



17-08-2022

The BSE Limited
Phiroze Jeejeebhoy Tower
Dalal Street, Mumbai-400 001

Dear Sir,

Sub: Revised Credit rating on Bank loans & outstanding public issue of NCD's rated by India Ratings & Research/CARE Ratings Limited.

As per press release dated August 16, 2022 issued by India Ratings & Research, Credit Ratings has upgraded credit ratings of the Company from IND BBB+/Stable to **IND A-/Stable** for the following debt instruments:

- 1) Bank loans
- 2) Non-Convertible Debentures rated by India Ratings (VI, VII, XI, XII, XIII & XIV Issues)

Further, CARE Rating Limited has also reaffirmed **CARE A-/Stable** rating for the Bank loans & outstanding Non- convertible debentures (VIII, IX, X, XV, XVI & XVII Issues) rated by CARE Ratings vide press release dated August 12, 2022. CARE Ratings has assigned CARE A-/Stable rating vide their press release dated July 01, 2022 and the same has been already communicated to BSE.

Copy of the press releases are appended. Kindly take the same on record.

Yours Faithfully

For Muthoottu Mini Financiers Limited

Mathew Muthoottu
Managing Director
DIN: 01786534

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India Ratings Upgrades Muthoottu Mini Financiers' NCDs and Bank Loans to 'IND A-/Stable'

Aug 16, 2022 | Financial Services

India Ratings and Research (Ind-Ra) has upgraded Muthoottu Mini Financiers Limited's (MMFL) debt instruments as follows:

Instrument Type	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (million)	Rating/Outlook	Rating Action
Bank loans	-	-	-	INR15,000	IND A-/Stable	Upgraded
Non-convertible debentures (NCDs*)	-	-	-	INR9,346.6 (reduced from INR11,011.1)	IND A-/Stable	Upgraded

*Details in Annexure

The upgrade reflects a continued profitable growth at MMFL's franchisee, improved operational efficiency as reflected in the asset under management (AUM) per branch, tight control over asset quality and credit costs, and improving funding diversification with the strengthening of systems and processes. The ratings also factor in MMFL's extensive experience in the gold-loan financing business, and its adequate liquidity and capital buffers.

Key Rating Drivers

Franchisee Expansion Amid COVID-19-related Disruptions: MMFL has over two decades of experience in the gold finance business in the highly-competitive markets of Kerala and Tamil Nadu. The company has managed multiple cycles in this business, which has seen fluctuations in gold prices. MMFL has been expanding its franchisee in the core gold

finance business. Its AUM grew 25.3% yoy to INR25.0 billion at FYE22 (FYE21: up 17.9% yoy; FYE20: up 21.0% yoy), leading to improved operational efficiencies with the AUM per branch for gold loan increasing to INR29.8 million (INR24 million, INR21.6 million). The growth in the AUM also led to a rise in leverage to 4.8x in FY22 (FY21: 3.7x), however, the granular nature of the book and controlled asset quality provides comfort. Ind-Ra would closely monitor the leverage with the growth in the portfolio. Furthermore, MMFL's branch network has improved over the last few years (FY22: 814 branches, FY21: 807 branches, FY20: 763 branches). The company is expanding into newer geographies of western and northern states, and penetrate deeper into the southern states. The management plans to further increase the branch network in FY23 and reach around 900. MMFL has also been focusing on increasing its branch productivity and derive more business from the existing network. Ind-Ra opines that this would lead to improved branch profitability and AUM growth.

