

July 08, 2022^(Revised)

Muthoot Finance Limited: Ratings reaffirmed; Rated amount enhanced

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Non-convertible Debenture Programme (public placement)	9,626.53	9,626.53	[ICRA]AA+(Stable); reaffirmed
	556.64	0.00	[ICRA]AA+(Stable); reaffirmed & withdrawn
Non-convertible Debenture Programme (private placement)	5,175.00	5,175.00	[ICRA]AA+(Stable); reaffirmed
Long-term Fund-based Bank Facility/CC	10,522.00 [#]	11,009.00 ^{##}	[ICRA]AA+(Stable); reaffirmed/assigned
Short-term Fund-based Bank Facilities	15,033.00 [#]	16,460.00 ^{##}	[ICRA]A1+; reaffirmed/assigned
Term Loans	14,645.00 [#]	19,495.00 ^{##}	[ICRA]AA+(Stable); reaffirmed/assigned
Subordinated Debt Programme	320.05	320.05	[ICRA]AA+(Stable); reaffirmed
Commercial Paper Programme	5,000.00	5,000.00	[ICRA]A1+; reaffirmed
Total	49,943.22	54,136.58	

*Instrument details are provided in Annexure I

[#] Long-term and short-term fund-based limits include an interchangeable limit of Rs. 7,175 crore; Term loan and short-term fund-based limits include an interchangeable limit of Rs. 100 crore; Term loan, long-term and short-term fund-based limits include an interchangeable limit of Rs. 1,830 crore; total rated bank facilities stand at Rs. 29,265 crore

^{##} Long term and short-term fund-based limits include an interchangeable limit of Rs. 6,335 crore; Term loan, long-term and short-term fund-based limits include an interchangeable limit of Rs. 3,257 crore; Term loan and short-term fund-based limits include an interchangeable limit of Rs. 100 crore; total rated bank facilities stand at Rs. 34,015 crore

Rationale

The ratings factor in Muthoot Finance Limited's (MFL) healthy financial risk profile and the scale-up in its consolidated portfolio, which was largely led by the gold loan business. MFL's gold loan book has more than doubled over the last five years to Rs. 57,531.3 crore as of March 2022 and accounted for about 90% of its consolidated portfolio. The ratings continue to factor in MFL's long track record and its leadership position in the gold loan segment, its established franchise with a pan-India branch network, and its efficient internal controls and monitoring systems. MFL's ability to raise funds from diverse sources and the short-term nature of the gold loans result in a strong liquidity profile.

ICRA, however, notes the performance of the non-gold segments, which are of a relatively lower vintage; the sustained good quality growth and earnings performance of these segments would remain a monitorable. Some of the asset segments, namely microfinance (6.8% of the consolidated AUM¹ as of March 2022), vehicle finance (0.3%) and affordable housing (2.3%) recorded gross stage 3 (GS3) of 5.1%, 6.6% and 2.1%, respectively, vis-à-vis 3.0% in the gold loan segment as of March 2022 (GS3 at 0.9% in March 2021). ICRA takes note of the sizeable gold loan auctions undertaken by MFL in FY2022 vis-à-vis FY2021 and FY2020, largely on account of the loan origination in Q1 and Q2 FY2021, when gold prices were high. Gold loan auctions undertaken in FY2022 stood at Rs. 5,211 crore vis-à-vis Rs. 171 crore in FY2021 (Rs. 579 crore in FY2020). The average portfolio loan-to-value (LTV) moderated to 65% in March 2022 from 73% in September 2021 (65% in December 2020 and 61% in September 2020).

¹ Assets under management

The credit costs in the gold loan business, however, remained under control in the past, which supported the consolidated earnings performance (profit after tax (PAT)/average managed assets (AMA)² in the range of 5.5-6.5% during FY2018 to FY2022). The improvement in the operating efficiency also supported the earnings profile in FY2021 and FY2022, though the company faced a moderation in the margins in FY2022 on account of competitive pressure. As a result, it offered gold loans at cheaper rates for a short duration (Q3/Q4 FY2022). The above, along with the higher liquidity carried by MFL, affected its net interest margin (NIM; as a percentage of AMA), which moderated to 10.6% in FY2022 from 11.4% in FY2021 and 13.0% in FY2020.

