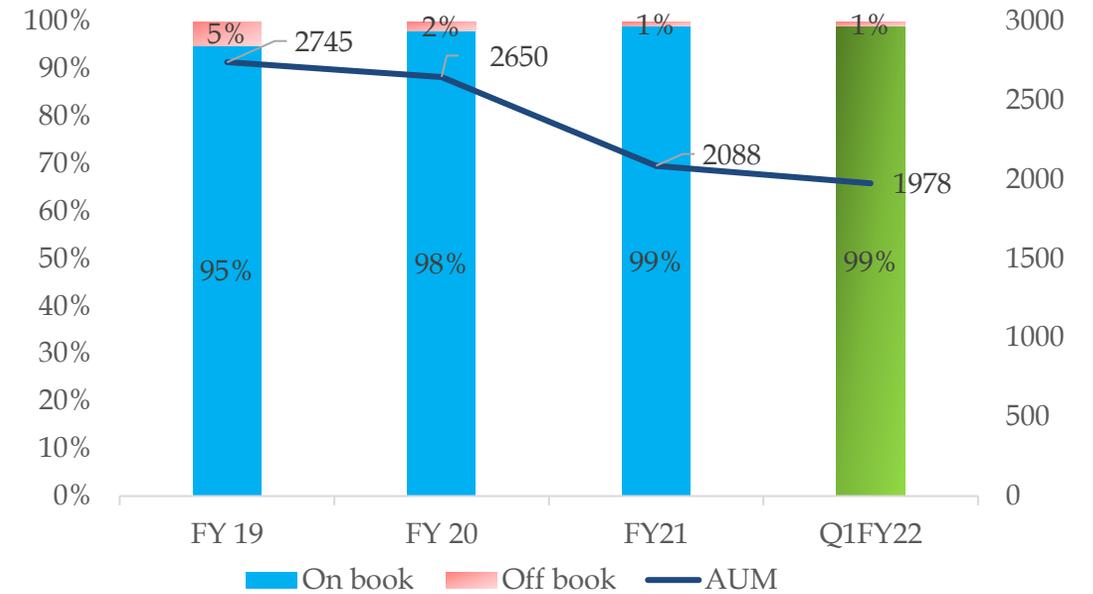
## DISBURSEMENTS



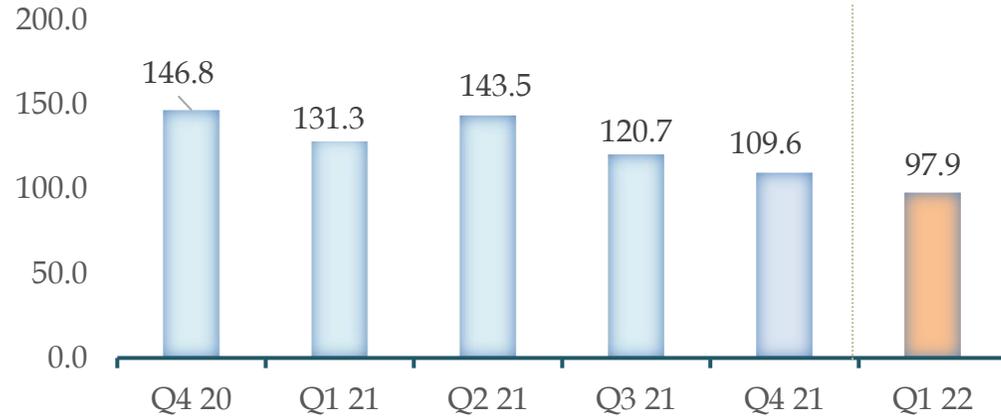
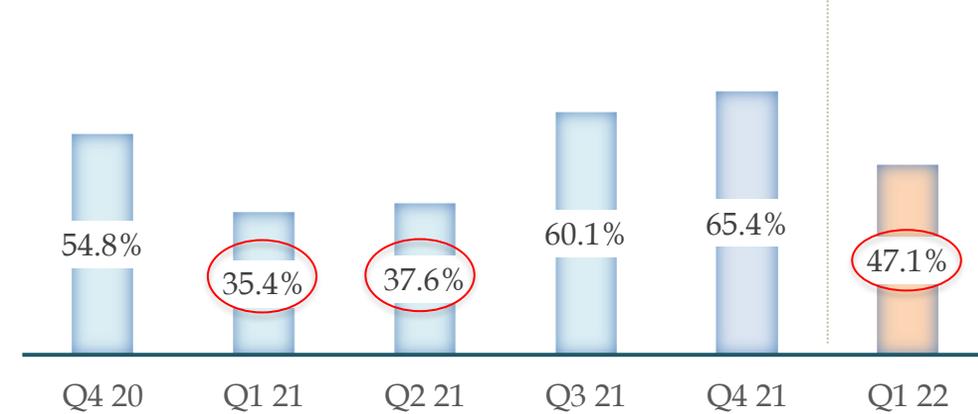
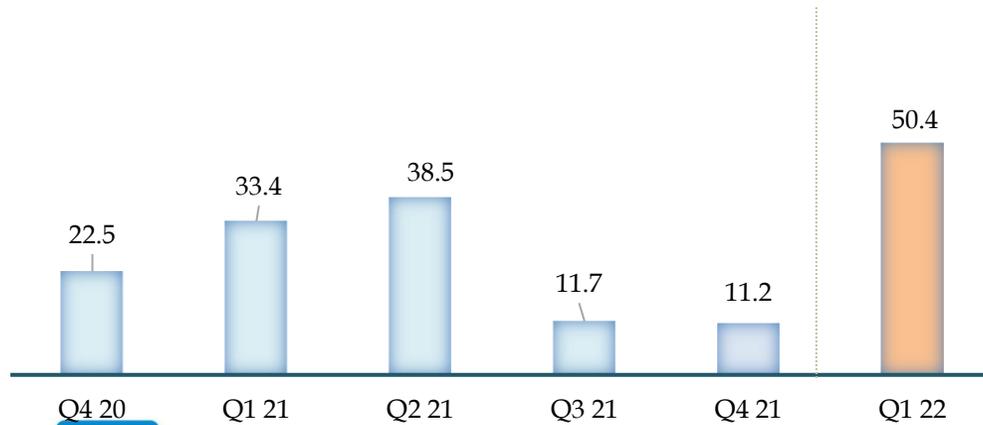
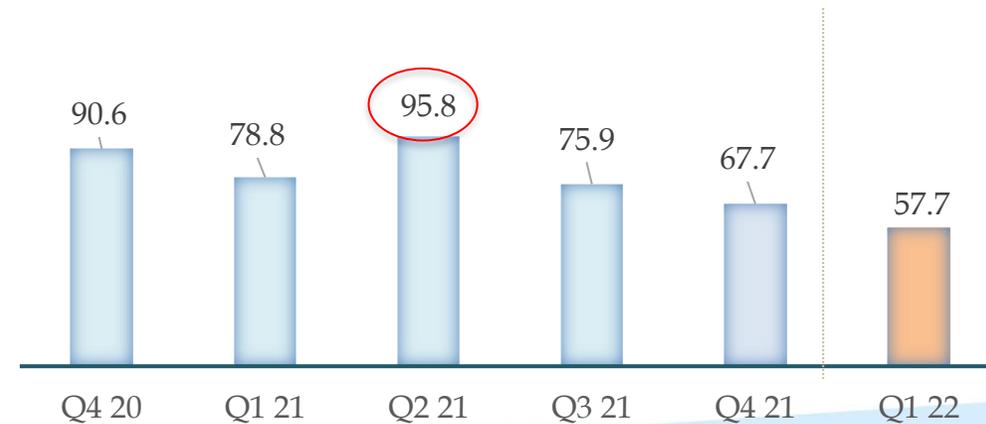
Growth (year)	8%	-16%	-58%
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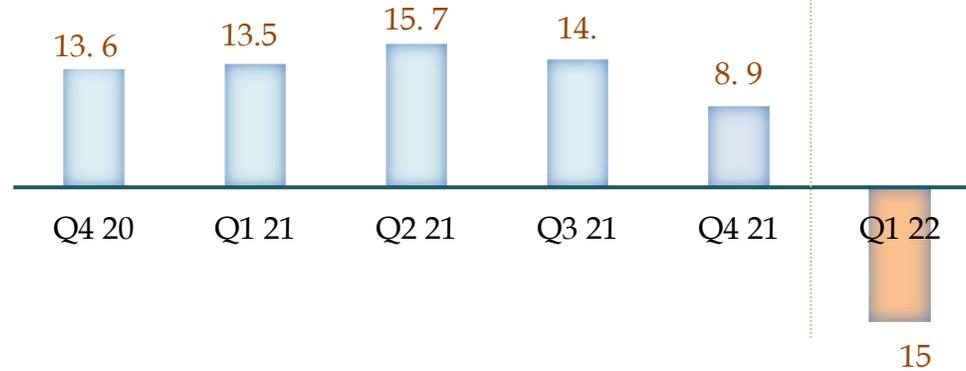
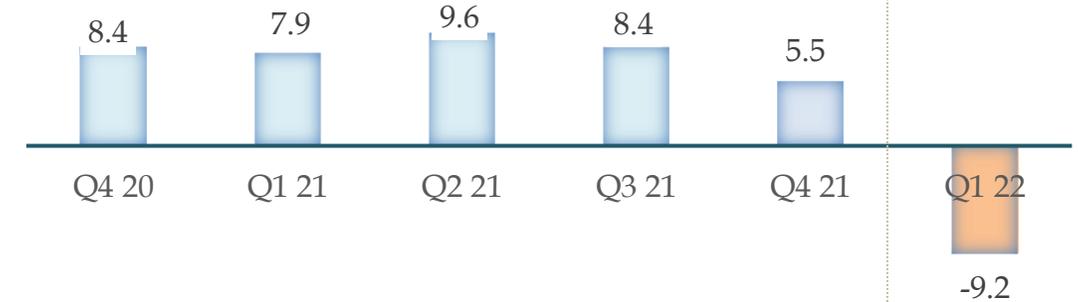
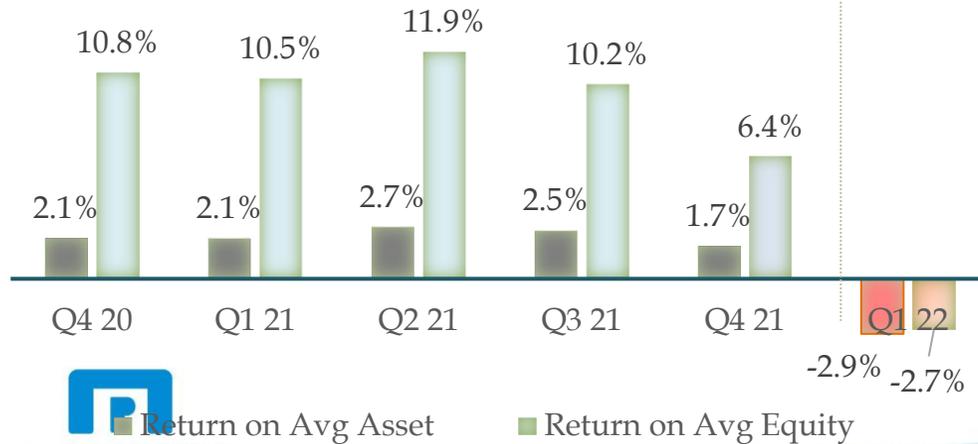
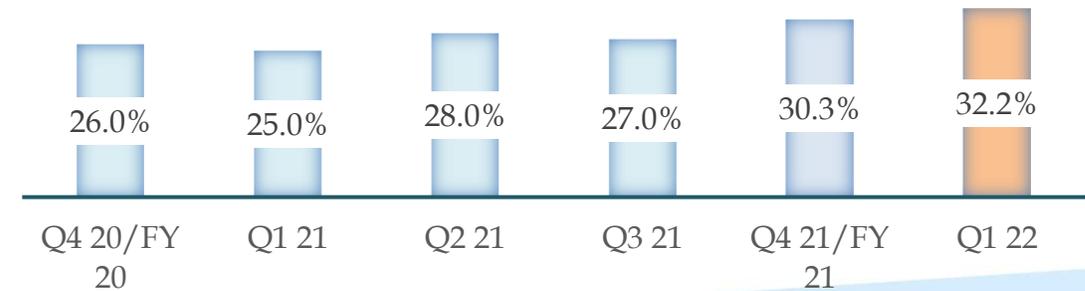
Growth (quarter)	Q1/Q2	Q2/Q3	Q3/Q4	Q4/Q1
	582%	181%	-11%	-53%

