



“Inditrade Capital Limited  
Q4 FY2021 Earnings Conference Call”

May 22, 2021



**MANAGEMENT: MR. SUDIP BANDYOPADHYAY - GROUP CHAIRMAN  
& DIRECTOR—  
Ms. JHUMA GUHA –VICE CHAIRPERSON &  
DIRECTOR  
MR. NAVEEN KUMAR JAIN – GROUP CHIEF  
FINANCIAL OFFICER  
MR. VINOD MOHAN- COMPANY SECRETARY**

**MODERATOR:** LADIES AND GENTLEMEN, GOOD DAY AND WELCOME TO THE INDITRADE CAPITAL LIMITED Q4 FY21 EARNINGS CONFERENCE CALL. AS A REMINDER, ALL PARTICIPANT LINES WILL BE IN THE LISTEN-ONLY MODE AND THERE WILL BE AN OPPORTUNITY FOR YOU TO ASK QUESTIONS AFTER THE PRESENTATION CONCLUDES. SHOULD YOU NEED ASSISTANCE DURING THE CONFERENCE CALL, PLEASE SIGNAL AN OPERATOR BY PRESSING '\*' THEN '0' ON YOUR TOUCHTONE PHONE. PLEASE NOTE THAT THIS CONFERENCE IS BEING RECORDED. I NOW HAND THE CONFERENCE OVER TO MR. SUDIP BANDYOPADHYAY - GROUP CHAIRMAN, INDITRADE. THANK YOU AND OVER TO YOU, SIR!

**Sudip Bandyopadhyay:** Thank you, Aisha. Good afternoon ladies and gentlemen. A warm welcome to Inditrade quarterly results update call. I have with me my colleagues, Ms. Jhuma Guha, Director, I have with me Mr. Naveen Kumar Jain, Group CFO and I have with me Mr. Vinod Mohan, who is the Company Secretary of Inditrade Capital.

As all of you are aware, Inditrade Capital at consolidated level were into predominately four businesses- agri commodity financing, microfinance, MSME finance and micro lending. During the last one-and-a-half years we have added insurance broking business, which was already there, but at a very low scale.

We also had introduced Scalerator, which is predominantly a distribution aggregator, which facilitates providing loans from multiple lenders to borrowers who are our customers and Boonbox, which is a rural e-commerce platform, which works with multiple microfinance companies and provides durable products to the microfinance consumers. This is a pure play e-commerce company. This is not into financing, so is Scalerator. So the new two businesses added during the last financial year were not into financing, they were into facilitating As you may be already aware we are present in 13 States and our presence is growing.

Our lending partners have been the traditional lenders as well as we added NABARD during the last quarter. We also got NCD subscribed by Punjab National Bank during the last quarter. Apart from that, we already have banking relationship with Axis Bank, IndusInd Bank, HDFC Bank, Kodak Bank, Jana Commercial Bank, IDFC FIRST Bank, Bandhan Bank, Capital Small Finance Bank and State Bank of India. We also work with large NBFCs like Poonawalla Finance, MAS Financial, Arohan, Hero Fincorp, Northern Arc and others. The financial performance at the consolidated level AUM stands at 361.35 Crores. The balance sheet size is 505.6 Crores on March 31, 2021.

Gross total income for the year has been 182.6 Crores, Profit Before Tax stands at 12.4 Crores and PAT stands at 8.6 Crores. As you will all remember the last year was a watershed year for the world with Corona affecting a significant part of the year and our operations also business volume wise, lending wise, we had significantly shrunk our book and reduced the volume of lending. The P&L quarterly and annual is already there and I am sure you will go through it and I will not unnecessarily read items line by line. I will move to the portfolio performance and if you look at vertical wise, microfinance we started with an outstanding portfolio on January 1, 2021 of 179 Crores added with accrued interest that is how Ind-AS is classified, it was 203 Crores.

