

February 02, 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)	8,276.80	8,276.80	[ICRA]AA+(Stable); reaffirmed
	510.43	0.00	[ICRA]AA+(Stable); reaffirmed and withdrawn
	0.00	2,000.00	[ICRA]AA+(Stable); assigned
Non-convertible Debenture Programme (private placement)	2,555.00	2,555.00	[ICRA]AA+(Stable); reaffirmed
	1,175.00	0.00	[ICRA]AA+(Stable); reaffirmed and withdrawn
Long-term Fund-based Bank Facility/CC	9,572.00 [#]	10,522.00 ^{##}	[ICRA]AA+(Stable); reaffirmed/assigned
Short-term Fund-based Bank Facilities	14,983.00 [#]	15,033.00 ^{##}	[ICRA]A1+; reaffirmed/assigned
Term Loans	10,015.00	14,645.00 ^{##}	[ICRA]AA+(Stable); reaffirmed/assigned
Subordinated Debenture Programme	348.96	348.96	[ICRA]AA+(Stable); reaffirmed
Commercial Paper Programme	5,000.00	5,000.00	[ICRA]A1+; reaffirmed
Total	44,381.19	47,445.76	

*Instrument details are provided in Annexure-1

[#] Long-term and short-term fund-based limits include an interchangeable limit of Rs. 8,055 crore; total rated bank facilities stand at Rs. 26,515 crore (including Rs. 10,015.0-crore term loans)

^{##} 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

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. 54,682 crore as of September 2021 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 loans result in a strong liquidity profile.

ICRA, however, takes note of 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% of the consolidated AUM¹ as of September 2021), vehicle finance (0.5%) and affordable housing (3%) recorded higher gross stage 3 (GS3) of 3.6%, 17.0% and 4.7%, respectively, vis-à-vis 1.9% in the gold loan segment as of September 2021 (GS3 at 0.9% in March 2021). ICRA takes note of the higher gold loan auctions undertaken by MFL in H1

¹ Assets under management

FY2022 vis-à-vis FY2021 and FY2020, largely on account of the loan origination in Q1/Q2 FY2021 when gold prices were high. Consequently, the average portfolio loan-to-value (LTV) increased to 73% in September 2021 vis-à-vis 65% in December 2020 (61% in September 2020); this is expected to moderate in H2 FY2022 on account of recovery measures to be followed by the company including auctions. ICRA expects auctions to remain elevated in the remaining part of the current fiscal in case MFL is unable to make recoveries from its overdues via normal collections.

The credit costs in the gold loan business have, however, remained under control in the past, which supported the consolidated earnings performance (PAT/AMA² in the range of 5.5-6.5% during FY2018 to H1 FY2022). Improvement in the operating efficiency also supported the earnings profile in FY2021 and H2 FY2022, while the company faced a moderation in margins. ICRA expects the consolidated earnings performance to remain healthy as gold loans would account for about 85-90% of the overall lending portfolio and recoveries from overdues are expected to be good, which would keep the credit costs under control. MFL's capitalisation profile, characterised by a consolidated managed gearing³ of 3.2 times as of March 2021 (range of 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 about 85-90% of the consolidated AUM over the medium term, and its comfortable overall financial risk profile.

ICRA has also reaffirmed and withdrawn the long-term rating on the Rs. 1,685.43 crore non-convertible debenture (NCD) programme in accordance with ICRA's policy on the withdrawal of credit ratings as the instruments have matured and have been fully repaid.

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. 55,147 crore (of which 99% is gold loan) as on September 30, 2021; the portfolio grew by about 17% on a year on year basis. The consolidated portfolio stood at Rs. 60,919 crore in September 2021 compared to Rs. 52,286 crore in September 2020, of which gold, microfinance and housing accounted for 90%, 6% and 3%, respectively.

As on September 30, 2021, MFL had an extensive pan-India network of 4,619 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.