ICRA expects the consolidated earnings performance to remain healthy as gold loans would account for 85-90% of the overall lending portfolio and recoveries from overdues are expected to be good, which would keep the credit costs under control. Managing the NIMs going forward, in the increasing interest rate and competitive business environment, would be a monitorable. MFL's capitalisation profile, characterised by a consolidated managed gearing³ of 2.9 times as of March 2022 (3.0-3.5 times over the last 3-4 years), is expected to remain comfortable over the medium term supported by the expected healthy accruals.

ICRA takes note of the geographical concentration of the branches and the loan book in South India. South India accounts for 60% of MFL's gold loan branches, contributing about 50% to the gold loan book. A demonstrated track record in the non-gold segments and a steady improvement in geographical diversity would be key, going forward, from a rating perspective.

The Stable outlook factors in ICRA's expectation that MFL will continue to benefit from its established operational track record in the gold loan business, which is expected to account for 85-90% of the consolidated AUM over the medium term, and the comfortable overall financial risk profile.

ICRA has reaffirmed and withdrawn the long-term rating on the Rs. 556.64 crore non-convertible debenture (NCD) programme, as the instruments have been fully redeemed and no amount is outstanding against the same. The rating was withdrawn as per ICRA's policy on the withdrawal and suspension of credit ratings.

Key rating drivers and their description

Credit strengths

Established franchise and leadership position in gold loan segment – MFL has a track record of around two decades in the gold loan business and is India's largest gold loan focussed non-banking financial company (NBFC) with a total portfolio of Rs. 58,053 crore (of which 99% is gold loan) as on March 31, 2022; the portfolio grew by 10.3% on a year-on-year (YoY) basis. The consolidated portfolio stood at Rs. 64,494 crore in March 2022 compared to Rs. 58,280 crore in March 2021, of which gold, microfinance and housing accounted for 90.0%, 6.8% and 2.3%, respectively.

As on March 31, 2022, MFL had an extensive pan-India network of 4,617 branches; 60% of its branches are in South India, where it has an established franchise. The strong brand value of Muthoot, its experienced promoters and senior management team, and its efficient internal controls and audit systems are expected to support the overall business growth going forward.

Healthy earnings performance – The company's consolidated net profitability remained healthy with the return on managed assets (RoMA) at 5.5% in FY2022, notwithstanding the moderation from 6.1% in FY2021 (6.5% in FY2020). The consolidated net profitability remained in the range of 5.5-6.5% during FY2018 to FY2022. The NIM (as a percentage of AMA) was lower in FY2022 and FY2021 at 10.6% and 11.4%, respectively, vis-à-vis 13.0% and 12.9% in FY2020 and FY2019, respectively because of the higher on-balance sheet liquidity maintained by the company. Moreover, MFL offered gold loans at very low rates (rate of interest below 7% per annum) for a short duration between Q3 FY2022 and Q4 FY2022. The operating profitability, however,

² Profit after tax/(Total assets including off-book AUM)

³ Managed gearing – (borrowings + off-book AUM)/Net worth

was supported by the improvement in the operating cost ratio to 3.0% in FY2022 (3.3% in FY2021) vis-à-vis 4.3-4.6% during FY2017-FY2020. The earnings performance continues to be supported by the low credit costs (less than 1% over the last 10 years and average of 0.5%) in the gold loan business. ICRA expects the net profitability to stabilise at 5.0% over the medium term.

MFL's (standalone) net profitability was 5.9% in FY2022 and 6.5% in FY2021 (6.8% in FY2020). The annualised return on average net worth (standalone) was 23.5% in FY2022 (27.8% and 28.3% in FY2021 and FY2020, respectively).