During the Q4 we disbursed 70 Crores worth of loans in microfinance, along with the accrued interest and net of collections, we ended up with a principal outstanding of 186 Crores along with interest accrued the portfolio as on March 31, 2021, in microfinance stands at 209.53 Crores. Similarly, in MSME we started with a portfolio of 57.71 Crores after considering the disbursement of 20.52 Crores and netting off interest accrued received and amounts collected we ended up with a portfolio on March 31, 2021, including interest accrued of 62.85 Crores. Micro loan another segment where we have been present in a big way started with the opening portfolio of 95.7 Crores.

During the quarter we had disbursal of 23.61 Crores, net off collection and impairments we ended up with the portfolio of 28.6 Crores on March 31, 2021. Agri commodity we started with the portfolio of 58.57 Crores after interest accrued and disbursal of 29 Crores and collections of 28 Crores, we ended up with a portfolio along with interest accrued of 60.37 Crores. On a total we have as I mentioned, we started the quarter with a portfolio including interest accrued with 417 Crores and we ended the quarter net off write off at 361.35 Crores. The total loan disbursals during the quarter was 142.49 Crores.

As I mentioned, AUM has come down to 361.35 The gross total income has come down to 28.1 Crores and PAT for the quarter is miniscule. Cost of borrowing as I was advising, we got loans from NABARD in microfinance and that helped us bring down the cost of funds to 12.62% in microfinance. In MSME finance, our cost of borrowing is about 11.25%, agri commodity segment our interest cost is 8.32%. On the provisions part as you would have seen in the presentation, MSME the gross NPA is 2.96%, the net NPA is 2.22%. Microfinance, the gross NPA is 1.2%, net NPA is nil.

Micro loan, there is no gross or net NPA and I think you would have noticed that we have written off significant amounts of micro loan outstanding. Between write off and provision, it is a large amount and agri commodity there is no gross or net NPA. As far as

the consolidated level, we have a total portfolio as I have said, own portfolio of 296 Crores, managed portfolio of 65.55 Crores, and a total portfolio of 361.35 Crores. We have a loan outstanding term loan of 157 Crores, subordinate debt, which is the Tier 2 capital of 48 Crores thus we have a total debt of 205.43 Crores.

DA PTC is 65.55 which is actually the managed portfolio. Total debt including DA PTC is 270.98. Our net own fund as on March 31, 2021, is 197.74 Crores. Our debt equity ratio stands shade above 1- 1.04 Crores. Solvency ratio including DA PTC is 75%. Solvency ratio excluding DA PTC is 69.45%.

As I mentioned portfolio breakup, microfinance own portfolio is 178 Crores, managed is 31.6 Crores, total 209.53 Crores. MSME owned portfolio 28.93 Crores, managed 33.92 Crores, 62.85 Crores is the net portfolio as on March 31, 2021. Micro loan we have 28.6 Crores portfolio, agri 60.37 Crores of portfolio, which is all owned. The breakup between microfinance and others is microfinance is 58% of our portfolio, others 42%.

We have gone down and analysed the businesses vertical wise. By and large, I have captured the summary. I will just mention that in MSME, we operate in 10 locations spread across tier 1 and tier 2 cities. We have about 60 member team and we have done a cumulative disbursement in this segment of about 163 Crores. In microfinance, we operate in 9 States, 171 active branches since April 2017, when we launched, we have done a cumulative disbursement of 931 Crores. In the month of April, we crossed 1000 Crores disbursement landmark as well. There are close to 1000 people managing the business in microfinance.

In micro lending, we have focused on providing instant small ticket loans between 2 and 25000. It is a pan India operation. We have started the business in January 2019. We have disbursed about 552 Crores of loans. There is an in-house team of about 30 people, which manages this business.

Agri commodity finance, we operate in select geographies mandi locations predominantly. We started the business in 2016, and by now we have crossed 1000 Crores disbursement.

I will quickly capture the new two businesses very briefly. Scalerator, Inditrade Scalerator, this business is into providing loans to customers. Now, these loans are provided by multiple lenders, which may or may not include Inditrade. Today, as things stand, Inditrade Group's Share in Scalerator business is less than 5%. They are into