Improved Profitability, However, Scope of Improvement in Operational Efficiency: MMFL's return on assets improved to 1.66% (as per Ind-Ra's calculations) in FY22 (FY21: 1.41%) supported by the growth in AUM; improving operational efficiency and control over credit costs. MMFL's operating efficiency improved as reflected by the AUM per branch, however, there is significant room available for a further improvement in productivity. MMFL reported a healthy net interest margin of 9.17% (as per Ind-Ra's calculations) in FY22 (FY21: 9.33%), supported by lending to high yield segment. There has been a systemic rise in interest rates. Although, MMFL has increased its proportion of bank funding which would shield it from the rise in cost of funds to some extent. The net interest margin for FY23 is contingent upon MMFL's ability to pass on the rise in cost to its customers. Ind-Ra opines that the future trajectory of profitability would be contingent upon improved productivity, and the company's ability to maintain margins and manage credit cost.

Stable Asset Quality Despite Pandemic-led Challenges: The gold loan segment has displayed a considerable resilience in the face of the COVID-19-related disruptions and has reported a stable asset quality. MMFL's gross non-performing assets (NPAs) improved to 0.61% in FY22 (FY21: 0.86%, FY20: 1.89%, FY19: 2.16%). Although the borrower class is vulnerable, the ultimate credit loss is capped due to loan-to-value capping at 75% at the time of disbursement and the liquid nature of the collateral. Being in the gold loan business, MMFL's credit cost has always been modest and less volatile through the cycle, leading to better operating profit buffers. Given the softening in gold prices post December 2020, MMFL has shifted its focus towards shorter tenor loans of up-to-three months and three-to-six months in FY22. This has had an impact on the yields since MMFL cannot earn incremental yield for a longer period in cases where the interest is not serviced on a monthly basis; however, it has shielded the company from the volatility in gold prices. MMFL maintains a risk filter, wherein a resolution is initiated if the principal-plus-interest reaches 95% of the loan-to-value, leading to the closing of the loan by the borrower, or in case of a delay, conducting of auctions after providing an intimation about the same to the borrower. Gold prices have corrected in FY22, leading to an increase in auctions during the year to INR1,885.4 million (FY21: INR453.2 million). The company did not witness any losses in the auctions during the year.

Funding Mix on path of Diversification: MMFL witnessed an improvement in its banking relationships in FY22, as the total number of banks providing funding to MMFL increased to sixteen from nine in FY21. The company has been able to raise funds from a mix of both public and private sector banks. However, funds mobilised through the NCD route still form a major portion of the funding mix and stood at 71% in FY22 (FY21: 81%), while bank funding through working capital (FY22: 19%, FY21: 12%) and term loans (10%, 6%) constituted the remainder. A sustained and substantial increase in the exposure taken by banks over the medium term will be a key monitorable.

Liquidity Indicator - Adequate: As per the structural liquidity statement dated 31 March 2022, there is adequate surplus in each of the buckets, typically because of shorter tenor loans of three-to-six months on the asset side and long liability tenor of four years. At end-June 2022, MMFL had unencumbered cash of INR1,703 million, liquid investments of INR500 million and unutilised bank lines of INR1,081 million, which along with steady inflows of loan receivables provide adequate cover to the repayments of borrowings. The total amount of debt maturing during July-September 2022 stands at INR3,257 million. In addition to the surplus asset-liability mismatch, the liquid nature of the underlying collateral offers support to the liquidity profile. MMFL has also reasonable access to funding. It raised INR9.05 billion through bank borrowings and fresh NCD issuance in FY22.

Substantial Progress on Improvement in MIS & IT Systems: MMFL has substantially invested in the IT systems with

the help of its inhouse team. There has been a considerable progress achieved as per the management in equipping the MIS, which can help in generation of various reports. Better capturing of information, Ind-Ra opines, could lead to better oversight and control on the operations by the management. The strengthened IT system is also capable of handling enhanced business volumes, which would aid in MMFL's AUM growth. The company is further strengthening its technological systems continuously in phases.

Geographically Concentrated Portfolio: MMFL portfolio is concentrated in southern India with Tamil Nadu constituting around 47% of the gold loan portfolio in FY22 (FY21: 43%; FY20: 41%). Tamil Nadu, Kerala, Karnataka, Andhra Pradesh and Telangana constituted around 96% of the gold loan portfolio as on 31 March 2022. The portfolio is likely to remain concentrated in south India over the medium term as the ramp up in the newer geographies will be gradual. Also, on the funding side, funds mobilised through the NCD route remains concentrated as majority of it is raised from Kerala.

