

March 03, 2023^(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)	9,178.07	9,178.07	[ICRA]AA+(Stable); reaffirmed
	132.74	0.00	[ICRA]AA+(Stable); reaffirmed & withdrawn
	0.00	1,000.00	[ICRA]AA+(Stable); assigned
Non-convertible debenture programme (private placement)	5,175.00	5,175.00	[ICRA]AA+(Stable); reaffirmed
	0.00	2,000.00	[ICRA]AA+(Stable); assigned
Long-term fund-based bank facility/CC	11,729.00 [#]	12,199.00 ^{##}	[ICRA]AA+(Stable); reaffirmed
Short-term fund-based bank facilities	17,180.00 [#]	17,800.00 ^{##}	[ICRA]A1+; reaffirmed
Term loans	19,995.00 [#]	19,845.00 ^{##}	[ICRA]AA+(Stable); reaffirmed
Subordinated debt programme	284.10	284.10	[ICRA]AA+(Stable); reaffirmed
Commercial paper programme	5,000.00	5,000.00	[ICRA]A1+; reaffirmed
Total	53,784.91	56,652.17	

*Instrument details are provided in Annexure I

[#]Long-term and short-term fund-based limits include an interchangeable limit of Rs. 6,285 crore; Term loan, long-term and short-term fund-based limits include an interchangeable limit of Rs. 4,252 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

^{##}Long-term and short-term fund-based limits include an interchangeable limit of Rs. 6,285 crore; Term loan, long-term and short-term fund-based limits include an interchangeable limit of Rs. 4,722 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) 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. 56,825 crore as of December 2022 and accounted for about 87% of its consolidated portfolio. The segment, however, reported a slower year-on-year (YoY) growth of 5% due to intense competition, especially from banks. The ratings also continue to factor in MFL's long track record and its leadership position in the gold loan segment, an 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 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 (8.2% of the consolidated AUM¹ as of December 2022), affordable housing (2.2%) and vehicle finance (0.5%), recorded gross stage 3 (GS3) of 6.2%, 3.2% and 7.5%, respectively, vis-à-vis 2.6% in the gold loan segment as of December 2022 (GS3 of 3.0% in March 2022). ICRA takes note of the sizeable gold loan auctions undertaken by MFL in 9M FY2023 and FY2022 vis-à-vis FY2021 and FY2020, largely on account of the loans originating when gold prices were high and pandemic related defaults. The gold loan auctions undertaken in 9M FY2023 and FY2022 stood at Rs. 2,176 crore and Rs. 5,211 crore,

¹ Assets under management

respectively, vis-à-vis Rs. 171 crore in FY2021 (Rs. 579 crore in FY2020). The weighted average portfolio loan-to-value (LTV) stood at 65% in December 2022 and March 2022 compared to 73% in September 2021 (65% in December 2020).

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 margins (NIMs), going forward, in an increasing interest rate and competitive business environment, would be a monitorable. MFL's capitalisation profile, characterised by a consolidated managed gearing² of 2.4 times as of December 2022 and 2.9 times as of March 2022 (3.0-3.5 times during FY2018-FY2021), would remain comfortable over the medium term, supported by the 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 47% 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. 132.74-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 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-and-a half 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. 57,731 crore (of which 98% is gold loan) as on December 31, 2022; the portfolio grew by 5.6% on a year-on-year (YoY) basis. MFL's consolidated portfolio stood at Rs. 65,085 crore in December 2022 compared to Rs. 60,896 crore in December 2021, of which gold, microfinance and housing accounted for 87.3%, 8.2% and 2.2%, respectively.

As on December 31, 2022, MFL had an extensive pan-India network of 4,672 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 adequate internal control and audit systems are expected to support the overall business growth, going forward.

Healthy earnings performance, notwithstanding the moderation given the significant competitive pressure in recent quarters – The company's consolidated net profitability remained healthy, with its return on managed assets (RoMA) at 4.7% in 9M FY2023, notwithstanding the moderation from 5.5% in FY2022 (6.1% in FY2021). The NIM{as a percentage of average managed assets (AMA)} moderated to 9.5% in 9M FY2023 from 10.6% in FY2022 and 11.4% in FY2021, notwithstanding the improvement in the leverage, as MFL offered lower yield gold loans (about 7%) during H2 FY2022 due to competitive pressure. While the company has stopped this scheme and has increased the rates on these loans to 10-12% in FY2023, the blended yield on the overall book, however, remains impacted as a reasonable share of the book has lower yields than the typical 21-23% rate.