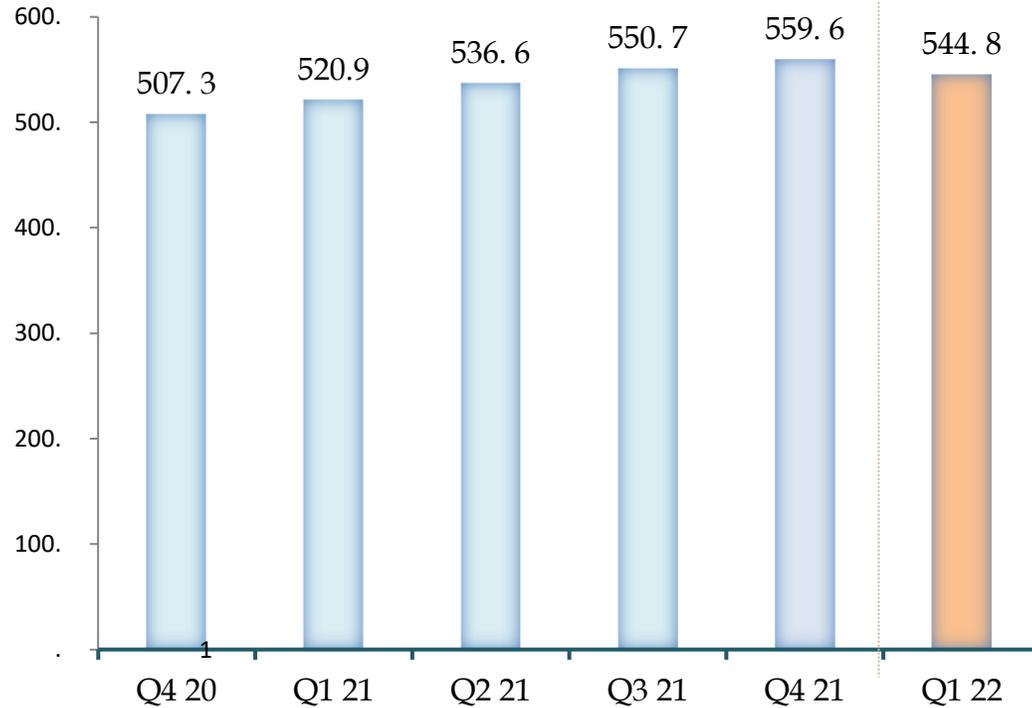
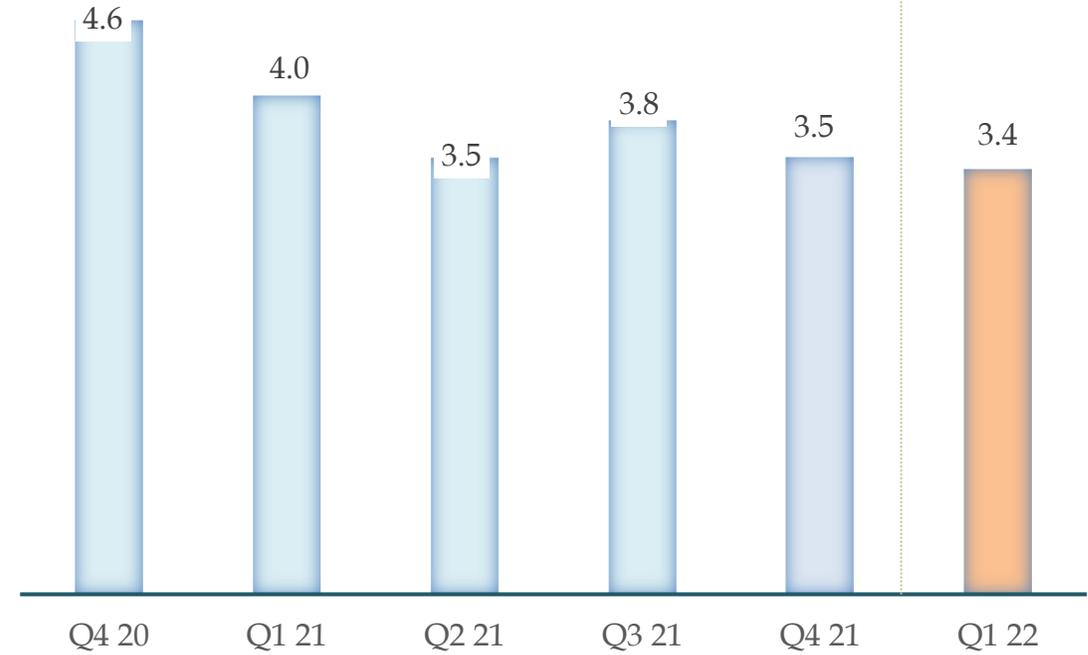
## AUM