Track record of healthy earnings performance – The company's consolidated net profitability remained healthy with the annualised PAT/AMA at 5.6% in H1 FY2022 and 6.1% in FY2021 (6.5% in FY2020). The consolidated net profitability remained in the range of 5.5-6.5% during FY2018 to H1 FY2022. The annualised net interest margin was lower in H1 FY2022 and FY2021 at 10.6% and 11.4%, respectively, vis-à-vis ~13% and 12.9% in FY2020 and FY2019, respectively, because of the higher on-balance sheet liquidity as well as reduction in loan yields. The operating profitability, however, was supported by the

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

³ Managed Gearing= (borrowings + off book AUM)/net worth

improvement in the operating cost ratio to 2.8% in H1 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 0.4%) 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 6.0% in H1 FY2022 and 6.5% in FY2021 (6.8% in FY2020). The annualised return on average net worth (standalone) was about 24.9% in H1 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 3.1 times as on September 30, 2021 and March 31, 2021 (3.2 times as on March 31, 2020), aided by good internal capital generation. The consolidated managed gearing stood at 3.2 times as of September 2021. MFL's standalone net worth was Rs. 16,372.8 crore as on September 30, 2021 (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 in the range of 3.5-4.0 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 5.5%, 2.7% and 0.5%, respectively, as on September 30, 2021. The loan books of MHL and MML declined by 15% and 39%, respectively, on a year on year basis due to the Covid-19 pandemic, while Belstar registered a growth of 25% on a year on year basis. The subsidiaries faced higher overdues with the GS3 of Belstar, MHL and MML standing at 3.6%, 4.7% and 17.0%, respectively, in September 2021 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-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, was lower at 1.9% in September 2021 (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 by MFL in 6M FY2022 stood at 0.6% (not annualised) of the opening portfolio vis-à-vis 0.4% in FY2021 (1.7% in FY2020). Gold prices declined in H2 FY2021 from the peak level in August 2020 and were about 15% lower as of March 2021. While the prices improved from the March 2021 level, they remained range-bound in 9M FY2022 and were lower than August 2020 by about 10%. Consequently, the share of AUM with LTV of more than 75% increased in September 2021 vis-à-vis the September 2020 levels. The weighted average LTV for gold loans increased to 73% as of September 2021 (75% as of March 2021) from about 61% as on September 30, 2020; this is expected to moderate in H2 FY2022 on account of recovery measures expected to be followed by the company including auctions. ICRA, therefore, expects auctions to remain higher in the remaining part of the year in case the company is unable to recover from its overdue loan accounts via normal repayments.

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 about 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 September 30, 2021. 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. 5,905 crore as on January 07, 2022, with a payment obligation of Rs. 8,646 crore during January 2022-March 2022. A sizeable portion of the repayments comprises cash credit/short-term loans from banks (Rs. 5,640 crore), which are expected to be rolled over, while the commercial paper (CP) and NCD repayments are Rs. 866 crore and Rs. 774 crore, respectively, during the above-mentioned period. Undrawn working capital limits from banks (about Rs. 2,390 crore as on the above date) provide further support to the company's liquidity profile.

MFL has a fairly diversified funding profile with bank/financial institution (FI) loans constituting 47% of its total borrowings as on September 30, 2021, followed by NCDs (27%), external commercial borrowings (ECBs; 15%), CP (8%) and subordinated debt (0.4%). 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 long 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 assets segment goes beyond 15% or the asset quality weakens significantly, thereby impacting its earnings. An 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	Rating Methodology for Non-Banking Finance Companies Policy on Withdrawal of Credit 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-2

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, real estate, education, hospitality, power generation and entertainment. MFL was incorporated in 1997 and is India's largest gold loan focussed NBFC with total loan assets (standalone) of Rs. 55,146 crore and 4,619 branches as on September 30, 2021. The company derives a major proportion of its business from South India (50% of the total portfolio as on September 30, 2021), where gold loans have traditionally been accepted as a means of availing short-term credit, although MFL has increased its presence beyond South India over the last few years.