Capitalisation to remain comfortable over the medium term – MFL has a comfortable capitalisation profile with a standalone gearing of 2.8 times as on March 31, 2022 and 3.1 times as on March 31, 2021 (3.2 times as on March 31, 2020), aided by good internal capital generation. The consolidated managed gearing stood at 2.9 times as on March 31, 2022. MFL's standalone net worth was Rs. 18,344.6 crore as on March 31, 2022 (Rs. 15,238.9 crore as on March 31, 2021). The company is expected to be comfortably placed to meet the medium-term capital requirements of its subsidiaries without affecting its own capital structure. ICRA expects MFL's consolidated managed gearing to remain below 4.0 times over the medium term.

Credit challenges

Performance of non-gold segments to remain a monitorable; sizeable share of gold loans would support overall portfolio quality – MFL's standalone portfolio almost entirely consists of gold loans and it has diversified its exposure via its subsidiaries, namely Belstar Microfinance Limited (Belstar; microfinance), Muthoot Homefin (India) Limited (MHL; affordable housing) and Muthoot Money Limited (MML; vehicle finance). The consolidated portfolio is currently concentrated towards gold loans, comprising 90% of the loan book while microfinance, affordable housing and vehicle finance accounted for 6.8%, 2.3% and 0.3%, respectively, as on March 31, 2022. The loan books of MHL and MML declined by 14% and 44%, respectively, in FY2022, while Belstar registered a growth of 32%. The GS3 for the subsidiary companies, viz. Belstar, MHL and MML, stood at 5.7%, 2.1% and 6.6%, respectively, in March 2022 vis-à-vis 2.4%, 4.0% and 8.6%, respectively, in March 2021. The performance of the non-gold segments was impacted by the Covid-19 pandemic-related disruptions because of the unsecured nature of the microfinance business and the average credit profile of the borrowers in the housing and vehicle finance segments.

MFL's GS3, however, stood at 3.0% in March 2022 (0.9% in March 2021). ICRA notes the company's track record in containing credit costs in the gold segment and achieving recoveries in auctions where it typically recovers the principal and a sizeable share of the accrued interest on such loans. Gold loan auctions undertaken in FY2022 stood at Rs. 5,211 crore vis-à-vis Rs. 171 crore in FY2021 (Rs. 579 crore in FY2020). Gold prices declined in H2 FY2021 from the peak level in August 2020 and were about 15% lower as of March 2021; the prices improved between March 2021 and March 2022. The weighted average LTV for gold loans stood at 65% as of March 2022 compared to 73% as of September 2021 (75% as of March 2021) and about 61% as on September 30, 2020; the moderation in the LTV can be attributed to the recovery measures adopted by the company, including auctions.

ICRA expects MFL's asset quality in the gold loan segment, which accounts for the bulk of the consolidated AUM, to remain under control with low credit costs. The overall asset quality and credit costs are expected to remain under control as the subsidiaries are expected to account for 10-15% of the consolidated portfolio over the medium term. MFL's ability to profitably grow its non-gold businesses while maintaining good asset quality would be crucial over the medium to long term, considering the unsecured nature of some of these businesses and the higher inherent risks in these segments compared to gold loans.

Operations concentrated in South India – MFL's operations are largely concentrated in South India, which constituted 60% of its total branch network and 50% of its total loan portfolio as on March 31, 2022. ICRA, however, notes that the share of the portfolio in South India has reduced from 57% in March 2015. Geographical diversification is expected to improve steadily over the medium to long term with an improvement in the scale of the gold loan portfolio and the stabilisation of the performance of the non-gold asset segments.

Liquidity position: Strong

MFL had cash and liquid investments of Rs. 5,403 crore as on June 10, 2022, with a payment obligation of Rs. 14,456 crore between June 10, 2022 and November 30, 2022. A sizeable portion of the repayments (Rs. 5,568 crore) comprises cash credit/short-term loans from banks, which are expected to be rolled over, while the NCD, external commercial borrowings (ECB) and term loan repayments are Rs. 2,428 crore, Rs. 3,614 crore and Rs. 2,846 crore, respectively, during the above-mentioned period. Undrawn cash credit, working capital funding and term loan limits (about Rs. 5,785 crore as of June 2022) provide further support to the company's liquidity profile.