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

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

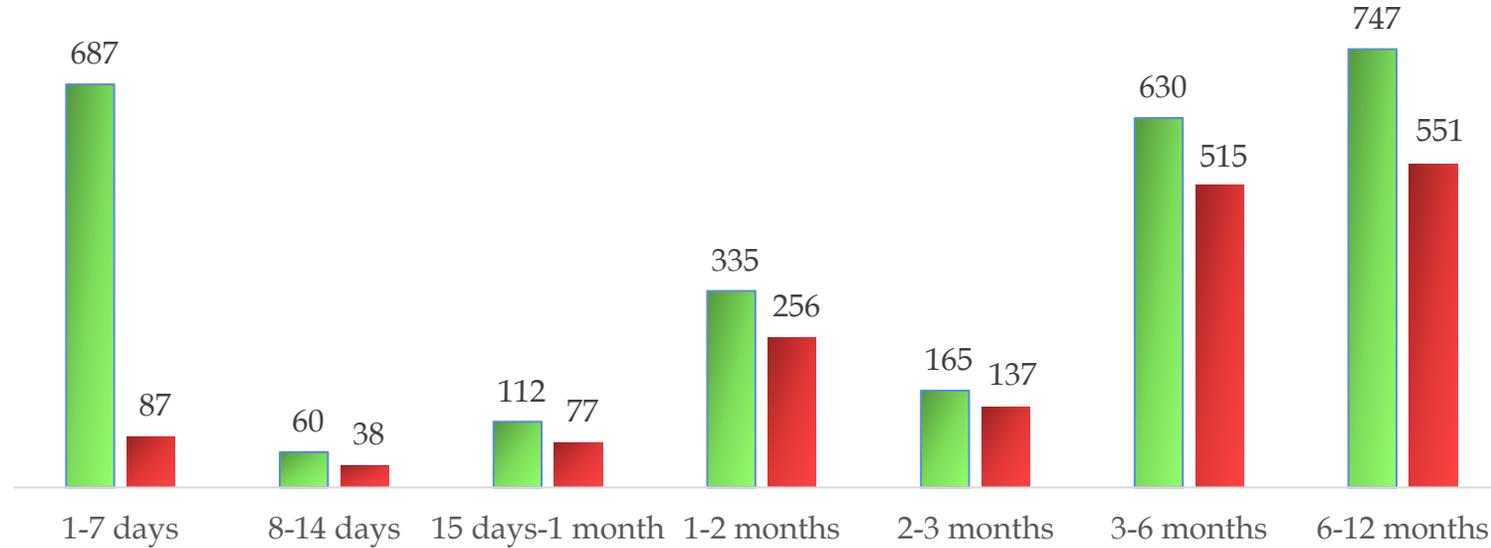
**Net worth (in Crores)****Debt Equity Ratio**

BPV (₹)	308.6	316.72	326.27	334.80	340.21	331.25

## STRUCTURAL LIQUIDITY AS ON 30.06.2021

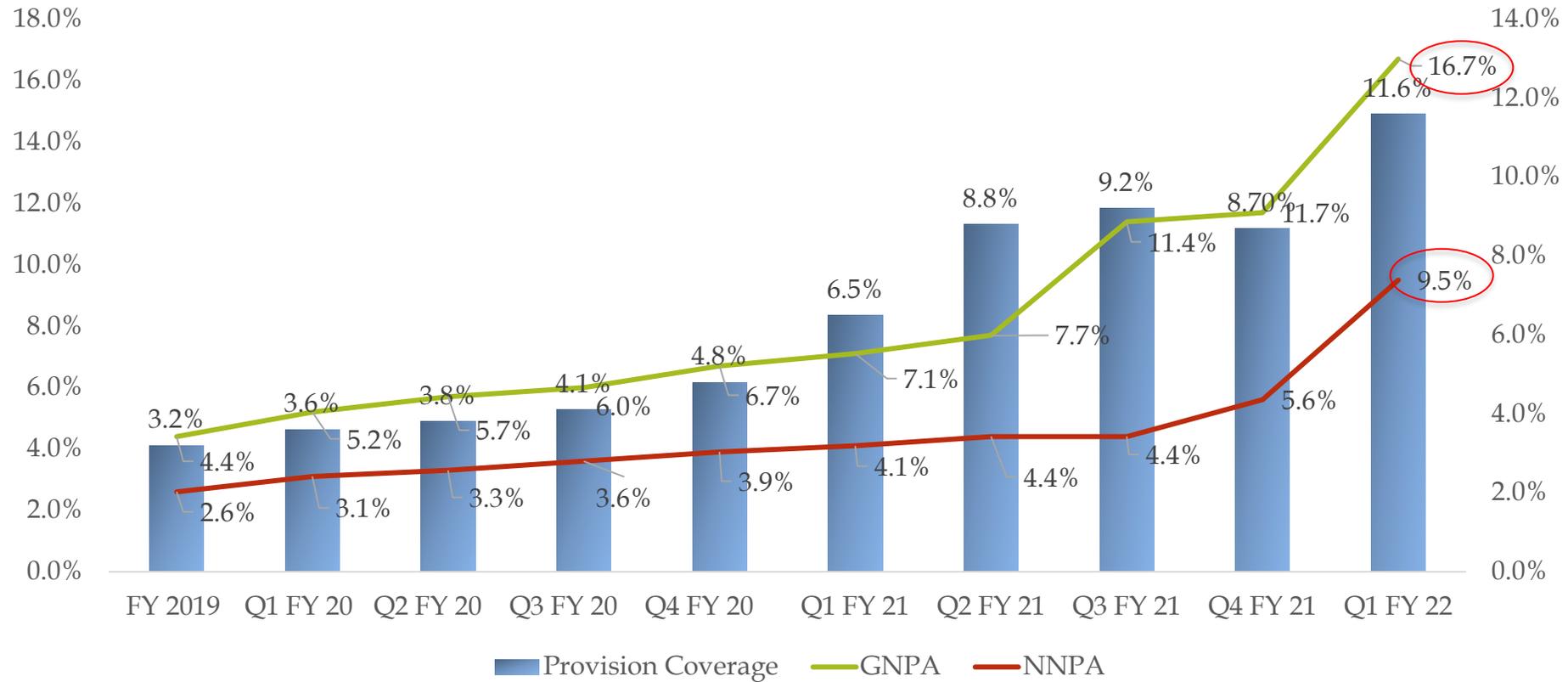
■ Cumulative Inflows (Rs. Cr) ■ Cumulative Outflows (Rs. Cr)