MFL reported a standalone net profit of 1,965 crore on an asset base of Rs. 67,460 crore in H1 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. 60,919 crore as on September 30, 2021 compared to Rs. 58,280 crore as on March 31, 2021 (Rs. 46,871 crore as on March 31, 2020), of which gold, housing and microfinance accounted for 90%, 3% and 6, respectively.

Key financial indicators (audited)

	Standalone			Consolidated		
Muthoot Finance Limited	FY2020	FY2021	H1 FY2022	FY2020	FY2021	H1 FY2022
Total income (Rs. crore)	8,723	10,574	5,548	9,707	11,566	6,028
Profit after tax (Rs. crore)	3,018	3,722	1,965	3,169	3,819	1,982
Net worth (Rs. crore)	11,572	15,239	16,373	12,001	15,760	16,911
Loan book (Rs. crore)	42,604	54,063	57,644	47,068	58,809	62,660
Total managed assets (Rs. crore)	50,460	63,465	67,460	55,629	69,390	73,077
Return on managed assets (%)	6.8%	6.5%	6.0%	6.5%	6.1%	5.6%
Return on net worth (%)	28.3%	27.8%	24.9%	28.7%	27.5%	24.3%
Managed gearing (times)	3.2	3.1	3.1	3.5	3.2	3.2
Gross NPA (%)	2.2%	0.9%	1.9%	-	-	-
Net NPA (%)	1.9%	0.8%	1.6%	-	-	-
Net NPA / Net worth	6.9%	2.6%	5.5%	-	-	-
CRAR (%)	25.5%	27.4%	27.6%	-	-	-

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

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current Rating (FY2022)				Chronology of Rating History for the Past 3 Years			
		Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating in FY2022		Date & Rating in FY2021		Date & Rating in FY2020	Date & Rating in FY2019
				Feb 02, 2022	Jul 30, 2021	Mar 16, 2021	Apr 13, 2020 Jun 11, 2020 Sep 28, 2020 Dec 03, 2020	Oct 10, 2019 Jan 22, 2020 Feb 14, 2020	Jun 01, 2018 Jul 27, 2018 Dec 04, 2018 Jan 07, 2019
NCD Programme (public placement)	LT	8,276.80	8,276.80	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)
		510.43	0.00	[ICRA]AA+ (Stable); withdrawn	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)
		2,000.00	2,000.0	[ICRA]AA+ (Stable)	-	-	-	-	-
NCD Programme (private placement)	LT	2,555.00	2,555.00	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)
		1,175.00	0.00	[ICRA]AA+ (Stable); withdrawn	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)
Long-term Fund-based Bank Facility / CC	LT	10,522.00 [#]	10,522.00 [#]	[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	15,033.00 [#]	15,033.00 [#]	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
Term Loans	LT	14,645.00 [#]	14,645.00 [#]	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)
Subordinated Debenture Programme	LT	348.96	348.96	[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. 7,175 crore; Term loan, long-term and short-term fund based limits include an interchangeable limit of Rs. 1,830 crore; Term loan and short-term fund-based limits include an interchangeable limit of Rs. 100 crore; total rated bank facilities stand at Rs. 29,265 crore

Complexity level of the rated instruments

Instrument	Complexity indicator
NCD Programme	Simple
Bank Facilities	Simple
Sub-debt	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-1: Instrument details