MFL has a fairly diversified funding profile with bank/financial institution (FI) loans constituting 55% of its total borrowings as on March 31, 2022, followed by NCDs (25%), ECBs (15%), commercial papers (2%) and subordinated debt (0.3%). Diverse funding sources help the company maintain a comfortable liquidity position.

Rating sensitivities

Positive factors – ICRA could change the outlook or upgrade the rating if MFL sustains a comfortable overall asset quality and capital profile over the medium to long term. A track record of good performance in the non-gold segments and improvement in geographical diversity would also positively impact the rating.

Negative factors – ICRA could change the outlook or downgrade MFL's ratings if the share of the unsecured asset segment goes beyond 15% or the asset quality weakens significantly, thereby impacting its earnings. The increase in the consolidated gearing beyond 4.5 times on a sustained basis would also negatively impact the ratings.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	ICRA Rating Methodology for Non-banking Finance Companies Methodology for Consolidation and Rating Approach Policy on Withdrawal of Ratings
Parent/Group support	Not applicable
Consolidation/Standalone	To arrive at the ratings, ICRA has considered the consolidated financials of the Muthoot Finance Group. The consolidated financials of the Group include seven subsidiaries as listed in Annexure II

About the company

Muthoot Finance Limited (MFL) is the flagship company of the Kerala-based business house, The Muthoot Group, which has diversified operations in financial services, healthcare, education and hospitality. MFL was incorporated in 1997 and is India's largest gold loan focussed NBFC with total loan assets (standalone) of Rs. 58,053 crore and 4,617 branches as on March 31, 2022. The company derives a major portion of its business from South India (50% of the total gold loan portfolio as on March 31, 2022), where gold loans have traditionally been accepted as a means of availing short-term credit, although it has increased its presence beyond South India over the last few years.

MFL reported a standalone net profit of Rs. 3,954 crore on an asset base of Rs. 70,555 crore in FY2022 against a net profit of Rs. 3,722 crore on an asset base of Rs. 63,465 crore in FY2021. The consolidated portfolio stood at Rs. 64,494 crore as on March 31, 2022 compared to Rs. 58,280 crore as on March 31, 2021 (Rs. 46,871 crore as on March 31, 2020), with gold, housing and microfinance accounting for 90%, 2% and 7%, respectively.

Key financial indicators (audited)

	Standalone			Consolidated		
Muthoot Finance Limited	FY2020	FY2021	FY2022	FY2020	FY2021	FY2022
Total income	8,723	10,574	11,098	9,707	11,566	12,237
Profit after tax	3,018	3,722	3,954	3,169	3,819	4,031
Net worth	11,572	15,239	18,345	12,001	15,760	19,138
Loan book	42,604	54,063	59,384	47,068	58,809	64,528
Total managed assets	50,460	63,465	70,555	55,629	69,382	77,387
Return on managed assets	6.8%	6.5%	5.9%	6.5%	6.1%	5.5%
Return on net worth	28.3%	27.8%	23.5%	28.7%	27.5%	23.1%
Managed gearing (times)	3.2	3.1	2.8	3.5	3.2	2.9
Gross stage 3	2.2%	0.9%	3.0%	-	-	-
Net stage 3	1.9%	0.8%	2.7%	-	-	-
Net NPA / Net worth	6.9%	2.6%	8.5%	-	-	-
CRAR	25.5%	27.4%	30.0%	-	-	-