₹. In Crores



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

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

**ASSET QUALITY AND PROVISION COVERAGE**

As Per IND AS

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

4.8%

9.2%

8.7%

11.6%

**EXPECTED CREDIT LOSS (ECL)**

As on 30.06.2020

₹. In Crores

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

As on 31.03.2021

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

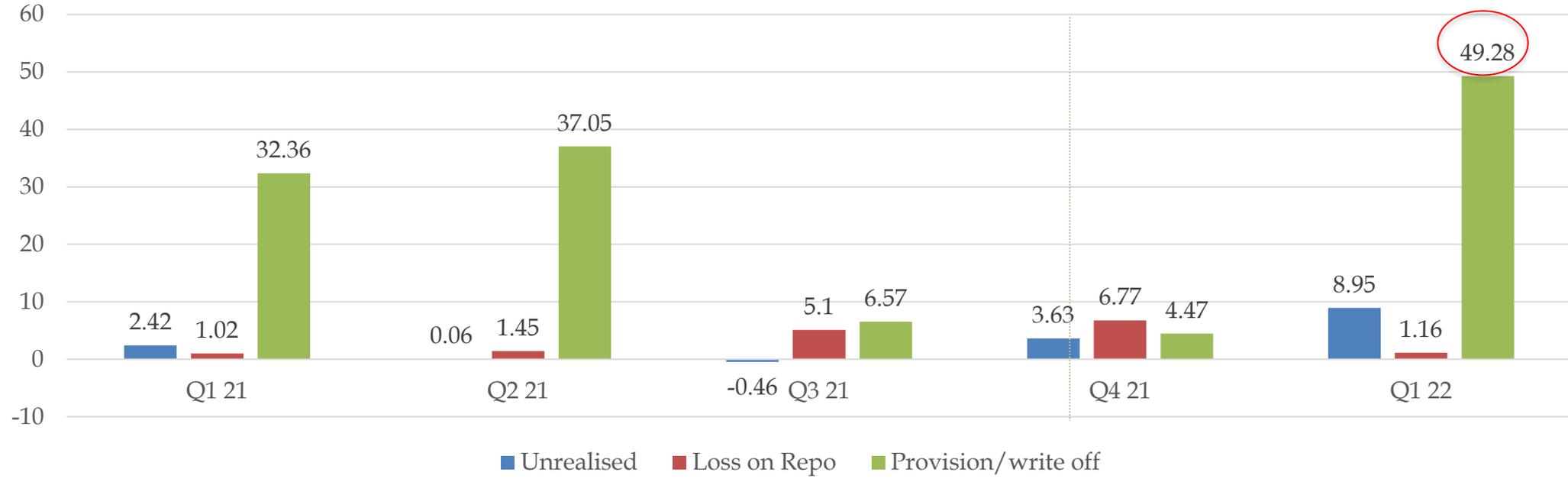
As on 30.06.2021

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

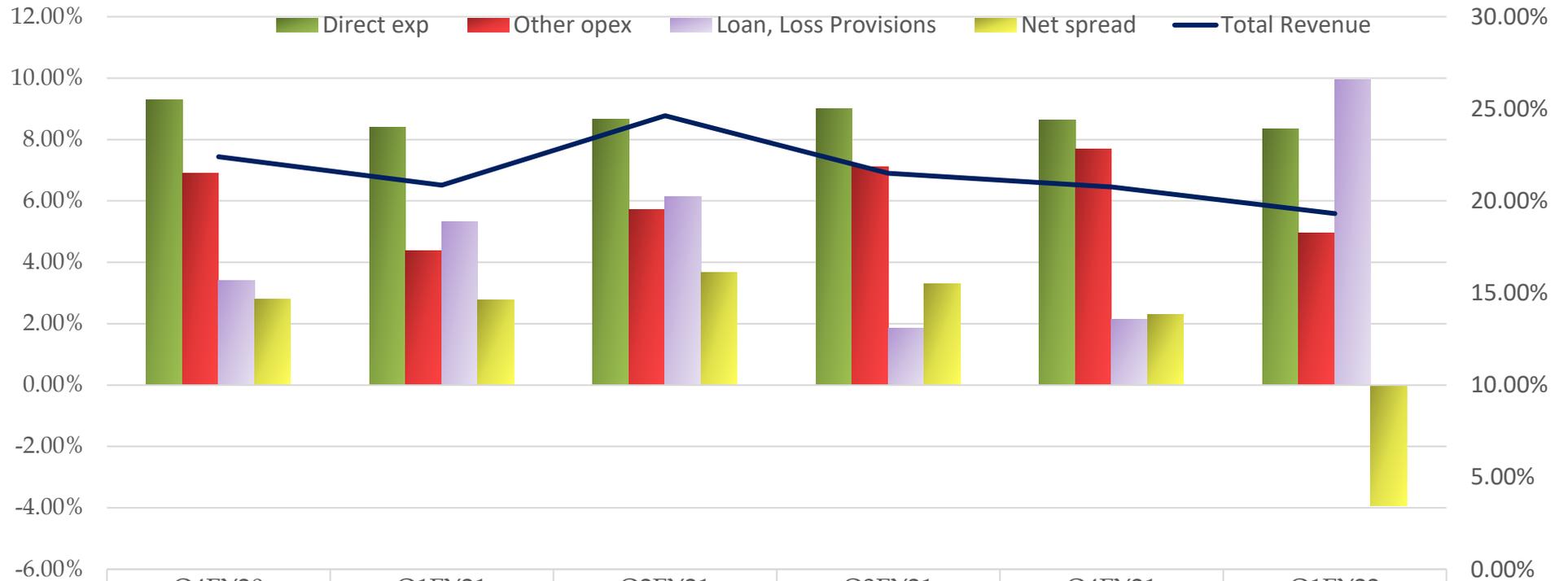
Additional provision of ₹ 14.8 Cr provided in towards S3 assets as on Q4FY21 towards COVID 19 impact

**MAIN FACTORS IMPACTING PROFITABILITY - DELINQUENCIES**

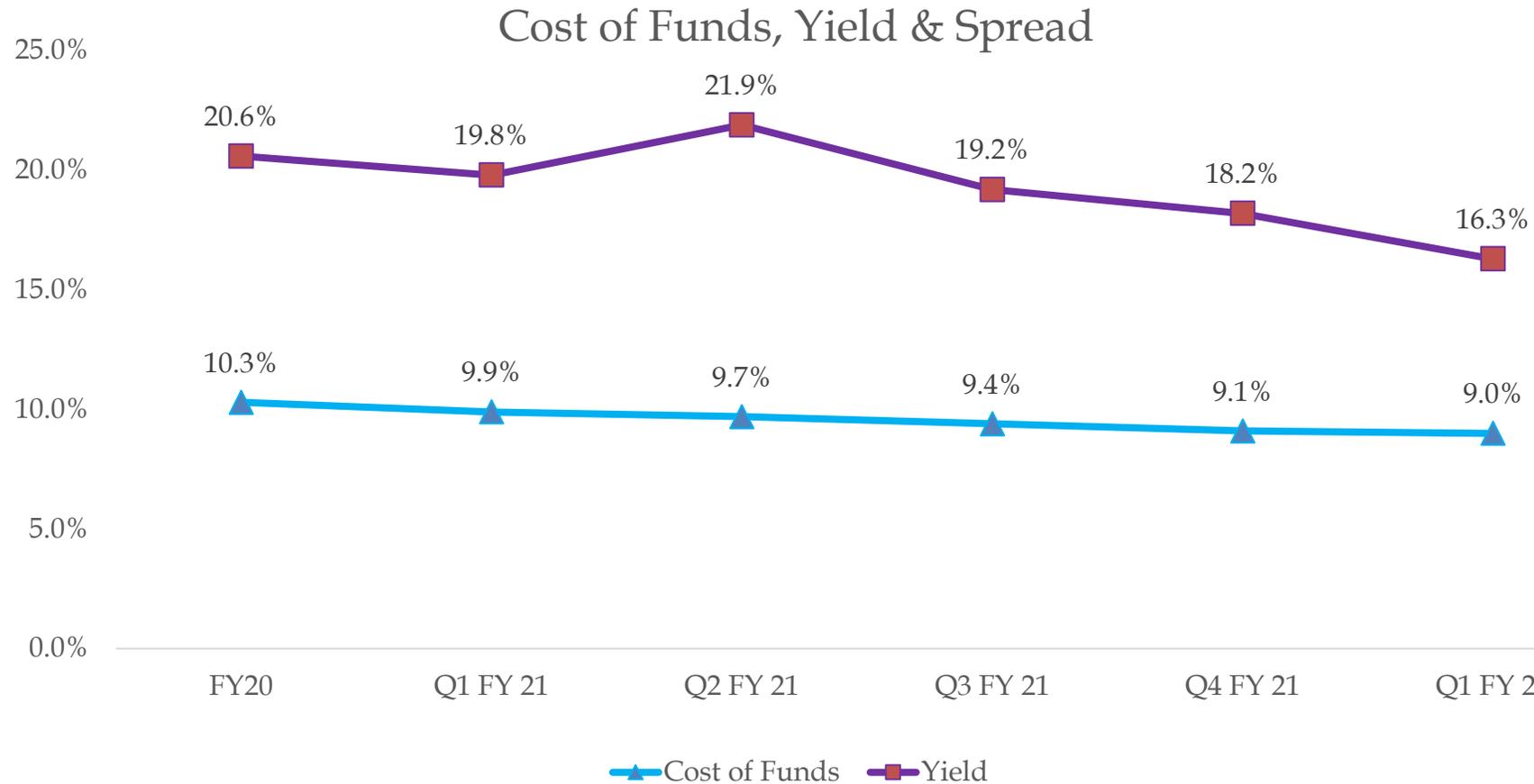
₹. In Crores



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

**SPREAD ANALYSIS**

	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22
Direct exp	9.30%	8.41%	8.65%	9.02%	8.64%	8.35%
Other opex	6.90%	4.38%	5.71%	7.11%	7.68%	4.94%
Loan, Loss Provisions	3.40%	5.31%	6.13%	1.86%	2.13%	9.95%
Net spread	2.80%	2.77%	3.67%	3.30%	2.30%	-3.93%
Total Revenue	22.40%	20.86%	24.63%	21.50%	20.75%	19.31%

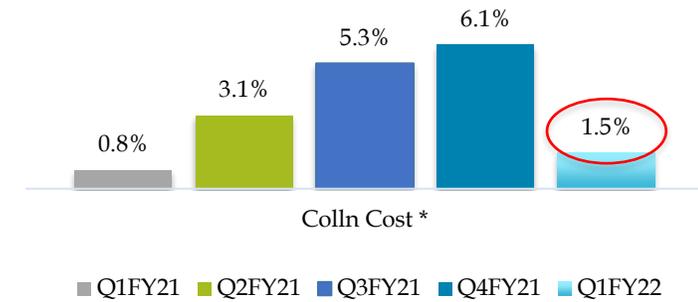
**ANALYSIS OF COST & YIELD**

## OTHER EXPENSES - SPLIT- QUARTERLY

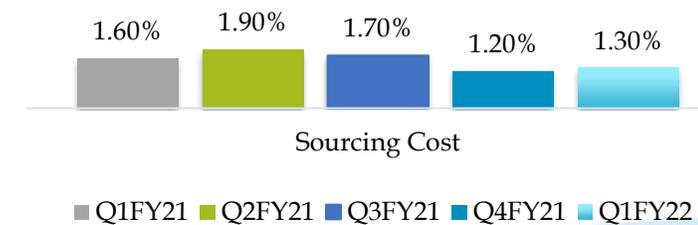
₹. In Crores

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

## Collection Cost as % of Collection



## Sourcing Cost as % of Disbursement



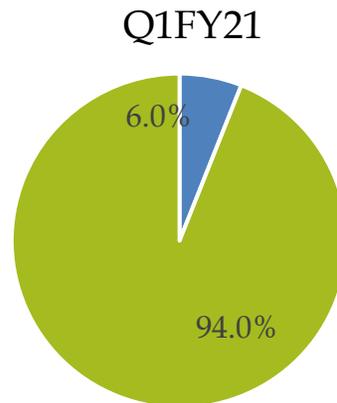
- Considering Incentive to Collection staff (Q1FY21- Nil , Q4FY21-₹ 0.7Cr and Q1FY22- Nil ) but excluding collection staff salary
- The collection in Q1FY 22 was very less on account lockdown in the state for more than 1 month

