November 02, 2023

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)	8,981.61	8,981.61	[ICRA]AA+(Stable); reaffirmed
Non-convertible debenture programme (private placement)	10,175.00	10,175.00	[ICRA]AA+(Stable); reaffirmed
Long-term fund-based bank facility/CC	7,380.00#	7,858.25##	[ICRA]AA+(Stable); assigned/reaffirmed
Short-term fund-based bank facilities	14,793.00#	16,146.25##	[ICRA]A1+; assigned/reaffirmed
Term loans	19,477.00#	25,499.50##	[ICRA]AA+(Stable); assigned/reaffirmed
Non-fund based bank facilities – Bank guarantee	0.00#	15.50##	[ICRA]AA+(Stable); assigned
Subordinated debt programme	274.10	274.10	[ICRA]AA+(Stable); reaffirmed
Commercial paper programme	5,000.00	5,000.00	[ICRA]A1+; reaffirmed
Total	**58,445.71**	**64,445.71**	

**Instrument details are provided in Annexure I*

 # Long-term and short-term fund-based limits include an interchangeable limit of Rs. 6,106 crore; Term loans, long-term and short-term fund-based limits include an interchangeable limit of Rs. 658 crore; Term loans and short-term fund-based limits include an interchangeable limit of Rs. 213 crore; total rated bank facilities stand at Rs. 34,015 crore

Long-term and short-term fund-based limits include an interchangeable limit of Rs. 5,807.00 crore; Term loans, long-term and short-term fund-based limits include an interchangeable limit of Rs. 1,811.25 crore; Term loans and short-term fund-based limits include an interchangeable limit of Rs. 75.00 crore; total rated bank facilities stand at Rs. 40,015.00 crore

Rationale

The ratings factor in Muthoot Finance Limited's (MFL) financial risk profile, characterised by its comfortable capitalisation and healthy earnings profile, notwithstanding the increasing competitive pressure in the gold loan segment in recent quarters. MFL's gold loan book has more than doubled over the last five years to Rs. 66,039 crore as of June 2023 and accounted for about 86% of its consolidated portfolio. The segment reported a slower growth of 8% in FY2023 due to intense competition, especially from banks in H1 FY2023. However, the growth improved to 18% year-on-year (YoY) as of June 2023. 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 control and monitoring systems. MFL's ability to raise funds from diverse sources and the short-term nature of 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 (9.1% of the consolidated AUM[1] as of June 2023), affordable housing (2.0%) and vehicle finance (0.6%), recorded gross stage 3 (GS3) of 1.6%, 4.0% and 2.5%, respectively, vis-à-vis 4.3% in the gold loan segment as of June 2023 (deteriorated from 3.8% as of March 2023 and 2.1% as of June 2022). ICRA takes note of the sizeable gold loan auctions undertaken by MFL in FY2023 and FY2022 vis-à-vis FY2021 and FY2020, largely on account of the loans originating when gold prices were high and

[1] *Assets under management*

there were Covid-19 pandemic-related defaults. The gold loan auctions undertaken in FY2023 and FY2022 stood at Rs. 2,203 crore and Rs. 5,211 crore, respectively, vis-à-vis Rs. 171 crore in FY2021 (Rs. 579 crore in FY2020). The average portfolio loan-to-value (LTV) stood at 68% as of June 2023 and 63% as of March 2023 (68% as of June 2022).

ICRA expects the consolidated earnings performance to remain healthy at 4.0-4.5% over the medium term as gold loans continue to account for 85-90% of the overall lending portfolio. Moreover, recoveries from gold loan overdues are expected to be good, which would keep the credit costs under control. Managing the net interest margin (NIM), going forward, in an increasing interest rate and competitive business environment, would be a monitorable. MFL's capitalisation profile, characterised by a consolidated managed gearing of 2.7 times as of June 2023 and 2.6 times as of March 2023 (2.9-3.5 times during FY2018-FY2022), would remain comfortable over the medium term, supported by healthy accruals and moderate growth expectations.

ICRA takes note of the geographical concentration of the branches and the loan book in South India. South India accounts for 59% of MFL's gold loan branches, contributing about 48% 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.