Source: Company, ICRA Research; All ratios as per ICRA's calculations

Amount in Rs. crore

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Current Rating (FY2023)		Chronology of Rating History for the Past 3 Years			
				Date & Rating in FY2023	Date & Rating in FY2022	Date & Rating in FY2021		Date & Rating in FY2020	
						Mar 16, 2021	Apr 13, 2020 Jun 11, 2020 Sep 28, 2020 Dec 03, 2020	Oct 10, 2019 Jan 22, 2020 Feb 14, 2020	
NCD Programme (public placement)	LT	9,626.53	9,626.53	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	
		556.64	0.00	[ICRA]AA+ (Stable); withdrawn	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	
NCD Programme (private placement)	LT	5,175.00	5,175.00	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	
Long-term Fund-based Bank Facility / CC	LT	11,009.00 [#]	11,009.00 [#]	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	
Short-term Fund-based Bank Facilities	ST	16,460.00 [#]	16,460.00 [#]	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	
Term Loans	LT	19,495.00 [#]	19,495.00 [#]	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	
Subordinated Debt Programme	LT	320.05	320.05	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	
CP Programme	ST	5,000.00	5,000.00	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	

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Complexity level of the rated instruments

Instrument	Complexity indicator
NCD Programme	Simple
Bank Facilities	Simple
Subordinated Debt Programme	Moderately Complex
Commercial Paper	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate (%)	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE414G07CA5	Non-convertible Debentures	Apr 24, 2017	8.75	Apr 24, 2022	61.18	[ICRA]AA+(Stable); reaffirmed and withdrawn
INE414G07CD9	Non-convertible Debentures	Apr 24, 2017	9	Apr 24, 2022	190.56	
INE414G07CZ2	Non-convertible Debentures	Mar 20, 2019	Zero Coupon	May 20, 2022	151.74	
INE414G07DC9	Non-convertible Debentures	Mar 20, 2019	9.5	May 20, 2022	79.45	
INE414G07DF2	Non-convertible Debentures	Mar 20, 2019	9.75	May 20, 2022	73.71	
INE414G07CK4	Non-convertible Debentures	Apr 19, 2018	8.75	Apr 19, 2023	56.51	[ICRA]AA+(Stable)
INE414G07CN8	Non-convertible Debentures	Apr 19, 2018	9	Apr 19, 2023	721.85	[ICRA]AA+(Stable)
INE414G07CR9	Non-convertible Debentures	Apr 19, 2018	Zero Coupon	Apr 19, 2023	205.55	[ICRA]AA+(Stable)
INE414G07DA3	Non-convertible Debentures	Mar 20, 2019	Zero Coupon	Mar 20, 2024	46.75	[ICRA]AA+(Stable)
INE414G07DD7	Non-convertible Debentures	Mar 20, 2019	9.75	Mar 20, 2024	110.64	[ICRA]AA+(Stable)
INE414G07DG0	Non-convertible Debentures	Mar 20, 2019	10	Mar 20, 2024	91.76	[ICRA]AA+(Stable)
INE414G07DI6	Non-convertible Debentures	Jun 14, 2019	9.5	Aug 14, 2022	87.16	[ICRA]AA+(Stable)
INE414G07DL0	Non-convertible Debentures	Jun 14, 2019	9.75	Aug 14, 2022	71.27	[ICRA]AA+(Stable)
INE414G07DO4	Non-convertible Debentures	Jun 14, 2019	Zero Coupon	Aug 14, 2022	157.29	[ICRA]AA+(Stable)
INE414G07DJ4	Non-convertible Debentures	Jun 14, 2019	9.75	Jun 14, 2024	105.81	[ICRA]AA+(Stable)
INE414G07DM8	Non-convertible Debentures	Jun 14, 2019	10	Jun 14, 2024	179.47	[ICRA]AA+(Stable)
INE414G07DP1	Non-convertible Debentures	Jun 14, 2019	Zero Coupon	Jun 14, 2024	20.82	[ICRA]AA+(Stable)
INE414G07DQ9	Non-convertible Debentures	Jun 14, 2019	Zero Coupon	Dec 14, 2026	32.24	[ICRA]AA+(Stable)
INE414G07DU1	Non-convertible Debentures	Nov 01, 2019	9.5	Jan 01, 2023	53.73	[ICRA]AA+(Stable)