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

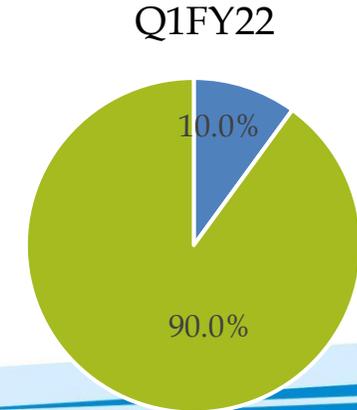
₹. In Crores

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

Share of Branch and Dealer of zone-wise disbursement



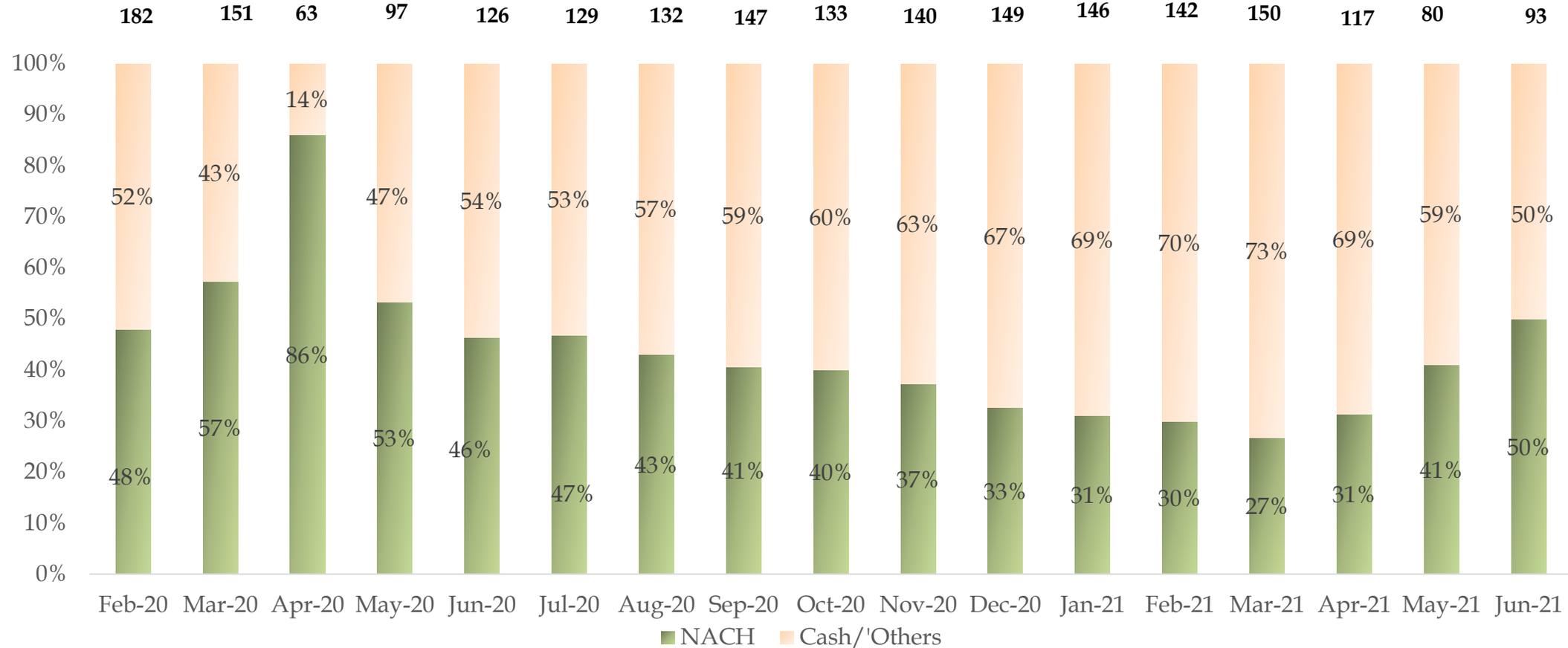
■ Branch  
■ Dealer



■ Branch  
■ Dealer

## MODE WISE COLLECTION OVER LAST 17 MONTHS (HYP)

₹. In Crores

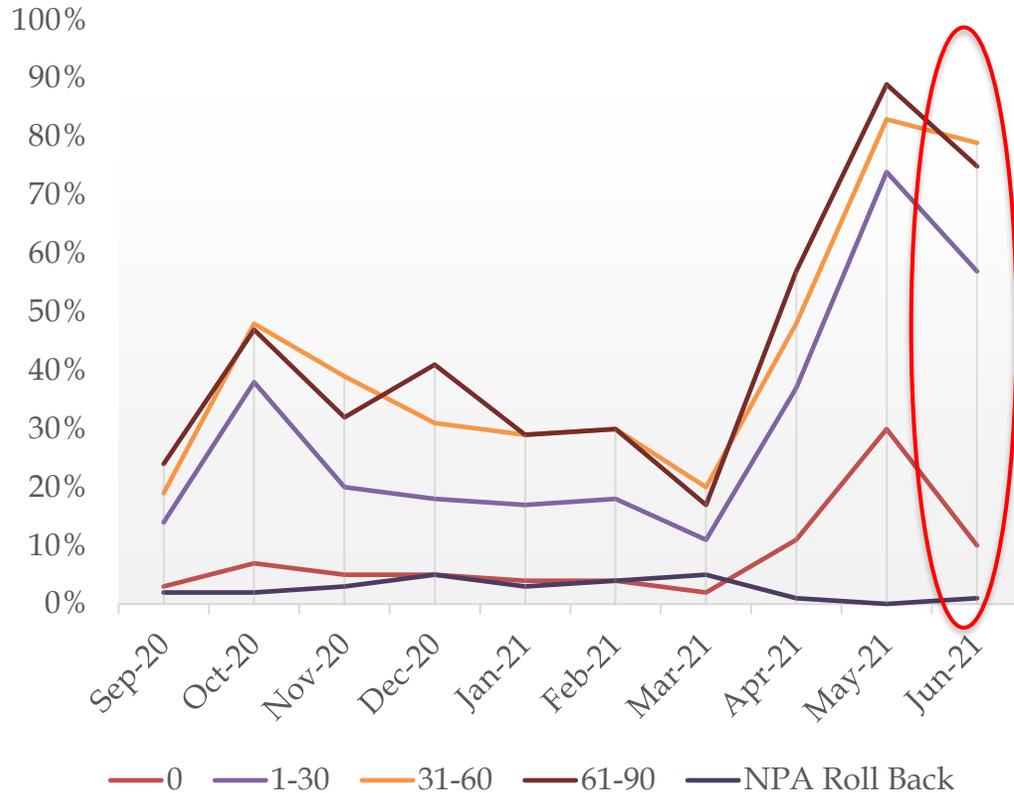


\* Directly at MFL branches/Collection by Company executives / outsourced agencies

\*\* Cash/Other modes collection has been increasing from Sept 20, on account of nach linking delays, good customers having cleared their dues and therefore higher collections through outsourced agencies

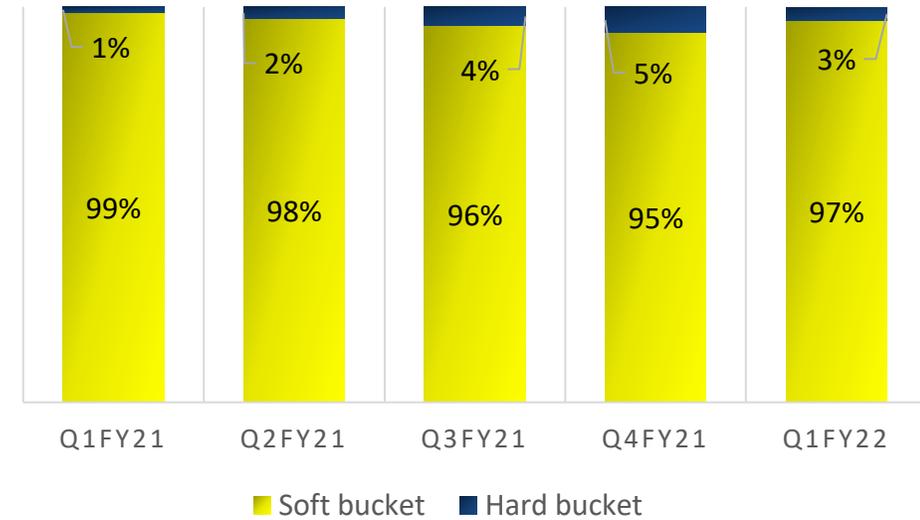
## COLLECTION PERFORMANCE MONITORING (HYP)