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. 67,639 crore (of which 98% is gold loan) as of June 2023; the portfolio grew by 19.3% on a YoY basis. The consolidated loan portfolio stood at Rs. 76,799 crore as of June 2023 compared to Rs. 71,497 crore in March 2023, with gold, microfinance and housing accounting for 86.0%, 9.1% and 2.0%, respectively.

As of June 2023, MFL had an extensive pan-India network of 4,742 branches; 59% 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, notwithstanding moderation due to significant competitive pressure in recent quarters – The company's consolidated net profitability {profit after tax (PAT)/average managed assets (AMA)} improved to 5.0% in Q1 FY2024 from 4.6% in FY2023, with better yields leading to healthy margins despite the increasing borrowing cost. However, the profitability declined from 5.5% in FY2022 (6.1% in FY2021), notwithstanding the reduction in on-balance sheet liquidity. The consolidated net profitability remained in the range of 5.5-6.5% during FY2018 to FY2022. 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 remain at 4.0-5.0% over the medium term.

The share of higher-ticket loans (> Rs. 3 lakh), which generally have lower yields and face higher competition, increased to 20% in September 2020 from 14% in September 2019, and stood at 27% as of June 2023. The operating profitability was also impacted by the increase in the operating cost ratio to 3.3% in FY2023 because of higher advertising costs, business promotion costs and corporate social responsibility (CSR) expenses from 3.0% in FY2022 (3.3% in FY2021; 4.3-4.6% during FY2017-FY2020).

MFL's (standalone) net profitability was 5.3% in Q1 FY2024 and 4.9% in FY2023 (5.9% in FY2022). The annualised return on average net worth (standalone) was 18.5% in Q1 FY2024 and 17.6% in FY2023 (23.5% in FY2022).

Capitalisation to remain comfortable over the medium term – MFL has a comfortable capitalisation profile with a standalone gearing of 2.4 times as of June 2023 and March 2023 (2.8 times as of March 2022), aided by good internal capital generation. The consolidated managed gearing stood at 2.7 times as of June 2023 and 2.6 times as of March 2023 (2.9 times as of March 2022). MFL's standalone net worth was Rs. 21,177.1 crore as of June 2023 and Rs. 21,061.9 crore as of March 2023 (Rs. 18,344.6 crore as on March 31, 2022). 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 monitorable; sizeable share of gold loans would support overall portfolio quality – MFL's standalone portfolio consists almost entirely 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). At present, the consolidated loan portfolio is concentrated towards gold loans, comprising 86.0% of the loan book while microfinance, affordable housing and vehicle finance accounted for 9.1%, 2.0% and 0.6%, respectively, as of June 2023. The loan books of Belstar, MHL and MML grew by 49%, 2% and 151%, respectively, on a YoY basis as of June 2023. The GS3 for the subsidiary companies, viz., Belstar, MHL and MML, stood at 1.6%, 4.0% and 2.5%, respectively as of June 2023 against 5.8%, 2.9% and 6.6%, respectively, as of March 2022. The performance of the non-gold segments was impacted by the 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, increased to 4.3% as of June 2023 (3.8% as of March 2023) from 3.0% as of March 2022. ICRA notes the company's track record of containing credit costs in the gold segment and achieving recoveries in auctions, whereby it typically recovers the principal and a sizeable share of the accrued interest on such loans. ICRA takes note of the sizeable gold loan auctions undertaken by MFL in FY2023 and FY2022 against FY2021 and FY2020, largely on account of the loans originating when gold prices were high and there were pandemic-related defaults. The gold loan auctions undertaken in FY2023 and FY2022 stood at Rs. 2,203 crore and Rs. 5,211 crore, respectively, against Rs. 171 crore in FY2021 (Rs. 579 crore in FY2020). The average portfolio LTV stood at 68% as of June 2023 and 63% as of March 2023 (68% as of June 2022).

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 likely to remain under control as the subsidiaries are expected to account for 15-20% 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 59% of its total branch network and 48% of its total loan portfolio as of June 2023. 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.

Environmental and social risks

Environmental considerations: Given the service-oriented business of MFL, its direct exposure to environmental risks/material physical climate risks is not significant. Lending institutions can be exposed to environmental risks indirectly through their portfolio of assets, though such risks are not material for MFL as its lending operations primarily encompass gold loans. Nevertheless, there is increasing interest from policymakers towards identifying the exposure of financing companies to carbon emissions through their financing activities. This process is, however, in an early stage and ICRA expects any adverse implications to manifest only over a longer time horizon, giving financing companies adequate time to adapt and minimise the credit implications.