INE414G07DV9	Non-convertible Debentures	Nov 01, 2019	Zero Coupon	Nov 01, 2024	89.82	[ICRA]AA+(Stable)
INE414G07DX5	Non-convertible Debentures	Nov 01, 2019	9.75	Jan 01, 2023	40.99	[ICRA]AA+(Stable)
INE414G07DY3	Non-convertible Debentures	Nov 01, 2019	Zero Coupon	Nov 01, 2024	53.62	[ICRA]AA+(Stable)
INE414G07EA1	Non-convertible Debentures	Nov 01, 2019	10	Jan 01, 2023	38.02	[ICRA]AA+(Stable)
INE414G07EB9	Non-convertible Debentures	Nov 01, 2019	Zero Coupon	Nov 01, 2024	14	[ICRA]AA+(Stable)
INE414G07EC7	Non-convertible Debentures	Nov 01, 2019	Zero Coupon	May 01, 2027	43.2	[ICRA]AA+(Stable)
INE414G07EI4	Non-convertible Debentures	Dec 27, 2019	9.5	Feb 27, 2023	54.69	[ICRA]AA+(Stable)
INE414G07EJ2	Non-convertible Debentures	Dec 27, 2019	Zero Coupon	Dec 27, 2024	81.83	[ICRA]AA+(Stable)
INE414G07EL8	Non-convertible Debentures	Dec 27, 2019	9.75	Feb 27, 2023	117.08	[ICRA]AA+(Stable)
INE414G07EM6	Non-convertible Debentures	Dec 27, 2019	Zero Coupon	Dec 27, 2024	54.38	[ICRA]AA+(Stable)
INE414G07EE3	Non-convertible Debentures	Dec 27, 2019	10	Feb 27, 2023	40.78	[ICRA]AA+(Stable)
INE414G07EF0	Non-convertible Debentures	Dec 27, 2019	Zero Coupon	Dec 27, 2024	12.66	[ICRA]AA+(Stable)
INE414G07EG8	Non-convertible Debentures	Dec 27, 2019	Zero Coupon	Jun 27, 2027	44.6	[ICRA]AA+(Stable)
INE414G07FD2	Non-convertible Debentures	Nov 05, 2020	7.15 & 7.40	Jan 05, 2024	24.04	[ICRA]AA+(Stable)
INE414G07FE0	Non-convertible Debentures	Nov 05, 2020	7.50 & 7.75	Nov 05, 2025	37.32	[ICRA]AA+(Stable)
INE414G07FF7	Non-convertible Debentures	Nov 05, 2020	7.40 & 7.65	Jan 05, 2024	1,773.86	[ICRA]AA+(Stable)
INE414G07FG5	Non-convertible Debentures	Nov 05, 2020	7.75 & 8.00	Nov 05, 2025	75.71	[ICRA]AA+(Stable)
INE414G07FH3	Non-convertible Debentures	Nov 05, 2020	Zero Coupon	Jan 05, 2024	59.55	[ICRA]AA+(Stable)
INE414G07FI1	Non-convertible Debentures	Nov 05, 2020	Zero Coupon	Nov 05, 2025	29.52	[ICRA]AA+(Stable)
INE414G07FJ9	Non-convertible Debentures	Jan 11, 2021	7.15 & 6.75	Mar 11, 2024	43.3	[ICRA]AA+(Stable)
INE414G07FK7	Non-convertible Debentures	Jan 11, 2021	7.50 & 7.10	Jan 11, 2026	43.03	[ICRA]AA+(Stable)
INE414G07FL5	Non-convertible Debentures	Jan 11, 2021	7.40 & 7.00	Mar 11, 2024	62.69	[ICRA]AA+(Stable)
INE414G07FM3	Non-convertible Debentures	Jan 11, 2021	7.75 & 7.35	Jan 11, 2026	55.38	[ICRA]AA+(Stable)
INE414G07FN1	Non-convertible Debentures	Jan 11, 2021	Zero Coupon	Mar 11, 2024	43.62	[ICRA]AA+(Stable)
INE414G07FO9	Non-convertible Debentures	Jan 11, 2021	Zero Coupon	Jan 11, 2026	44.96	[ICRA]AA+(Stable)
INE414G07FQ4	Non-convertible Debentures	Apr 20,2021	7.10 & 6.85	Jun 20,2024	10.5	[ICRA]AA+(Stable)
INE414G07FR2	Non-convertible Debentures	Apr 20,2021	7.60 & 7.35	Apr 20,2026	17.16	[ICRA]AA+(Stable)
INE414G07FS0	Non-convertible Debentures	Apr 20,2021	6.85 & 6.60	Jun 20,2023	384.89	[ICRA]AA+(Stable)
INE414G07FT8	Non-convertible Debentures	Apr 20,2021	7.35 & 7.10	Jun 20,2024	596.54	[ICRA]AA+(Stable)
INE414G07FU6	Non-convertible Debentures	Apr 20,2021	7.85 & 7.60	Apr 20,2026	384.81	[ICRA]AA+(Stable)
INE414G07FV4	Non-convertible Debentures	Apr 20,2021	8.25 & 8.00	Apr 20,2031	229.05	[ICRA]AA+(Stable)
INE414G07FW2	Non-convertible Debentures	Apr 20,2021	Zero Coupon	Jun 20,2024	15.28	[ICRA]AA+(Stable)
INE414G07FX0	Non-convertible Debentures	Apr 20,2021	Zero Coupon	Apr 20,2026	61.77	[ICRA]AA+(Stable)
INE414G07GD0	Non-convertible Debentures	May 05, 2022	7.00 & 6.50	May 05, 2025	52.65	[ICRA]AA+(Stable)