₹. In Crores

Bucket-wise Flow

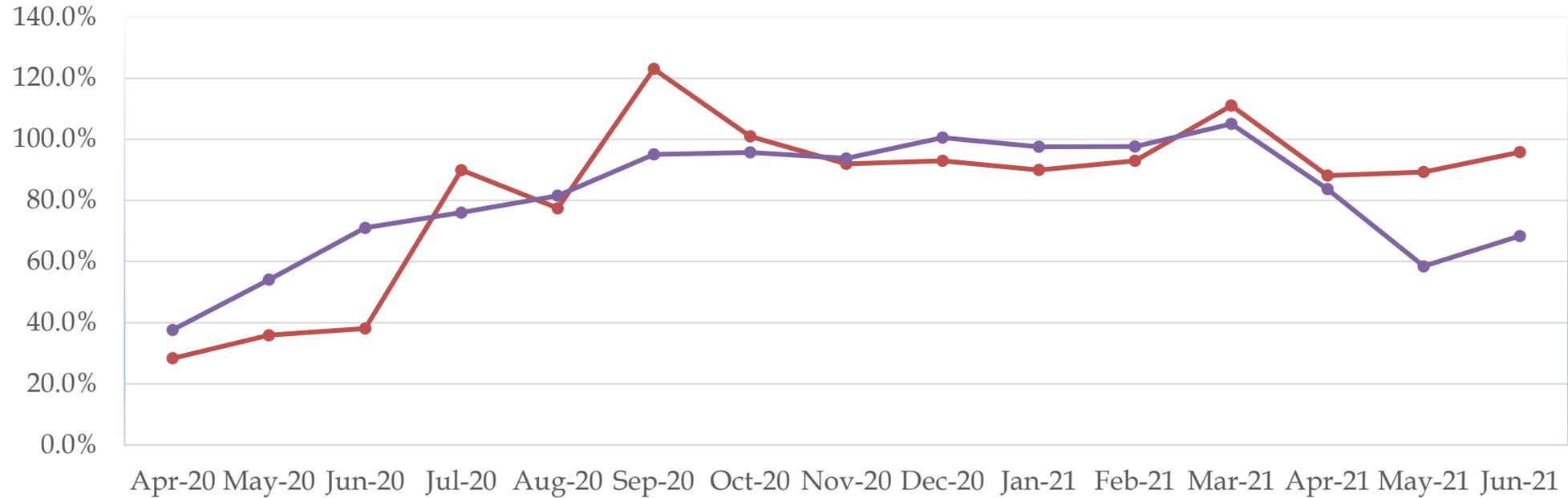
Only post moratorium period considered

## Collection Performance



₹. In Crores

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

**COLLECTION PERFORMANCE MONITORING**

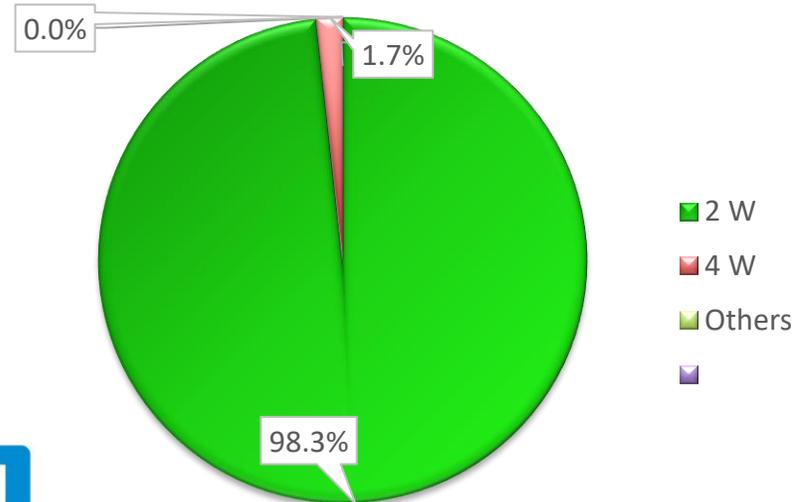
	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21
Corporate Collections	28.4%	35.9%	38.1%	90.0%	77.5%	123.0%	101.0%	92.0%	93.0%	90.0%	93.0%	111.1%	88.2%	89.3%	95.8%
HYP Collection	37.7%	54.1%	71.0%	76.0%	81.6%	95.1%	95.8%	93.8%	100.6%	97.6%	97.6%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

Corporate Collections      HYP Collection

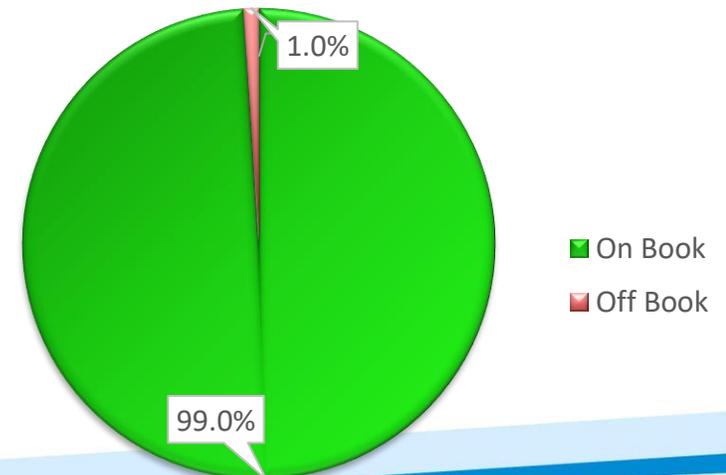
- The impact of restructuring / moratorium is not given effect to while computing the collection efficiencies of Hyp/ Corporate loans
- The spike in Sep & Mar collections in Corp Loans was due to pre-closures, remittance of interest accrued (morat period) and old dues settlement.
- The collection from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

RETAIL PORTFOLIO SPLIT AS ON 30<sup>th</sup> JUNE 2021

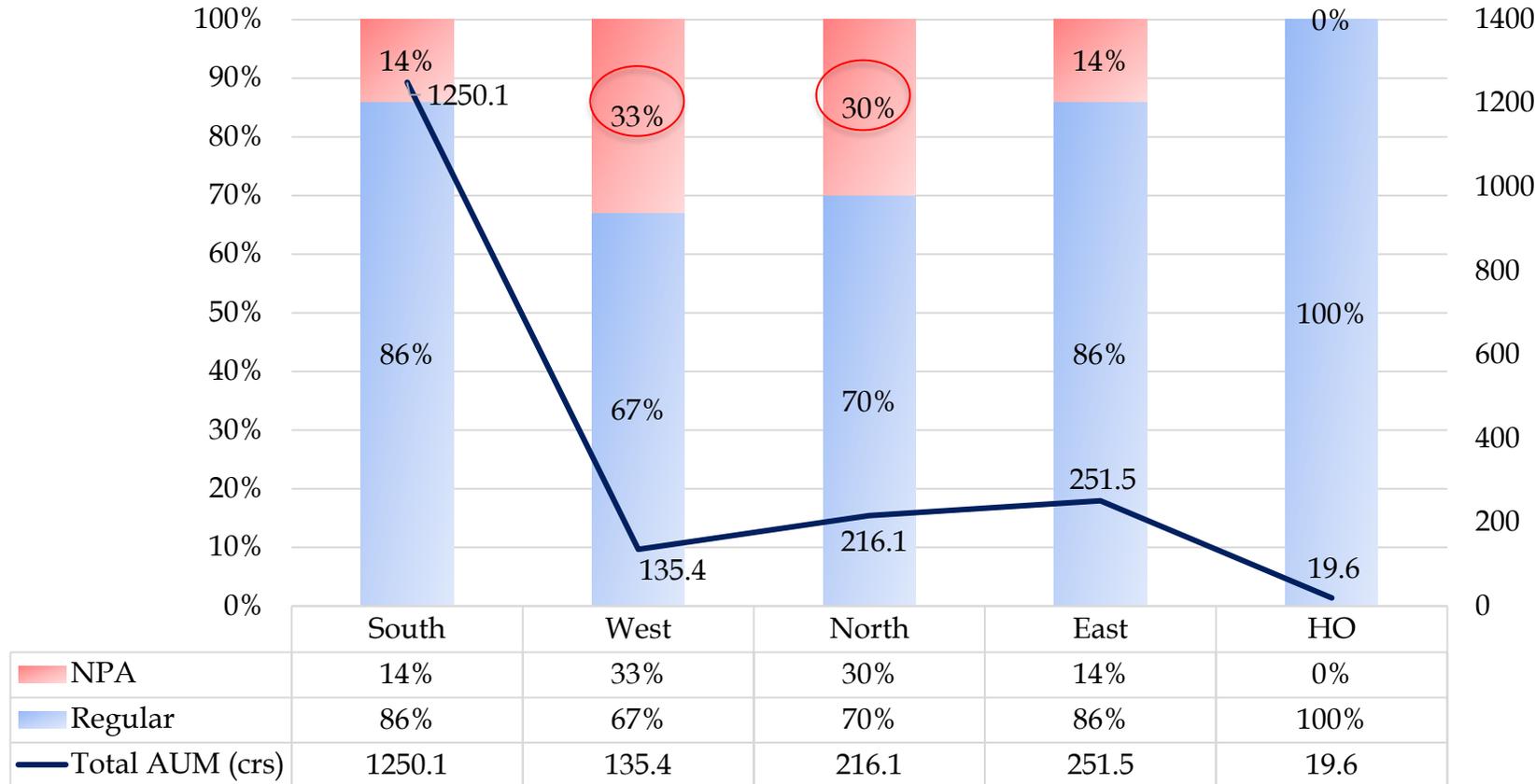
Segment wise	No . of loans	Amount
2 W	5 67 452	1840.35
4 W	1 806	31.93
Others	428	0.43
<b>Total</b>	<b>5 69 686</b>	<b>1872.71</b>