Social considerations: With regard to social risks, data security and customer privacy are among the key sources of vulnerability for lending institutions as material lapses could be detrimental to their reputation and invite regulatory censure. MFL has not faced any significant lapses in this regard. It serves the financing needs of a relatively underserved category of borrowers, which supports social inclusion and economic development.

Liquidity position: Strong

MFL had cash and liquid investments of Rs. 5,997 crore as on August 14, 2023, with a repayment obligation (excluding interest) of Rs. 9,391 crore between August 15, 2023 and November 30, 2023. A sizeable portion of the repayments (Rs. 3,843 crore) comprises cash credit/short-term loans from banks, which are expected to be rolled over, while the NCD and term loan repayments are Rs. 505 crore and Rs. 2,207 crore, respectively, during the above-mentioned period. Undrawn cash credit, working capital funding and term loan limits (about Rs. 674 crore) provide further support to the company's liquidity profile. The short-term nature of gold loans also support the liquidity profile.

MFL has a fairly diversified funding profile with bank/financial institution (FI) loans constituting 60% of its total borrowings as of June 2023, followed by non-convertible debentures (NCDs; 25%), commercial papers (8%) and external commercial borrowings (ECBs; 5%). The cost of funds is expected to increase slightly in the near to medium term as the majority of the bank borrowings are at floating rates.

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
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. 67,639 crore and 4,742 branches as on June 30, 2023. The company derives a major portion of its business from South India (48% of the total gold loan portfolio as on June 30, 2023), 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. 3,474 crore on an asset base of Rs. 72,620 crore in FY2023 against Rs. 3,954 crore and Rs. 70,555 crore, respectively, in FY2022. For Q1 FY2024, it reported a net profit of Rs. 975 crore on an asset base of Rs. 74,248 crore as on June 30, 2023. The consolidated portfolio stood at Rs. 76,799 crore as on June 30, 2023 compared to Rs. 71,497 crore as on March 31, 2023 (Rs. 64,494 crore as on March 31, 2022), with gold, microfinance and housing accounting for 86%, 9% and 2%, respectively.

Key financial indicators (audited)

	Standalone				Consolidated			
Muthoot Finance Limited	FY2021	FY2022	FY2023	Q1* FY2024	FY2021	FY2022	FY2023	Q1* FY2024
Total income	10,574	11,091	10,531	3,026	11,566	12,238	11,975	3,509
Profit after tax	3,722	3,954	3,474	975	3,819	4,031	3,670	1,045
Net worth	15,239	18,345	21,062	21,177	15,760	19,138	22,153	22,343
Loan book	54,063	59,384	64,265	68,603	58,809	64,528	70,554	75,810
Total managed assets	63,465	70,555	72,620	74,248	69,382	77,387	81,979	83,947
Return on managed assets	6.5%	5.9%	4.9%	5.3%	6.1%	5.5%	4.6%	5.0%
Return on net worth	27.8%	23.5%	17.6%	18.5%	27.5%	23.1%	17.8%	18.8%
Managed gearing (times)	3.1	2.8	2.4	2.4	3.2	2.9	2.6	2.7
Gross stage 3	0.9%	3.0%	3.8%	4.3%	-	-	-	-
Net stage 3	0.8%	2.7%	3.4%	3.8%	-	-	-	-
Net NPA / Net worth	2.6%	8.5%	10.2%	12.2%	-	-	-	-
CRAR	27.4%	30.0%	31.8%	30.0%	-	-	-	-

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

Amount in Rs. crore

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current Rating (FY2024)					Chronology of Rating History for the Past 3 Years			
	Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating in FY2024		Date & Rating in FY2023	Date & Rating in FY2022	Date & Rating in FY2021	
				Nov 02, 2023	May 09, 2023 Aug 28, 2023	Jul 08, 2022 Nov 11, 2022 Mar 03, 2023	Jul 30, 2021 Feb 02, 2022 Mar 02, 2022	Mar 16, 2021	Apr 13, 2020 Jun 11, 2020 Sep 28, 2020 Dec 03, 2020
NCD programme (public placement)	LT	8,981.61	8,981.61	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA (Stable)
NCD programme (private placement)	LT	10,175.00	10,175.00	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA (Stable)
Long-term fund-based bank facility / CC	LT	7,858.25##	7,858.25##	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA (Stable)
Short-term fund-based bank facilities	ST	16,146.25##	16,146.25##	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
Term loans	LT	25,499.50##	25,499.50##	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA (Stable)