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate (%)	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE414G07GE8	Non-convertible Debentures	May 05, 2022	7.25 & 6.75	May 05, 2027	52.67	[ICRA]AA+(Stable)
INE414G07GF5	Non-convertible Debentures	May 05, 2022	7.25 & 6.75	May 05, 2025	111.66	[ICRA]AA+(Stable)
INE414G07GG3	Non-convertible Debentures	May 05, 2022	7.50 & 7.00	May 05, 2027	37.52	[ICRA]AA+(Stable)
INE414G07GH1	Non-convertible Debentures	May 05, 2022	7.75 & 7.25	May 05, 2029	8.62	[ICRA]AA+(Stable)
INE414G07GI9	Non-convertible Debentures	May 05, 2022	8.00 & 7.50	May 05, 2032	23.72	[ICRA]AA+(Stable)
INE414G07GJ7	Non-convertible Debentures	May 05, 2022	Zero Coupon	May 05, 2025	62.64	[ICRA]AA+(Stable)
INE414G07GK5	Non-convertible Debentures	May 05, 2022	Zero Coupon	May 05, 2027	28.23	[ICRA]AA+(Stable)
INE414G07GL3	Non-convertible Debentures	Jun 23, 2022	7.25 & 6.75	Jun 23, 2025	62.78	[ICRA]AA+(Stable)
INE414G07GM1	Non-convertible Debentures	Jun 23, 2022	7.50 & 7.00	Jun 23, 2027	35.4	[ICRA]AA+(Stable)
INE414G07GN9	Non-convertible Debentures	Jun 23, 2022	7.50 & 7.00	Jun 23, 2025	51.82	[ICRA]AA+(Stable)
INE414G07GO7	Non-convertible Debentures	Jun 23, 2022	7.75 & 7.25	Jun 23, 2027	13.07	[ICRA]AA+(Stable)
INE414G07GP4	Non-convertible Debentures	Jun 23, 2022	8.00 & 7.50	Jun 23, 2029	35.6	[ICRA]AA+(Stable)
INE414G07GQ2	Non-convertible Debentures	Jun 23, 2022	Zero Coupon	Jun 23, 2025	48.32	[ICRA]AA+(Stable)
INE414G07GR0	Non-convertible Debentures	Jun 23, 2022	Zero Coupon	Jun 23, 2027	18.19	[ICRA]AA+(Stable)
Unallocated	NCD Programme (public) - Yet to be placed	-	-	-	2,364.14	[ICRA]AA+(Stable)
	Total – NCD Programme (public)				9,626.53	
INE414G07ET1	NCD Programme (private)	Jun 18, 2020	9.5	Jun 18, 2025	125.00	[ICRA]AA+(Stable)
INE414G07EX3	NCD Programme (private)	Jul 15, 2020	8.4	Jul 15, 2023	100.00	[ICRA]AA+(Stable)
INE414G07FC4	NCD Programme (private)	Oct 16, 2020	7.5	Oct 16, 2023	460.00	[ICRA]AA+(Stable)
INE414G07FY8	NCD Programme (private)	May 31, 2021	7.9	May 30, 2031	215.00	[ICRA]AA+(Stable)
INE414G07GA6	NCD Programme (private)	Feb 17, 2022	6.87	Feb 27, 2025	500.00	[ICRA]AA+(Stable)
INE414G07GB4	NCD Programme (private)	Feb 24, 2022	6.17	Feb 23, 2023	200.00	[ICRA]AA+(Stable)
