

PRESS RELEASE

Financial Results for Q4 FY21 and FY21 Annual

Moneyboxx Finance reports staggering growth of 192% in its Total Income from Operations during FY21 to INR 10.97crores

New Delhi, June 09, 2021

A meeting of the Board of Directors of MONEYBOXX FINANCE LIMITED (MBFL) today considered and approved the audited results for the quarter and year ended 31stMarch 2021.MBFL reported**34.6% increase** in its Total Income from Operations for Q4FY21 at INR 3.84 crores compared to INR 2.85 crores for Q3FY21. Despite the continuing impact of the COVID-19 pandemic, the Total Incomefrom Operations during FY21 increased to INR 10.97 crores compared to INR 3.75 crores in FY20, **thus registering a growth of 192%** mainly driven by improving business at existing branches and addition of 11 new branches in Q3 FY21.

MBFL reported strong **growth of 111% in its loan book**, which stood at INR 61.88 crores as on March 31, 2021,in comparison to INR 29.28 crores as on March 31, 2020.

Results at a Glance:

	Q4FY21	Q3 FY21	Q4 FY20	FY21	FY20	% YOY
Branches	22	22	11	22	11	100.0%
Active Customers	6,800	4,988	2,885	6,800	2,885	135.7%
<i>Key Financial in INR crores:</i>						
Loan Book	61.88	45.38	29.28	61.88	29.28	111.3%
Total Income from Operations	3.84	2.85	1.83	10.97	3.75	192.4%
Profit/(loss) before tax	-1.39	-1.15	-1.51	-3.89	-3.41	
Total Profit (Loss) After tax	-0.51	-1.10	-1.75	-2.97	-3.55	
Gross NPA (%)	0.21%	0.19%	Nil	0.21%	Nil	

Performance Highlights of FY21

- ▶ MBFL expanded its operations in FY21 by adding 11 new branches during Q3FY21,spread across Rajasthan, Haryana, Punjab and Madhya Pradesh.Itexpanded its presence to leverage its position in these states drawing comfort from robust asset quality and high collection efficiency of over 95% during moratorium period despite COVID-19 pandemic
- ▶ Disbursements during Q4FY21 were INR 25.07 crore, registering a growth of 27.6% compared to Q3FY21, and a **growth of 140.3% over Q4FY20**,driven by increasing AUM at existing and new branches. Disbursements during FY21 though grew by strong 63.5% to INR 55.44 crores compared to INR 33.91 crores in FY20 were very negatively impacted by COVID-19 in H1FY21
- ▶ Loan Book as of 31.03.2021stood at INR 61.88croreswhich translates into a growth of 36.4% compared to 31.12.2020**and 111.3% compared to 31.03.2020**. Focus on borrowers in essential sectors (e.g. Livestock, Kirana) has helped MBFL build a strong book with negligible NPAs and maintain high collection efficiency even during pandemic
- ▶ Total Income from Operations for Q4FY21 was INR 3.84 crore compared to INR 2.85crore for Q3FY21, registering a growth of 34.6% over the previous quarter,in line with the business growth.Total Income from Operations for FY21 was INR 10.97 crore compared to INR 3.75crore in

FY20, reporting agrowth of 192.4% despite the impact of the pandemic which led to almost NIL growth in AUM in H1FY21, but helped by improving business at existing branches and addition of new branches

- ▶ Loss before tax for Q4FY21 was INR 1.39 crores compared to INR 1.15 crores in Q3FY21 mainly on account of annual provision for gratuity and loan write-offs of INR 10.53 Lakhs in Q4FY21. Loss before tax for FY21 was INR 3.89 crores compared to Loss before tax of INR 3.41 crores in FY20. With recognition of deferred tax assets of INR 0.91 crores in FY21, Net Loss for FY21 was INR 2.97 crores compared to Net Loss of INR 3.55 crores. The losses were **incurred due to build stage cost** in first two years of operations **though the loss would have been negligible in FY21 without COVID**. MBFL expects to be profitable from start of H2FY22 or earlier despite COVID impact in Q1FY22 as AUM will continue to increase while cost remaining fixed to a large extent
- ▶ High collection efficiency of 95% during moratorium period and over 99% during H2 FY21 and average collection of 96.85% during Apr-May 2021 despite strict lock-down is a testimony of very strong underwriting standards and collection efficiency
- ▶ Exceptionally strong asset quality with **99.36% of loan portfolio in current category as of 31.03.2021. Gross NPA ratio was 0.21% as of 31.03.2021 compared to Nil as of 31.03.2020**. Net NPA ratio was 0.11% as of 31.03.2021 compared to Nil as of 31.03.2020. Gross NPA was INR 13.2 Lakhs as of 31.03.2021 (Nil as of 31.03.2020) and Net NPA was INR 6.6 Lakhs as of 31.03.2021 (Nil as of 31.03.2020)
- ▶ Expected Credit Loss (ECL) provisions stood at INR 30.32 Lakhs (0.49% of Loan Book) as of 31.03.2021 compared to INR 30.32 Lakhs (1.04% of Loan Book) as of 31.03.2020 which is adequate based on management assessment of very low delinquent assets
- ▶ Adequately capitalized with Capital Adequacy Ratio of 39.4% (of which Tier-I 39.02%) as of 31.03.2021 compared to 93.65% (of which Tier-I 92.62%) as of 31.03.2020
- ▶ MBFL diversified its funding sources by adding 7 new lenders in Q4FY21 and total 12 new lenders in FY21, taking the total lender count to 14 as of March 2021. New lenders in FY21 included reputed names – AU Small Finance Bank, Ambit Finvest, Ashv Finance, Black Soil Capital, Caspian Debt, Hinduja Leyland Finance, Capri Global, InCred, UC Inclusive Credit and others. Total debt raise was INR 41.5 crores in FY21 which was much lower than expected largely due to cautious approach followed by lenders due to pandemic. Continued support from the existing lenders and addition of new lenders demonstrate the confidence of the lenders in MBFL's credit processes, asset quality, collection efficiency and the management team

Commenting on the results, Deepak Aggarwal (Co-CEO & CFO) said, "We managed to grow our loan book by 111% and maintain robust asset quality with negligible NPAs and best in the industry collection efficiency despite COVID-19 pandemic challenges. We firmly believe in the strength of our portfolio, trust our underwriting expertise, and remain very positive on the long-term industry growth outlook. Also, due to our robust collection efficiency, we have been successful in attracting new lending partners despite challenging environment for NBFCs, which has helped us in supporting micro-enterprises. We believe our debt raising capability will significantly improve in current year with maturing relationships with existing lenders and addition of new lenders. We are confident of becoming profitable in FY22 with very strong growth in AUM despite challenging Q1FY22.

About Moneyboxx Finance Limited

MBFL, which started operations in February 2019 has 22 branches spread across four states —Punjab, Haryana, Rajasthan, and Madhya Pradesh. Its medium-term aim is to build INR 1,000 crore in asset under management (AUM) within the next 3-4 years. MBFL focuses on disbursing small-ticket unsecured business loans to individual borrowers (Livestock, Kirana, Retail Traders, Micro-manufacturers in Tier-III and below cities and rural areas) with loans ranging from Rs 50,000 to 3,00,000 and average tenure of 24 months.

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