Non-fund based bank facilities – Bank guarantee	LT	15.50##	15.50##	**[ICRA]AA+ (Stable)**	-	-	-	-	-
Subordinated debt programme	LT	274.10	274.10	**[ICRA]AA+ (Stable)**	**[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+**	**[ICRA]A1+**

Long-term and short-term fund-based limits include an interchangeable limit of Rs. 5,807.00 crore; Term loans, long-term and short-term fund-based limits include an interchangeable limit of Rs. 1,811.25 crore; Term loans and short-term fund-based limits include an interchangeable limit of Rs. 75.00 crore; total rated bank facilities stand at Rs. 40,015.00 crore

LT – Long term, ST – Short term

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
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)
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)
INE414G07DV9	Non-convertible debentures	Nov 01, 2019	Zero Coupon	Nov 01, 2024	89.82	[ICRA]AA+(Stable)
INE414G07DY3	Non-convertible debentures	Nov 01, 2019	Zero Coupon	Nov 01, 2024	53.62	[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)
INE414G07EJ2	Non-convertible debentures	Dec 27, 2019	Zero Coupon	Dec 27, 2024	81.83	[ICRA]AA+(Stable)
INE414G07EM6	Non-convertible debentures	Dec 27, 2019	Zero Coupon	Dec 27, 2024	54.38	[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)
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)
INE414G07GU4	Non-convertible debentures	Nov 03, 2022	7.50 & 7.00	Nov 03, 2025	48.84	[ICRA]AA+(Stable)
INE414G07GV2	Non-convertible debentures	Nov 03, 2022	7.75 & 7.25	Nov 03, 2027	35.13	[ICRA]AA+(Stable)
INE414G07GW0	Non-convertible debentures	Nov 03, 2022	7.50 & 7.00	Nov 03, 2024	40.94	[ICRA]AA+(Stable)
INE414G07GX8	Non-convertible debentures	Nov 03, 2022	7.75 & 7.25	Nov 03, 2025	28.98	[ICRA]AA+(Stable)
INE414G07GY6	Non-convertible debentures	Nov 03, 2022	8.00 & 7.50	Nov 03, 2027	25.64	[ICRA]AA+(Stable)