Rating Sensitivities

Positive: A material profitable growth in the franchisee while maintaining the leverage below 5.0x along with geographical diversification, further diversification and deepening of funding avenues and a substantial improvement in the operational efficiency leading to better profitability, along with maintaining of capital buffers, and further strengthening of systems and processes could lead to a positive rating action.

Negative: The inability to raise funds at competitive rates, a material depletion in the capital buffers with the leverage exceeding 6.0x on a sustained basis, and adverse regulatory actions affecting business operations, could result in a negative rating action.

ESG Issues

Unless otherwise disclosed in this section, the ESG issues are credit neutral or have only a minimal credit impact on MMFL, due to either their nature or the way in which they are being managed by the entity. For more information on Ind-Ra's ESG Relevance Disclosures, please click [here](#). For answers to frequently asked questions regarding ESG Relevance Disclosures and their impact on ratings, please click [here](#).

Company Profile

MMFL, a Kerala-based non-deposit taking non-banking finance company, lends against high-yielding gold jewellery, which forms around 97% of the total loans. It also has around 3% portion of its AUM as micro finance loans. Incrementally, MMFL plans to grow in the western geographies of Gujarat and Maharashtra in the gold loans segment.

FINANCIAL SUMMARY

Particulars	FY22	FY21
Total assets (INR million)	32,277	25,192
Total tangible equity (INR million)	5,546.5	5,091
Net profit (INR million)	463	319
Return on assets (%)	1.66	1.41
Equity/Asset (%)	17.18	20.21
Tier 1 capital (%)	18.18	22.38
GNPA (%)	0.61	0.86
Source: MMFL; Ind-Ra analysis		

Solicitation Disclosures

Additional information is available at www.indiaratings.co.in. The ratings above were solicited by, or on behalf of, the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer.

Rating History

Instrument Type	Current Rating/Outlook			Historical Rating/Outlook				
	Rating Type	Rated Limits (million)	Rating	26 August 2021	5 March 2021	24 December 2020	14 August 2020	7 August 2019
Bank loans	Long-term	INR15,000	IND A-/Stable	IND BBB+/Stable	IND BBB/Stable	IND BBB/Stable	IND BBB/Stable	IND BBB-/Stable
NCDs	Long-term	INR9,346.6	IND A-/Stable	IND BBB+/Stable	IND BBB/Stable	IND BBB/Stable	IND BBB/Stable	IND BBB-/Stable