The share of higher ticket loan (> Rs 3 lakh), which generally has lower yields and higher competitive intensity, increased to 20% in September 2020 from 14% in September 2019, and the share in the portfolio stood at 24% as of December 2022. The operating profitability was also impacted due to the increase in the operating cost ratio to 3.2% in 9M FY2023 because of

² Managed gearing – (borrowings + off-book AUM)/Net worth

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). However, the earnings performance remains 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 be at 4.0-4.5% over the near term.

MFL's (standalone) net profitability was 5.0% in 9M FY2023 and 5.9% in FY2022 (6.5% in FY2021). The annualised return on average net worth (standalone) moderated to 17.8% in 9M FY2023 from 23.5% in FY2022.

Capitalisation to remain comfortable over the medium term – MFL has a comfortable capitalisation profile with the standalone gearing improving to 2.2 times as on December 31, 2022 from 2.8 times as on March 31, 2022 (3.1 times as on March 31, 2021). The improvement was driven by limited portfolio growth and the moderation in the on-balance sheet liquidity, which led to a net decrease in the external borrowings. The consolidated managed gearing stood at 2.4 times as on December 31, 2022 (2.9 times 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 at around 3.0 times over the near to 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 87.3% of the loan book. Microfinance, affordable housing and vehicle finance accounted for 8.2%, 2.2% and 0.5% of the loan book, respectively, as on December 31, 2022. The loan books of MHL declined by 11% as of December 2022 on a YoY basis, while Belstar and MML registered a growth of 39% and 24%, respectively. The GS3 for the subsidiary companies, viz. Belstar, MHL and MML, stood at 6.2%, 3.2% and 7.5%, respectively, in December 2022 vis-à-vis 5.5%, 4.4% and 12.4%, respectively, in December 2021. 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, stood at 2.6% in December 2022 (3.0% in March 2022 and 3.8% in December 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. ICRA takes note of the higher gold loan auctions undertaken by MFL in 9M FY2023 and FY2022 vis-à-vis FY2021 and FY2020, largely on account of the loans originating when gold prices were high and pandemic related defaults. Gold loan auctions undertaken in 9M FY2023 and FY2022 stood at Rs. 2,176 crore and Rs. 5,211 crore, respectively, vis-à-vis Rs. 171 crore in FY2021 (Rs. 579 crore in FY2020). The weighted average portfolio LTV stood at 65% in December 2022 and March 2022 compared to 73% in September 2021 (65% in December 2020).

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 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 47% of its total loan portfolio as on December 31, 2022. ICRA, however, notes that the share of the portfolio in South India has reduced from 57% in March 2015. The 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. 6,278 crore and undrawn bank lines of 253 crore as on February 02, 2023, with a repayment obligation (excluding interest) of Rs. 9,462 crore between February 03, 2023 and May 31, 2023. A sizeable portion of the repayments (Rs. 5,865 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. 1,603 crore and Rs. 1,995 crore, respectively, during the above-mentioned period. The short-term nature of gold loans provide support to the company's liquidity profile.

MFL has a fairly diversified funding profile with bank/financial institution (FI) loans constituting 62.3% of its total borrowings as on December 31, 2022, followed by NCDs (25.5%), ECBs (10.3%) and subordinated debt (0.2%). Diverse funding sources help the company maintain a strong liquidity position.

Rating sensitivities

Positive factors – ICRA could change the outlook or upgrade the ratings 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 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 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. 57,331 crore and 4,672 branches as on December 31, 2022. The company derives a major portion of its business from South India (47% of the total gold loan portfolio as on December 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. For 9M FY2023, it reported a net profit of Rs. 2,571 crore on an asset base of Rs. 66,014 crore as on December 31, 2022. The consolidated portfolio stood at Rs. 63,444 crore as on June 30, 2022 compared to Rs. 64,494 crore as on March 31, 2022 (Rs. 58,280 crore as on March 31, 2021), with gold, microfinance and housing accounting for 89%, 7% and 2%, respectively.