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate (%)	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE414G07HA4	Non-convertible debentures	Nov 03, 2022	Zero Coupon	Nov 03, 2025	49.21	[ICRA]AA+(Stable)
INE414G07GZ3	Non-convertible debentures	Nov 03, 2022	Zero Coupon	Nov 03, 2027	38.98	[ICRA]AA+(Stable)
INE414G07HB2	Non-convertible debentures	Dec 23, 2022	7.85 & 7.35	Dec 23, 2025	20.00	[ICRA]AA+(Stable)
INE414G07HH9	Non-convertible debentures	Dec 23, 2022	8.00 & 7.50	Dec 23, 2027	22.56	[ICRA]AA+(Stable)
INE414G07HC0	Non-convertible debentures	Dec 23, 2022	7.75 & 7.25	Dec 23, 2024	18.18	[ICRA]AA+(Stable)
INE414G07HD8	Non-convertible debentures	Dec 23, 2022	8.10 & 7.60	Dec 23, 2025	26.25	[ICRA]AA+(Stable)
INE414G07HE6	Non-convertible debentures	Dec 23, 2022	8.25 & 7.75	Dec 23, 2027	21.07	[ICRA]AA+(Stable)
INE414G07HF3	Non-convertible debentures	Dec 23, 2022	Zero Coupon	Dec 23, 2025	26.29	[ICRA]AA+(Stable)
INE414G07HG1	Non-convertible debentures	Dec 23, 2022	Zero Coupon	Dec 23, 2027	20.75	[ICRA]AA+(Stable)
INE414G07HL1	Non-convertible debentures	Mar 10, 2023	8.25 & 7.75	Apr 10, 2026	52.08	[ICRA]AA+(Stable)
INE414G07HM9	Non-convertible debentures	Mar 10, 2023	8.35 & 7.85	Apr 10, 2028	27.81	[ICRA]AA+(Stable)
INE414G07HN7	Non-convertible debentures	Mar 10, 2023	8.25 & 7.75	Apr 10, 2025	34.00	[ICRA]AA+(Stable)
INE414G07HR8	Non-convertible debentures	Mar 10, 2023	8.50 & 8.00	Apr 10, 2026	46.96	[ICRA]AA+(Stable)
INE414G07HQ0	Non-convertible debentures	Mar 10, 2023	8.60 & 8.10	Apr 10, 2028	21.31	[ICRA]AA+(Stable)
INE414G07HP2	Non-convertible debentures	Mar 10, 2023	Zero Coupon	Apr 10, 2026	50.53	[ICRA]AA+(Stable)
INE414G07HO5	Non-convertible debentures	Mar 10, 2023	Zero Coupon	Apr 10, 2028	24.96	[ICRA]AA+(Stable)
INE414G07HY4	Non-convertible debentures	May 03, 2023	8.25 & 7.75	June 03, 2026	26.62	[ICRA]AA+(Stable)
INE414G07HZ1	Non-convertible debentures	May 03, 2023	8.35 & 7.85	Jun 03, 2028	24.88	[ICRA]AA+(Stable)
INE414G07IA2	Non-convertible debentures	May 03, 2023	8.25 & 7.75	Jun 03, 2025	21.04	[ICRA]AA+(Stable)
INE414G07IB0	Non-convertible debentures	May 03, 2023	8.50 & 8.00	Jun 03, 2026	29.96	[ICRA]AA+(Stable)
INE414G07IC8	Non-convertible debentures	May 03, 2023	8.60 & 8.10	Jun 03, 2028	26.70	[ICRA]AA+(Stable)
INE414G07ID6	Non-convertible debentures	May 03, 2023	Zero Coupon	Jun 03, 2026	28.92	[ICRA]AA+(Stable)
INE414G07IE4	Non-convertible debentures	May 03, 2023	Zero Coupon	Jun 03, 2028	20.48	[ICRA]AA+(Stable)
INE414G07IJ3	Non-convertible debentures	Oct 04, 2023	Zero Coupon	Oct 04, 2028	17.20	[ICRA]AA+(Stable)
INE414G07IK1	Non-convertible debentures	Oct 04, 2023	8.75 & 7.75	Oct 04, 2026	205.11	[ICRA]AA+(Stable)
INE414G07IL9	Non-convertible debentures	Oct 04, 2023	8.75 & 7.75	Oct 04, 2028	35.73	[ICRA]AA+(Stable)
INE414G07IM7	Non-convertible debentures	Oct 04, 2023	8.75 & 7.75	Oct 04, 2025	52.80	[ICRA]AA+(Stable)
INE414G07IN5	Non-convertible debentures	Oct 04, 2023	9.00 & 8.00	Oct 04, 2026	209.58	[ICRA]AA+(Stable)
INE414G07IO3	Non-convertible debentures	Oct 04, 2023	9.00 & 8.00	Oct 04, 2028	157.63	[ICRA]AA+(Stable)
INE414G07IP0	Non-convertible debentures	Oct 04, 2023	Zero Coupon	Oct 04, 2026	21.95	[ICRA]AA+(Stable)
Yet to be placed	Non-convertible debentures	-	-	-	1,805.07	[ICRA]AA+(Stable)
	Total – NCD programme (public)				**8,981.61**	
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, 2024	200.00	[ICRA]AA+(Stable)
INE414G07GS8	NCD programme (private)	Sep 16, 2022	7.75	Sep 30, 2025	240.00	[ICRA]AA+(Stable)
INE414G07HI7	NCD programme (private)	Dec 22, 2022	8.30	Jan 06, 2026	195.00	[ICRA]AA+(Stable)
INE414G07HK3	NCD programme (private)	Jan 19, 2023	8.50	Jan 29, 2026	1,000.00	[ICRA]AA+(Stable)
INE414G07HS6	NCD programme (private)	Feb 24, 2023	8.65	May 25, 2026	160.00	[ICRA]AA+(Stable)
INE414G07HT4	NCD programme (private)	Feb 24, 2023	8.60	Aug 25, 2025	440.00	[ICRA]AA+(Stable)
INE414G07HU2	NCD programme (private)	Mar 15, 2023	8.65	Dec 15, 2026	500.00	[ICRA]AA+(Stable)
INE414G07HV0	NCD programme (private)	Mar 15, 2023	8.65	Mar 15, 2027	500.00	[ICRA]AA+(Stable)
INE414G07HW8	NCD programme (private)	Mar 23, 2023	8.65	Mar 23, 2026	250.00	[ICRA]AA+(Stable)
INE414G07HX6	NCD programme (private)	Mar 23, 2023	8.65	Sep 23, 2027	250.00	[ICRA]AA+(Stable)
INE414G07IF1	NCD programme (private)	Apr 24, 2023	8.50	Apr 24, 2028	700.00	[ICRA]AA+(Stable)
INE414G07IG9	NCD programme (private)	May 03, 2023	8.43	Jul 31, 2026	302.50	[ICRA]AA+(Stable)
INE414G07IH7	NCD programme (private)	July 27, 2023	8.40	Jul 27, 2028	768.00	[ICRA]AA+(Stable)
INE414G07II5	NCD programme (private)	July 27, 2023	8.40	Aug 28, 2028	110.00	[ICRA]AA+(Stable)
Yet to be placed	NCD programme (private)	-	-	-	3,159.50	[ICRA]AA+(Stable)
	Total – NCD programme (private)				**10,175.00**	
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)