Annexure

Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (million)	Rating/Outlook
NCD	INE101Q08084	27 January 2016	10.5	27 July 2022	INR121.0	WD (paid in full)
NCD	INE101Q08092	27 January 2016	11.25*	27 July 2022	INR319.1	WD (paid in full)
NCD	INE101Q07375	24 April 2019	9.75	24 April 2022	INR153.5	WD (paid in full)
NCD	INE101Q07383	24 April 2019	10.22*	24 April 2022	INR193.4	WD (paid in full)
NCD	INE101Q07391	24 April 2019	10	24 April 2024	INR179.7	IND A-/Stable
NCD	INE101Q07409	24 April 2019	10.47*	24 April 2024	INR211.5	IND A-/Stable
NCD	INE101Q07722	30 September 2020	9.5	21 January 2022	INR336.0	WD (paid in full)
NCD	INE101Q07730	30 September 2020	9.75	29 September 2022	INR137.2	IND A-/Stable
NCD	INE101Q07748	30 September 2020	9.77*	29 September 2022	INR281.9	IND A-/Stable
NCD	INE101Q07755	30 September 2020	10	29 September 2023	INR214.7	IND A-/Stable
NCD	INE101Q07763	30 September 2020	10.22*	29 November 2024	INR75.0	IND A-/Stable
NCD	INE101Q07771	30 September 2020	10.5	29 September 2025	INR312.2	IND A-/Stable
NCD	INE101Q07789	30 September 2020	10.28*	29 October 2027	INR160.8	IND A-/Stable
NCD	INE101Q07797	24 November 2020	9.5	18 March 2022	INR242.3	WD (paid in full)
NCD	INE101Q07805	24 November 2020	9.75	23 November 2022	INR123.5	IND A-/Stable
NCD	INE101Q07813	24 November 2020	9.77*	23 November 2022	INR222.4	IND A-/Stable
NCD	INE101Q07821	24 November 2020	10	23 November 2023	INR212.3	IND A-/Stable
NCD	INE101Q07839	24 November 2020	10.22*	23 January 2025	INR86.5	IND A-/Stable
NCD	INE101Q07847	24 November 2020	10.5	21 November 2025	INR362.4	IND A-/Stable
NCD	INE101Q07854	24 November 2020	10.28*	23 December 2027	INR175.9	IND A-/Stable
NCD	INE101Q07862	15 February 2021	9.25	9 June 2022	INR319.9	WD (paid in full)
NCD	INE101Q07870	15 February 2021	9.5	14 February 2023	INR212.5	IND A-/Stable
NCD	INE101Q07888	15 February 2021	9.54*	14 February 2023	INR450.4	IND A-/Stable
NCD	INE101Q07896	15 February 2021	10	14 August 2024	INR472.7	IND A-/Stable
NCD	INE101Q07904	15 February 2021	10.71*	14 August 2026	INR218.2	IND A-/Stable
NCD	INE101Q08118	15 February 2021	10.25	13 March 2026	INR277.1	IND A-/Stable
NCD	INE101Q08126	15 February 2021	10.41*	14 February 2028	INR213.6	IND A-/Stable
NCD	INE101Q07912	3 May 2021	9.00	25 August 2022	INR226	IND A-/Stable

NCD	INE101Q07920	3 May 2021	9.25	2 May 2023	INR134.7	IND A-/Stable
NCD	INE101Q07938	3 May 2021	9.27	2 May 2023	INR224.8	IND A-/Stable
NCD	INE101Q07946	3 May 2021	9.75	2 November 2024	INR251.5	IND A-/Stable
NCD	INE101Q07953	3 May 2021	10.22	2 July 2025	INR128.1	IND A-/Stable
NCD	INE101Q08134	3 May 2021	10.25	2 June 2026	INR240.5	IND A-/Stable
NCD	INE101Q08142	3 May2021	10.41	2 May 2028	INR134.9	IND A-/Stable
Utilised limit					INR5,941.0	
Unutilised limit					INR3,405.6	
Total					INR9,346.6	

*Annualised yield

Bank wise Facilities Details

[Click here to see the details](#)

Complexity Level of Instruments

Instrument Type	Complexity Indicator
NCDs	Low
Bank loans	Low

For details on the complexity level of the instruments, please visit <https://www.indiaratings.co.in/complexity-indicators>.

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APPLICABLE CRITERIA

Evaluating Corporate Governance**Financial Institutions Rating Criteria****Non-Bank Finance Companies Criteria****DISCLAIMER**

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Muthoottu Mini Financiers Limited