Unallocated	NCD Programme (private) - Yet to be placed	-	-	-	3,575.00	[ICRA]AA+(Stable)
	Total – NCD Programme (private)				5,175.00	
INE414G09015	Subordinated Debt	Mar 26, 2013	12.35	Mar 26, 2023	10.00	[ICRA]AA+(Stable)
INE414G08298	Subordinated Debt	Oct 14, 2015	Zero Coupon	Oct 14, 2022	35.95	[ICRA]AA+(Stable)
INE414G08314	Subordinated Debt	May 12, 2016	Zero Coupon	Nov 12, 2023	23.60	[ICRA]AA+(Stable)
INE414G08330	Subordinated Debt	Jan 30, 2017	Zero Coupon	Jan 30, 2025	31.78	[ICRA]AA+(Stable)
INE414G08348	Subordinated Debt	Apr 24, 2017	Zero Coupon	Apr 24, 2025	18.72	[ICRA]AA+(Stable)
Unallocated	Subordinated Debt - Yet to be placed	-	-	-	200.00	[ICRA]AA+(Stable)
	Total – Subordinated Debt				320.05	
Unallocated	Commercial Paper - Not placed	NA	NA	7-365 days	5,000.00	[ICRA]A1+
	Total – Commercial Paper	-	-	-	5,000.00	
NA	Term Loans	-	-	-	19,495.00 #	[ICRA]AA+(Stable)
NA	Long-term Bank Facilities	-	-	-	11,009.00 #	[ICRA]AA+(Stable)
NA	Short-term Bank Facilities	-	-	-	16,460.00 #	[ICRA]A1+
	Total – Bank Facilities	-	-	-	34,015.00	

Source: Company; #Long-term and short-term fund-based limits include an interchangeable limit of Rs. 6,335 crore; Term loan, long-term and short-term fund-based limits include an interchangeable limit of Rs. 3,257 crore; Term loan and short-term fund-based limits include an interchangeable limit of Rs. 100 crore; total rated bank facilities stand at Rs. 34,015 crore

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Company Name	MFL Ownership	Consolidation Approach
Muthoot Finance Limited	Parent	Full consolidation
Muthoot Homefin (India) Limited	100%	Full consolidation
Muthoot Insurance Brokers Private Limited	100%	Full consolidation
Muthoot Money Limited	100%	Full consolidation
Muthoot Trustee Private Limited	100%	Full consolidation
Muthoot Asset Management Private Limited	100%	Full consolidation
Belstar Microfinance Limited	56.96%	Full consolidation
Asia Asset Finance PLC	72.92%	Full consolidation

Source: MFL

Corrigendum

The rating rationale document dated July 08, 2022 has been corrected with the revision as detailed below:

- 1) Changes made in Page-6 (under Rating history for past three years).

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