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate (%)	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
Yet to be placed	Subordinated debt	-	-	-	200.00	[ICRA]AA+(Stable)
	Total – Subordinated debt				**274.10**	
INE414G14SN0	Commercial paper	Feb 24, 2023	8.35	Feb 22, 2024	50.00	[ICRA]A1+
INE414G14SO8	Commercial paper	Feb 24, 2023	8.35	Feb 23, 2024	200.00	[ICRA]A1+
INE414G14SP5	Commercial paper	Mar 20, 2023	8.45	Mar 19, 2024	250.00	[ICRA]A1+
INE414G14SQ3	Commercial paper	Mar 20, 2023	8.45	Mar 18, 2024	250.00	[ICRA]A1+
INE414G14SR1	Commercial paper	Mar 17, 2023	8.45	Mar 12, 2024	250.00	[ICRA]A1+
INE414G14SS9	Commercial paper	Mar 17, 2023	8.45	Mar 07, 2024	250.00	[ICRA]A1+
INE414G14ST7	Commercial paper	Apr 12, 2023	8.35	Apr 11, 2024	475.00	[ICRA]A1+
INE414G14SU5	Commercial paper	Apr 12, 2023	8.35	Apr 08, 2024	525.00	[ICRA]A1+
INE414G14SV3	Commercial paper	May 16, 2023	8.30	May 13, 2024	400.00	[ICRA]A1+
INE414G14SW1	Commercial paper	May 16, 2023	8.30	May 14, 2024	600.00	[ICRA]A1+
INE414G14SX9	Commercial paper	June 05, 2023	8.25	May 30, 2024	500.00	[ICRA]A1+
INE414G14SY7	Commercial paper	June 05, 2023	8.25	Jun 04, 2024	500.00	[ICRA]A1+
INE414G14SZ4	Commercial paper	July 17, 2023	8.25	Jul 16, 2024	450.00	[ICRA]A1+
INE414G14TA5	Commercial paper	July 17, 2023	8.25	Jul 12, 2024	150.00	[ICRA]A1+
INE414G14TB3	Commercial paper	July 19, 2023	8.25	Jul 18, 2024	150.00	[ICRA]A1+
	Total – Commercial paper	-	-	-	**5,000.00**	
NA	Term loans	Oct 2020 to Sep 2023	-	Nov 2023 to Aug 2028	25,499.50##	[ICRA]AA+(Stable)
NA	Long-term bank facilities	-	-	-	7,858.25##	[ICRA]AA+(Stable)
NA	Bank Guarantee	-	-	-	15.50##	[ICRA]AA+(Stable)
NA	Short-term bank facilities	-	-	-	16,146.25##	[ICRA]A1+
	Total – Bank facilities	-	-	-	**40,015.00**	