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



## MCSL GEOGRAPHIC OVERVIEW - RETAIL LOANS INCLUDING LOAN BUYOUTS



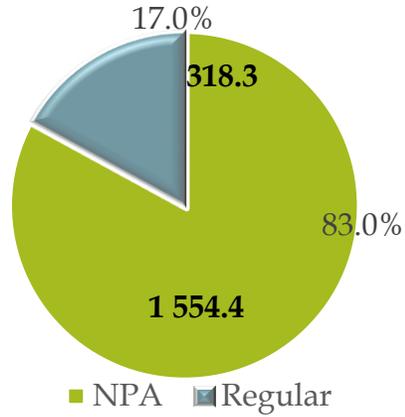
Regular NPA Total AUM (crs)

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

## PORTFOLIO ANALYSIS - RETAIL LOANS INCLUDING LOAN BUYOUTS

₹. In Crores

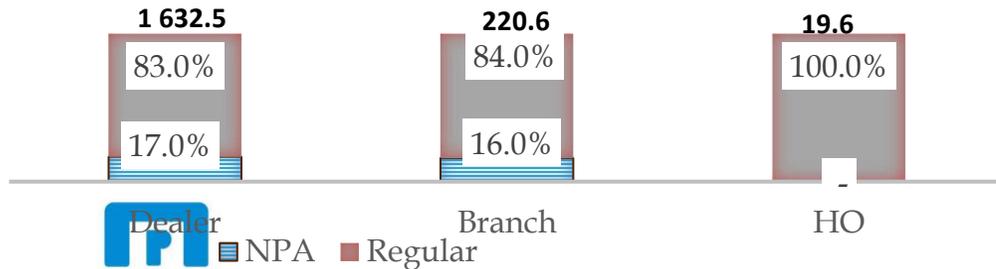
### Portfolio Analysis



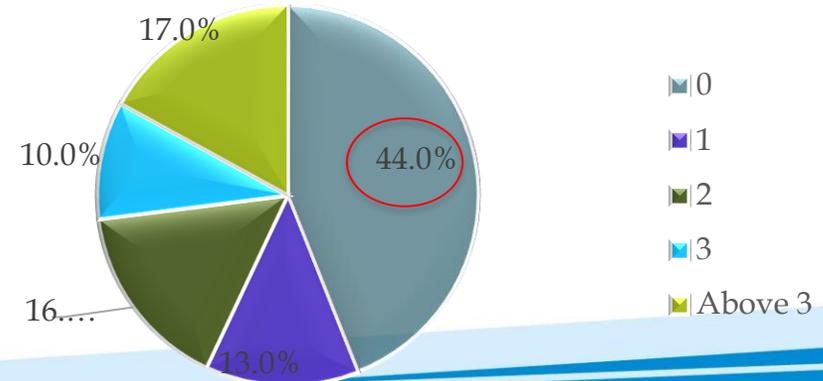
### Segment - wise Analysis

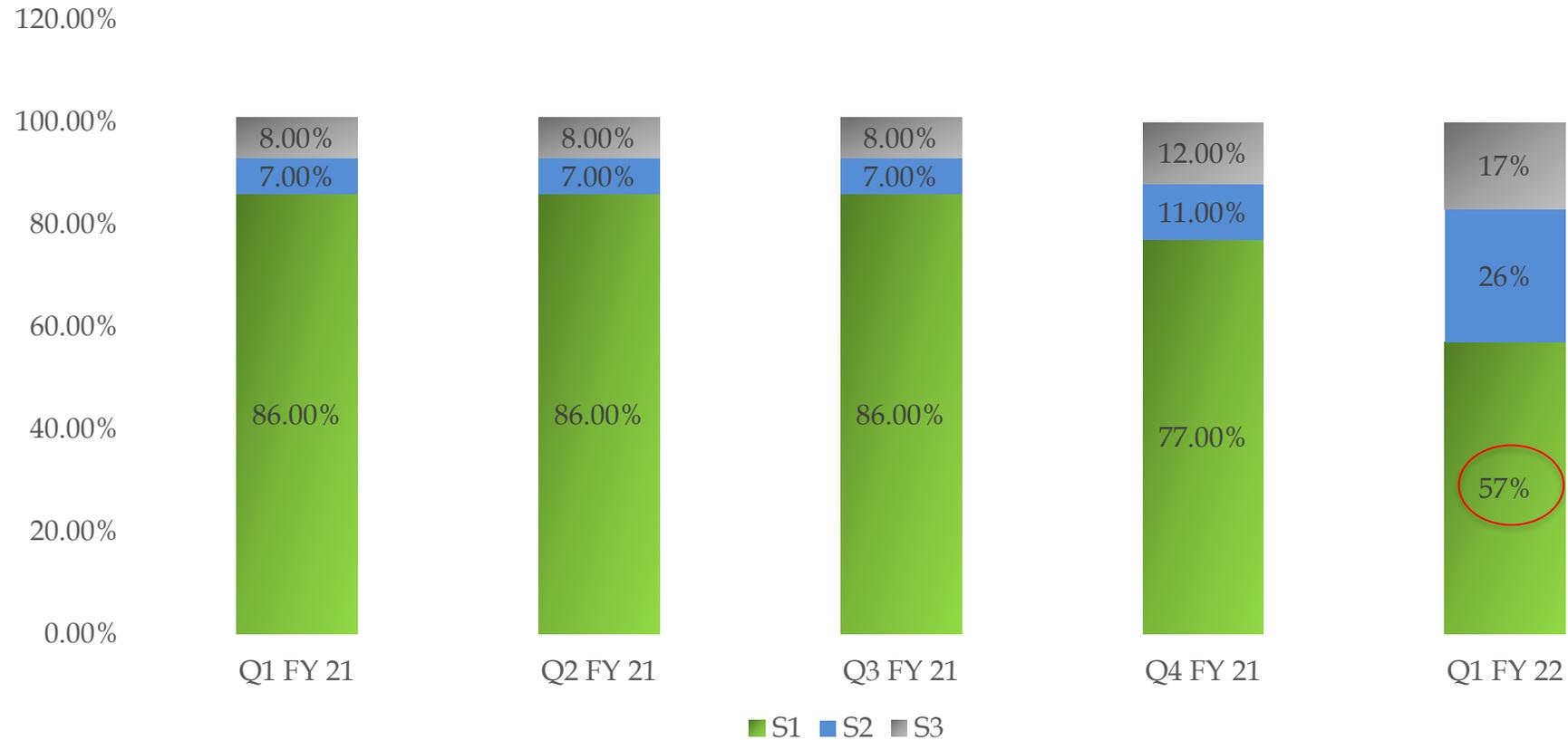


### Source - wise Analysis



### Bucket - wise Analysis



**PORTFOLIO CREDIT QUALITY- RETAIL LOANS INCLUDING BUYOUTS**

**NPA MOVEMENT - OWN HYP LOAN - Q1 FY 2022**

₹. In Crores

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

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

## CORPORATE LOAN – Q1 FY 2022

₹. In Crores

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

## SOURCES OF BORROWING

₹ 1910 Cr

Total Sanctioned facilities

₹ 6.88Cr

Collections of Public  
Deposit/Sub debtsNo fresh transactions/ sanctions  
during the quarterPosition as on 30<sup>th</sup> Jun 2021

