



Dear Shareholders

It has been great honor and privilege for me to take you through our performance strides of the financial year 2020-2021. As you know, the havoc of "Covid'19" pandemic outbreak has been crippled normal life and commercial activities in big way across the globe for two years now. It is needless to tell you that the impact of the pandemic on social life and commercial activities has been quite intense. Almost all business verticals except pharma and IT have been under immense pressure for survival in this critical period and we are not an exception to the common global phenomenon. Surprisingly, no one in the market is talking about growth prospects now a days rather all are working hard to evolve strategies for existence and survival, which is quite unique instance, I suppose.

WORDS FROM MANAGING DIRECTOR

Of course, all business verticals have both common and domain-specific challenges in this kind of critical phase. In our line of business, liquidity management remains the major challenge. In order to bring control over pandemic outbreaks, Governments at centre and state level have been imposing lockdowns and travel controls quite off and on during the last two years. Obviously, lockdown and travel restrictions have huge impact on our collection performance. It will not only restrict our field follow-up with defaulters but also their financial stability, especially, of marginal segment of clients. Naturally, it results into decline of fund inflow into the system by the way of collection and recovery. Meanwhile, institutional funders also stopped debt funding, for time being, considering the high risk that involved in funding in a volatile market, which has further intensified our crisis. In such a situation treasury management has become a nightmare for us as any other company of our size and scale.

The phrase that 'necessity is the mother of invention' has been proved true in our case. We did not succumb to the situational pressure rather decided to fight it out. We shifted our focus from institutional debt to retail debt and continued our collection follow-up even during the lockdown and travel restrictions were imposed. We have succeeded in convincing most of our clients to pay up dues even during the stress time without opting for the moratorium. Similarly, debt mobilisation through debentures under private placement also picked up well. As a result, we could overcome

the liquidity crunch and honour all our financial obligations including loan repayments without default of even a single day. You will be happy to know that our alternative retail debt mobilisation channel which we initiated during the crisis period has been growing strength to strength and it supplements our debt requirement to a great extent nowadays.

Unfortunately, we could not do much on top-line performance during this financial year, too. As a result, our portfolio has been declined substantially in year 2020-2021. In spite of all these hurdles, we have been able to manage our bottom-line performance quite well. Though there is a slight decline in our revenue during the year 2020-2021, our profit has been quite consistent. The austerity measures that have been implemented during the pandemic period has helped us to improve our bottom-line performance, which is indeed a remarkable achievement. I take this opportunity to express my sincere gratitude to all our team members for extending support and co-operation for implementing the austerity measures at the time of crisis.

It is true that we have been managing subsequent waves of the pandemic with more confidence and determination and are more equipped now to handle any such crisis in future, too. It seems that normalcy is not a distant reality now and once it is back, we will bounce back and move on with aggressive growth strategies. I'm fully confident that we will continue with our institution-making process with much more determination and dedication in the days to come.

The current market trends and indications are quite positive about the future. Pandemic will not stay for long and it will move away from the mind of people over a period and normalcy will return in social life and commercial activities soon. Of course, vaccination will do a significant role in restoring normalcy in life and activities across the globe.

Let us hope for the best!

Kind regards,

C. Vijayakumaran Nair
Managing Director