

## Muthoot Capital Services Limited

April 12, 2019

### Summary of Rated Instruments

| Sl. | Trust Name                | Instrument*   | Initial Amount (Rs. crore <sup>1</sup> ) | Amount O/s after previous surveillance (Rs. crore) | Current Amount O/s (Rs. crore) | Rating action           |
|-----|---------------------------|---------------|--|--|--------------------------------|-------------------------|
| 1   | Turaco IFMR Capital 2017  | PTC Series A1 | 79.66                                    | 14.00  | 0.00                           | [ICRA]AA(SO) Withdrawn  |
|     |                           | PTC Series A2 | 1.77                                     | 1.77   | 0.00                           | [ICRA]A(SO) Withdrawn   |
| 2   | Bran CV IFMR Capital 2017 | PTC Series A1 | 64.48                                    | 15.46  | 0.00                           | [ICRA]AA-(SO) Withdrawn |
|     |                           | PTC Series A2 | 1.39                                     | 1.39   | 0.00                           | [ICRA]A-(SO) Withdrawn  |

\*Instrument details are provided in Annexure I

### Rationale

ICRA has withdrawn the ratings for PTCs issued under two loan securitisation transactions backed by Two-wheeler loans, originated by Muthoot Capital Services Limited (MCSL), as tabulated above.

All the payouts to the investors in the above mentioned instruments have been made and no further payment is due to the investors.

### Key rating drivers

### Credit Strengths

- N.A.

### Credit Challenges

- N.A.

### Description of key rating drivers highlighted above

N.A.

### Liquidity Position

N.A.

**Performance of past rated pools:** ICRA has rated 3 pools originated by MCSL all of which have matured as on 31<sup>st</sup> March 2019. The performance of all the pools was characterised by high cumulative collection ratios of above 98% and low delinquency levels of sub 2.0% at a Loss cum 90+ dpd level. There has been no CC utilisation in any of the pools till date.

<sup>1</sup> 100 lakh = 1 crore = 10 million

## Key rating assumptions

N.A.

## Analytical approach

| Analytical Approach             | Comments  |
|---------------------------------|---|
| Applicable Rating Methodologies | <a href="#">ICRA's Policy on Withdrawal and Suspension of Credit Rating</a> |
| Parent/Group Support            | Not Applicable  |
| Consolidation / Standalone      | Not Applicable  |

## About the Company

Muthoot Capital Services Limited (MCSL) is part of the Muthoot Pappachan Group (MPG). MPG is a Kerala based business group with diversified business interests in Gold loans, asset financing, Hospitality, Automobile Dealership, Real Estate, Alternate Energy etc. MCSL is primarily engaged into Two-Wheeler (TW) loans, which contributed to ~87% of its gross portfolio as on June 30, 2018. The remaining portfolio was constituted by other hypothecation loans, consumer durable loans, loans to NBFCs and other corporate entities.

As on June 2018, MCSL had a gross portfolio of about Rs. 2,339.4 crore. MCSL is diversified across 17 states / Union Territory in India, but primarily has operations in the four southern states viz. Kerala, Karnataka, Tamil Nadu and Andhra Pradesh, which cumulatively contributed to 78% of the total Hypothecation portfolio as on June 30, 2018. The company has reported profit after tax of Rs. 53.7 crore in FY2018 on a total assets base of Rs. 1,978 crore, as against a net profit of Rs. 30.1 crore for FY2017 on a total assets base of Rs. 1,278 crore.

## Key financial indicators (audited)

|                          | FY2017 | FY2018 |
|--------------------------|--------|--------|
| Total Assets (Rs. crore) | 1278.2 | 1977.8 |
| Total Income (Rs. crore) | 284.2  | 398.1  |
| PAT (Rs. crore)          | 30.1   | 53.7   |
| Net worth (Rs. crore)    | 178.0  | 393.9  |

Source: Muthoot Capital's Audited Financials and Investor Presentations

**Status of non-cooperation with previous CRA:** Not Applicable

**Any other information:** Not Applicable

## Rating history for last three years:

**Table:**

| S.No | Name of Instrument       | Type          | Current Rating (FY2020)           |                                 | Month-year & Rating    | Chronology of Rating History for the past 3 years |               |               |                           |
|------|--------------------------|---------------|-----------------------------------|---------------------------------|------------------------|---|---------------|---------------|---------------------------|
|      |                          |               | Initial Rated amount (Rs. Crores) | Amount outstanding (Rs. Crores) |                        | Month- year & Rating                              |               |               |                           |
|      |                          |               |                                   |                                 |                        | Apr 2019  | Oct 2018      | Jan 2018      | Aug 2017                  |
| 1    | Turaco IFMR Capital 2017 | PTC Series A1 | 79.66                             | Nil                             | [ICRA]AA(SO) Withdrawn | [ICRA]AA (SO)                                     | [ICRA]A+ (SO) | [ICRA]A-(SO)  | Provisional [ICRA]A-(SO)  |
|      |                          | PTC Series A2 | 1.77                              | Nil                             | [ICRA]A(SO) Withdrawn  | [ICRA]A (SO)                                      | [ICRA]BBB(SO) | [ICRA]BB+(SO) | Provisional [ICRA]BB+(SO) |

\*Initial rating assigned

| S.No | Name of Instrument        | Type          | Current Rating (FY2020)           |                                 | Month-year & Rating     | Chronology of Rating History for the past 3 years |                |                |                            |
|------|---------------------------|---------------|-----------------------------------|---------------------------------|-------------------------|---|----------------|----------------|----------------------------|
|      |                           |               | Initial Rated amount (Rs. Crores) | Amount outstanding (Rs. Crores) |                         | Month- year & Rating                              |                |                |                            |
|      |                           |               |                                   |                                 |                         | Apr 2019  | Oct 2018       | Jan 2018       | Aug 2017                   |
| 2    | Bran CV IFMR Capital 2017 | PTC Series A1 | 64.48                             | Nil                             | [ICRA]AA-(SO) Withdrawn | [ICRA]AA-(SO)                                     | [ICRA]A (SO)   | [ICRA]A-(SO)   | Provisional [ICRA]A-(SO)   |
|      |                           | PTC Series A2 | 1.39                              | Nil                             | [ICRA]A-(SO) Withdrawn  | [ICRA]A-(SO)                                      | [ICRA]BBB-(SO) | [ICRA]BBB-(SO) | Provisional [ICRA]BBB-(SO) |

\*Initial rating assigned

## Complexity level of the rated instrument: Highly Complex

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website [www.icra.in](http://www.icra.in)

## Annexure I

### Details of Instruments

| Trust Name                | Instrument Name | Date of Issuance | Coupon Rate | Scheduled Maturity Date* | Rated Amount (Rs. crore) | Current Rating             |
|---------------------------|-----------------|------------------|-------------|--------------------------|--------------------------|----------------------------|
| Turaco IFMR Capital 2017  | PTC Series A1   | Jun 2017         | 9.75%       | Dec 2019                 | 0.00                     | [ICRA]AA(SO)<br>Withdrawn  |
|                           | PTC Series A2   |                  | 14.00%      |                          | 0.00                     | [ICRA]A(SO)<br>Withdrawn   |
| Bran CV IFMR Capital 2017 | PTC Series A1   | Sep 2017         | 9.50%       | Jan 2020                 | 0.00                     | [ICRA]AA-(SO)<br>Withdrawn |
|                           | PTC Series A2   |                  | 14.00%      |                          | 0.00                     | [ICRA]A-(SO)<br>Withdrawn  |

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