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

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

Bank funding – 91.5% of total borrowing  
as on 30 Jun 2021

₹ 734 Cr

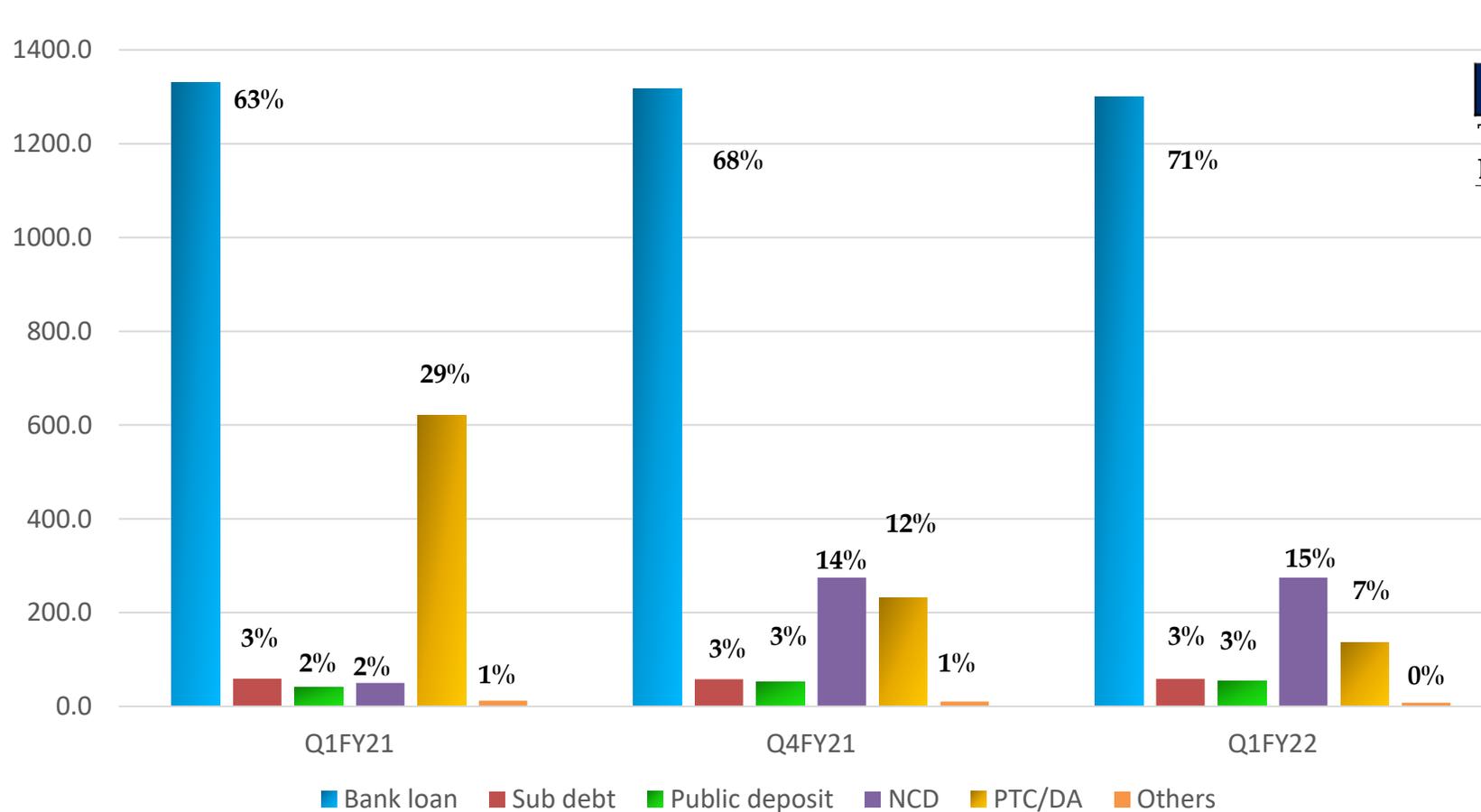
WCDL roll over

9.0%

Cost of borrowing for  
Q1 FY 22

In Q1FY22, ₹ 734 Cr rolled over from  
18 facilities

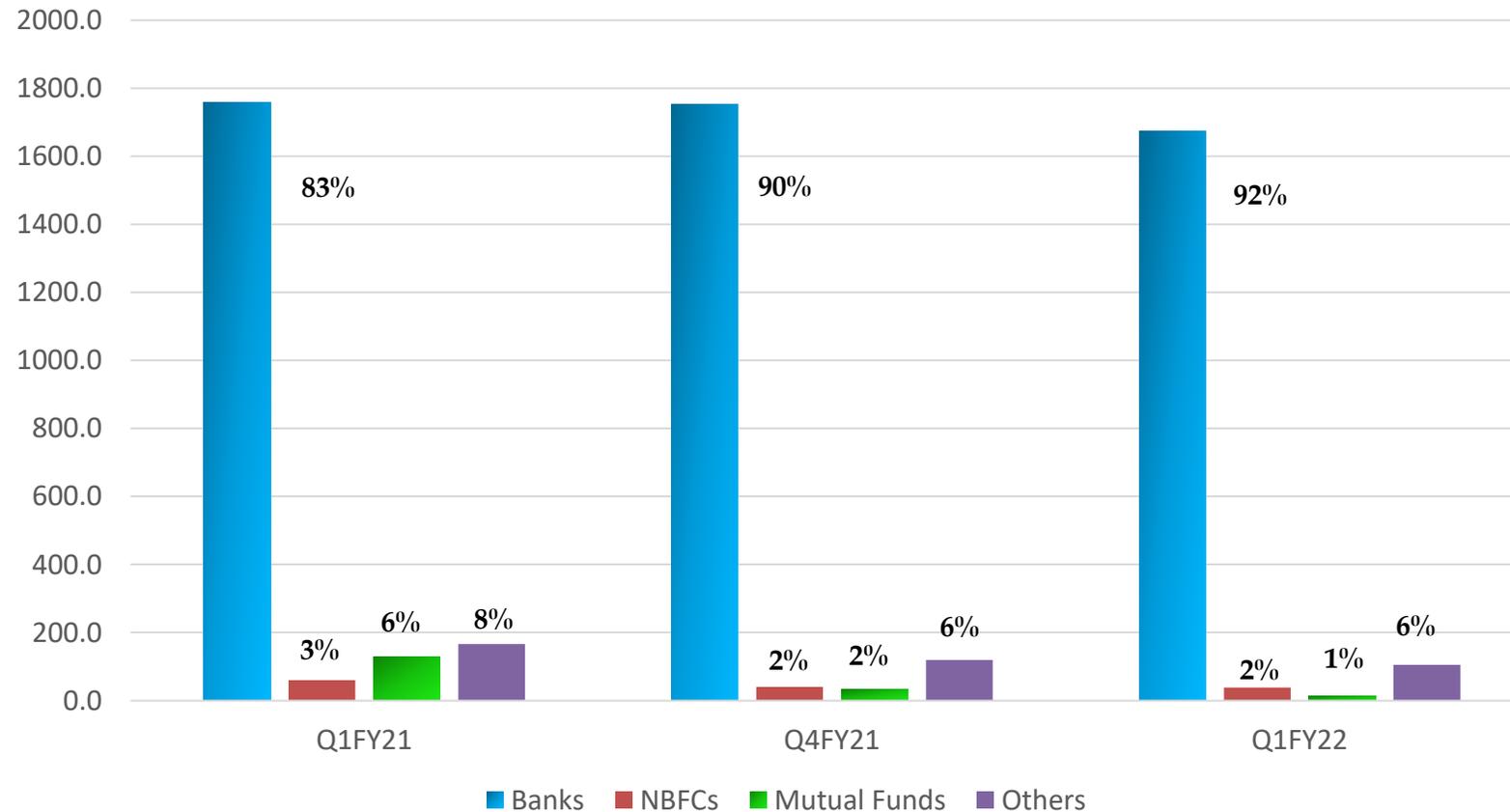
Quarter on Quarter decrease in cost  
of borrowing from 9.12% for Q4FY21  
to 8.98%.

**BORROWING PROFILE - by Instrument**

Particulars	Q1FY20	Q4FY21	Q1FY22
<b>Total Borrowings</b>	<b>2113.5</b>	<b>1944.8</b>	<b>1831.0</b>

**COST- by Instrument**

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

**BORROWING PROFILE - by Investor Profile****COST- by Investor**

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

## Disbursement & Collection

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

## NPA

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

## Arbitration/ Other Legal actions

- Apart from additional staff and incentivized collection agencies, steps taken at legal level for getting the dues cleared.
- Arbitration process has started again and would help collect the dues;
- Aggressive follow up with customers and asking them to surrender in case of non-ability to pay will help improve the collections from the delinquent accounts going forward.

### Diversity in Funding

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

### Borrowing Mix

- The borrowing has a healthy mix of Bank (Private & PSU) sanctions, Securitization/Direct assignment, Retail & corporate subordinated debts and Public Deposits .
- As per the guidance given, the cost of funds have gone down to 8.98% for Q1 FY22 v/s 9.10% in Q4 FY21. Expected the cost to remain at this level for the next couple of quarters.

### Securitization/ DA

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

### Geographical expansion

- Had reduced rollout during the pandemic ; slowly had restarted but with the 2<sup>nd</sup> wave stopped. Robust rollout planned in the year, once the pandemic tapers off
- New Products , new geographies and digitization seen as the way forward for the next few years. Used Car is spreading to other locations, albeit slowly; e- rickshaws disbursement has started ,Co-Lending/loan Buyouts as a form of sourcing also expected to start in FY22 in areas where our own presence is lower

### Staff attrition & Cost Control

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

### Repayment Mode

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

### Overall Profitability

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

### Way Forward

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

# THANK YOU