Source: Company; ## Long-term and short-term fund-based limits include an interchangeable limit of Rs. 5,807.00 crore; Term loans, long-term and short-term fund-based limits include an interchangeable limit of Rs. 1,811.25 crore; Term loans and short-term fund-based limits include an interchangeable limit of Rs. 75.00 crore; total rated bank facilities stand at Rs. 40,015.00 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	56.97%	Full consolidation
Asia Asset Finance PLC	72.92%	Full consolidation

Source: MFL

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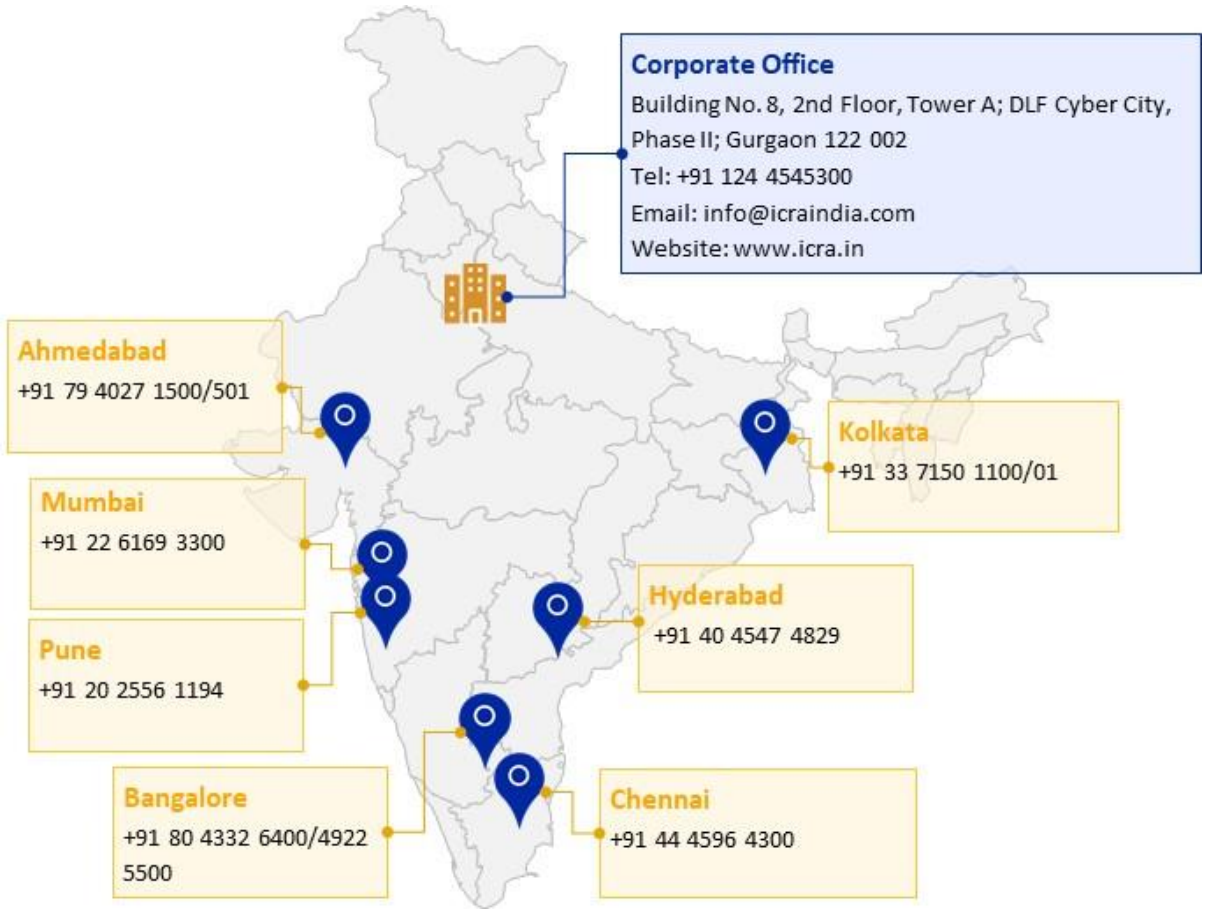

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