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate (%)	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE414G07DT3	Non-convertible Debentures	Nov 01, 2019	9.25	Nov 01, 2021	45.56	[ICRA]AA+(Stable); reaffirmed and withdrawn
INE414G07DW7	Non-convertible Debentures	Nov 01, 2019	9.5	Nov 01, 2021	54.83	
INE414G07DZ0	Non-convertible Debentures	Nov 01, 2019	9.75	Nov 01, 2021	26.05	
INE414G07EH6	Non-convertible Debentures	Dec 27, 2019	9.25	Dec 27, 2021	63.8	
INE414G07EK0	Non-convertible Debentures	Dec 27, 2019	9.5	Dec 27, 2021	285.72	
INE414G07ED5	Non-convertible Debentures	Dec 27, 2019	9.75	Dec 27, 2021	34.47	
INE414G07BQ3	Non-convertible Debentures	Jan 30, 2017	9.00 & 8.75	Jan 30, 2022	11.13	[ICRA]AA+(Stable)
INE414G07BT7	Non-convertible Debentures	Jan 30, 2017	9.25 & 9.00	Jan 30, 2022	82.5	[ICRA]AA+(Stable)
INE414G07CA5	Non-convertible Debentures	Apr 24, 2017	8.75	Apr 24, 2022	61.18	[ICRA]AA+(Stable)
INE414G07CD9	Non-convertible Debentures	Apr 24, 2017	9	Apr 24, 2022	190.56	[ICRA]AA+(Stable)
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)
INE414G07CZ2	Non-convertible Debentures	Mar 20, 2019	Zero Coupon	May 20, 2022	151.74	[ICRA]AA+(Stable)
INE414G07DC9	Non-convertible Debentures	Mar 20, 2019	9.5	May 20, 2022	79.45	[ICRA]AA+(Stable)
INE414G07DF2	Non-convertible Debentures	Mar 20, 2019	9.75	May 20, 2022	73.71	[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)

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate (%)	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
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)
Unallocated	NCD Programme (public) - Yet to be placed	-	-	-	3,007.03	[ICRA]AA+(Stable)
	Total – NCD Programme (public)				10,276.80	
INE414G07DR7	NCD Programme (private)	Sep 06, 2019	10	Sep 06, 2021	550.00	[ICRA]AA+(Stable); reaffirmed and withdrawn
INE414G07DS5	NCD Programme (private)	Sep 06, 2019	10	Sep 06, 2021	200.00	
INE414G07EO2	NCD Programme (private)	Dec 30, 2019	9.5	Jan 06, 2022	250.00	
INE414G07CS7	NCD Programme (private)	Jul 26, 2018	9.75	Jul 26, 2021	175.00	
INE414G07CW9	NCD Programme (private)	Nov 22, 2018	9.5	Feb 01, 2022	90.00	[ICRA]AA+(Stable)
INE414G07CX7	NCD Programme (private)	Nov 22, 2018	9.75	Feb 01, 2022	40.00	[ICRA]AA+(Stable)
INE414G07EN4	NCD Programme (private)	Dec 30, 2019	9.5	Jan 30, 2022	250.00	[ICRA]AA+(Stable)
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)
Unallocated	NCD Programme (private) - Yet to be placed	-	-	-	1,275.00	[ICRA]AA+(Stable)
	Total – NCD Programme (private)				2,555.00	
INE414G09015	Subordinated Debt	Mar 26, 2013	12.35	Mar 26, 2023	10.00	[ICRA]AA+(Stable)
INE414G08280	Subordinated Debt	Apr 23, 2015	Zero Coupon	Jan 23, 2022	28.91	[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				348.96	
INE414G14SI0	Commercial Paper	Nov 26,2021	4.05	Feb 25,2022	250	[ICRA]A1+
INE414G14SH2	Commercial Paper	Nov 29,2021	4.05	Feb 28,2022	250	[ICRA]A1+
INE414G14SG4	Commercial Paper	Nov 24,2021	4.05	Feb 23,2022	375	[ICRA]A1+
NA	Commercial Paper - Yet to be placed	NA	NA	7-365 days	4,125	[ICRA]A1+
	Total – Commercial Paper	-	-	-	5,000.00	
NA	Term Loans	-	-	-	14,645.00 [#]	[ICRA]AA+(Stable)
NA	Long-term Bank Facilities	-	-	-	10,522.00 [#]	[ICRA]AA+(Stable)
NA	Short-term Bank Facilities	-	-	-	15,033.00 [#]	[ICRA]A1+
	Total – Bank Facilities	-	-	-	29,265.00	

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

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

Annexure-2: 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	70.01%	Full consolidation
Asia Asset Finance PLC	72.92%	Full consolidation

Source: MFL

Corrigendum

The rating rationale document dated February 02, 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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