August 12, 2022

Ratings

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	2,015.00 (Enhanced from 515.00)	CARE A-; Stable (Single A Minus; Outlook: Stable)	Reaffirmed
Total bank facilities	2,015.00 (₹ Two thousand fifteen crore only)		
Non-convertible debentures - III	79.15	CARE A-; Stable (Single A Minus; Outlook: Stable)	Reaffirmed
Non-convertible debentures – IV	127.71	CARE A-; Stable (Single A Minus; Outlook: Stable)	Reaffirmed
Non-convertible debentures – V	112.20 (Reduced from 166.26)	CARE A-; Stable (Single A Minus; Outlook: Stable)	Reaffirmed
Non-convertible debentures – VI	233.58	CARE A-; Stable (Single A Minus; Outlook: Stable)	Reaffirmed
Non-convertible debentures - VII	170.86	CARE A-; Stable (Single A Minus; Outlook: Stable)	Reaffirmed
Non-convertible debentures – VIII	243.26	CARE A-; Stable (Single A Minus; Outlook: Stable)	Reaffirmed
Non-convertible debentures – IX (Proposed)	300.00	CARE A-; Stable (Single A Minus; Outlook: Stable)	Reaffirmed
Total long-term instruments	1,266.76 (₹ One thousand two hundred sixty-six crore and seventy-six lakh only)		

Details of instruments/facilities in Annexure-1

Detailed rationale and key rating drivers

The rating assigned to the proposed bank facilities and non-convertible debentures (NCDs) of Muthoottu Mini Financiers Limited (MMFL) factors in the increase in the scale of operations during FY22 (refers to the period April 01 to March 31) resulting in improved assets under management (AUM) per branch and improved profitability metrics while maintaining good asset quality. The rating continues to factor in the strong brand recognition of the group, the long track record of the promoters in the gold loan business, adequate capitalisation levels, good asset quality levels and adequate liquidity position. The rating continues to be constrained by the geographical concentration of loan portfolio, concentrated resource profile notwithstanding the improvement seen in FY22, concentration in a single asset class which is exposed to the market risk related to gold, intense competition in the gold loan business and significant investment in fixed assets.

Rating sensitivities

Positive factors – Factors that could, individually or collectively, lead to positive rating action/upgrade:

- Improvement in profitability with return on total assets (ROTA) of above 2.50% on a sustained basis along with improvement in the scale of operations.
- Improvement in the resource profile with good mix of borrowings from diversified sources.

Negative factors – Factors that could, individually or collectively, lead to negative rating action/downgrade:

- Moderation in profitability with ROTA of less than 1% on a sustained basis.
- Deterioration in asset quality with gross non-performing asset (GNPA) of above 3% on a sustained basis.
- Weakening of capitalisation with net gearing increasing to above 5.5x.

Detailed Description of the key rating drivers

Key Rating Strengths

Strong brand value and experienced promoters

The 'Mini Muthoottu' group has been in the gold loan business for more than six decades and has established a strong brand value in the market. MMFL is a business venture of the 'Mini Muthoottu' group and has been providing gold loan advances from FY07. Over the years, the company has expanded and strengthened its branch network across south India and has initiated its branch expansion to the rest of India. The promoters of the group have rich experience in the gold loan business. The company also has a strong board of directors, consisting of highly-experienced and qualified individuals; and the day-to-day operations of the company are looked after by a team of professionals who have extensive experience in banking and finance.

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

Adequate risk management systems

MMFL has put in place strong appraisal systems, including the evaluation of gold. Several tests for checking spurious gold, including touchstone test and nitric acid test, are conducted by the branches. The company has implemented systems for ensuring gold security and reducing custodial risks, including highly-secured vaults with dual control and insurance. Furthermore, surveillance cameras have been installed at all its branches. It also has an internal audit system, wherein the gold auditors inspect the branches where the auditor verifies all the gold ornaments, every 30 days. All the branches of the company are subject to regular internal audit of accounts once in three months. The company also tracks mark to market price (MTM) based on the underlying gold for the loans on a regular basis.

Improvement in the scale of operations during FY22

MMFL's loan portfolio grew at a rate of 25% from ₹1,994 crore as on March 31, 2021 to ₹2,499 crore as on March 31, 2022. The company disbursed gold loans of ₹6,858 crore during FY22 as against ₹5,772 crore in FY21. The loan portfolio has grown at a compounded annual growth rate (CAGR) of 22% over the last three years. The company has again started slowly increasing the branches in new geographies. Gold loan portfolio/branch improved from ₹2.40 crore as on March 31, 2021 to ₹2.98 crore as on March 31, 2022, resulting in improvement in Opex to average total assets.