Key financial indicators (audited)

Muthoot Finance Limited	Standalone				Consolidated			
	FY2020	FY2021	FY2022	9M FY2023	FY2020	FY2021	FY2022	9M FY2023
Total income	8,723	10,574	11,091	7,680	9,707	11,566	12,237	8,677
Profit after tax	3,018	3,722	3,954	2,571	3,169	3,819	4,031	2,660
Net worth	11,572	15,239	18,345	20,139	12,001	15,760	19,138	21,118
Loan book	42,604	54,063	59,384	58,815	47,068	58,809	64,528	64,775
Total managed assets	50,460	63,465	70,555	66,014	55,629	69,382	77,387	73,804
Return on managed assets	6.8%	6.5%	5.9%	5.0%	6.5%	6.1%	5.5%	4.7%
Return on net worth	28.3%	27.8%	23.5%	17.8%	28.7%	27.5%	23.1%	17.6%
Managed gearing (times)	3.2	3.1	2.8	2.2	3.5	3.2	2.9	2.4
Gross stage 3	2.2%	0.9%	3.0%	2.6%	-	-	-	-
Net stage 3	1.9%	0.8%	2.7%	2.3%	-	-	-	-
Net NPA / Net worth	6.9%	2.6%	8.5%	6.6%	-	-	-	-
CRAR	25.5%	27.4%	30.0%	33.3%	-	-	-	-

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			Current Rating (FY2023)			Chronology of Rating History for the Past 3 Years			
	Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating in FY2023		Date & Rating in FY2022	Date & Rating in FY2021		Date & Rating in FY2020
				Mar 03, 2023	Jul 08, 2022 Nov 11, 2022	Jul 30, 2021 Feb 02, 2022 Mar 02, 2022	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	9,178.07	9,178.07	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)
		132.74	0.00	[ICRA]AA+ (Stable); withdrawn	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)
		1,000.00	0.00	[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)	[ICRA]AA (Stable)
		2,000.00	0.00	[ICRA]AA+ (Stable)	-	-	-	-	-
Long-term fund-based bank facility / CC	LT	12,199.00 [#]	12,199.00 [#]	[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	17,800.00 [#]	17,800.00 [#]	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+

Term loans	LT	19,845.00 [#]	19,845.00 [#]	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)
Subordinated debt programme	LT	284.10	284.10	[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+

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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
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)
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)
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)
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)

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate (%)	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
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)
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)
Unallocated	Non-convertible Debentures -Fresh	-	-	-	1,000.00	[ICRA]AA+(Stable)
Unallocated	NCD Programme (public) - Yet to be placed	-	-	-	1,941.32	[ICRA]AA+(Stable)
Total – NCD Programme (public)					10,178.07	
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)
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)
Unallocated	NCD programme (private)-Fresh	-	-	-	2,000.00	[ICRA]AA+(Stable)
Unallocated	NCD Programme (private) - Yet to be placed	-	-	-	1,540.00	[ICRA]AA+(Stable)
Total – NCD Programme (private)					7,175.00	
INE414G09015	Subordinated Debt	Mar 26, 2013	12.35	Mar 26, 2023	10.00	[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					284.10	
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+
Unallocated	Commercial Paper - Not placed	NA	NA	7-365 days	4,750.00	[ICRA]A1+
Total – Commercial Paper					5,000.00	
NA	Term Loans	-	-	-	19,845.00 [#]	[ICRA]AA+(Stable)
NA	Long-term Bank Facilities	-	-	-	12,199.00 [#]	[ICRA]AA+(Stable)
NA	Short-term Bank Facilities	-	-	-	17,800.00 [#]	[ICRA]A1+
Total – Bank Facilities					34,015.00	
INE414G07DU1	Non-convertible Debentures	Nov 01, 2019	9.5	Jan 01, 2023	53.73	[ICRA]AA+(Stable); reaffirmed and withdrawn
INE414G07DX5	Non-convertible Debentures	Nov 01, 2019	9.75	Jan 01, 2023	40.99	
INE414G07EA1	Non-convertible Debentures	Nov 01, 2019	10.0	Jan 01, 2023	38.02	

Source: Company; [#]Long-term and short-term fund-based limits include an interchangeable limit of Rs. 6,285 crore; Term loan, long-term and short-term fund-based limits include an interchangeable limit of Rs. 4,722 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 March 03, 2023 has been corrected with the revision as detailed below:

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

ANALYST CONTACTS

Karthik Srinivasan

+91 22 6114 3444

karthiks@icraindia.com

R Srinivasan

+91 44 4596 4315

r.srinivasan@icraindia.com

A M Karthik

+91 44 4596 4308

a.karthik@icraindia.com

Shaik Abdul Saleem

+91 44 4596 4325

shaik.saleem@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar

+91 22 6114 3406

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

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ICRA Limited



Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45



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