	March 31, 2019	March 31, 2020	March 31, 2021	March 31, 2022
Branches	767	784	807	814
Gold loan portfolio (₹ crore)	1,281	1,645	1,932	2,427
Gold loan portfolio per branch (₹ crore)	1.67	2.10	2.40	2.98

Adequate capital adequacy levels

The total capital adequacy ratio (CAR) and Tier-I CAR moderated to 21.65% and 18.18%, respectively, as on March 31, 2022, as against 25.75% and 22.38%, respectively, as on March 31, 2021, with increase in the scale of operations during FY22.

The overall gearing stood at 4.81x as on March 31, 2022, as against 3.93x as on March 31, 2021. While net gearing (excluding the cash and cash equivalents) stood at 3.89x as on March 31, 2022, as against 3.32x as on March 31, 2021. CARE Ratings Limited (CARE Ratings) expects net gearing to remain below 5.5x on a steady state basis.

Stable profitability

The cost of borrowings has been decreasing gradually over the last four years and stood at 9.64% during FY22 (PY: 10.93%). The net interest margin (NIM) has remained stable at 7.03% during FY22 (PY: 7.71%). The operating expenses to average total assets improved to 4.84% in FY22 (PY: 5.24%) owing to increased AUM per branch. With credit cost remaining low at 0.25% in FY22, ROTA has improved from 1.40% in FY21 to 1.60% in FY22, while ROTA-profit before tax (PBT) stood at 2.06% in FY22 (PY: 2.34%). Going forward, improving profitability remains critical for the company.

Good asset quality

The loans are mainly backed by gold jewelry that is a liquid and safe security. MMFL is concentrating on gold loans with a tenure of six to nine months, and the proportion of gold loans having a tenure of six to nine months increased from 14% as on March 31, 2021, to 54% as on March 31, 2022. Notably, earlier, the loans with a tenure of upto six months accounted for 81% in FY21. In case the borrowers fail to repay the loans within the stipulated time period, the company reserves the right to auction the gold jewelry kept as the security. Also, to further reduce the risk due to volatility in gold prices, MMFL follows a MTM system driven through management information system (MIS) where there is an internal trigger if the MTM value is above the determined level. In such a scenario, the company asks the customer for repayments or more collateral.

The asset quality improved during FY22 with the company reporting GS3 and NS3 of 0.61% and 0.52% as on March 31, 2022 as against 0.86% and 0.75% as on March 31, 2021. The ability of the company to maintain asset quality and maintain nil/low under-recovery on auctions remains a key rating sensitivity.

Key Rating Weaknesses

High product and geographical concentration

MMFL has majority of its portfolio concentrated towards southern India. As on March 31, 2022, Tamil Nadu constituted around 47% (PY: 43%) of the gold loan portfolio. The five south Indian states constituted around 96% of the gold loan portfolio as on March 31, 2022. The portfolio is expected to remain concentrated in south India over the medium-term. Majority of the company's loan portfolio consists of loans against the gold jewelry. Although the risk is mitigated to an extent as the loans are backed by gold jewelry, which is highly liquid in nature, the company is exposed to a price risk associated with the gold, which could have a bearing on the full recoverability of principal and interest portion. However, MMFL has been giving out loans of shorter tenure and has implemented internal systems to reduce the impact due to the price volatility. As on March 31, 2022, gold loans accounted for 97% of the loan portfolio and the rest are micro-finance loans and loan against property (LAP) loans. The proportion of gold loans to the total loan portfolio is expected to remain higher in the medium term.

Concentrated resource profile notwithstanding the improvement in the proportion of bank borrowings seen in FY22

The resource profile of MMFL is concentrated towards retail debentures (including sub-debt), which constituted around 71% (PY: 81%) of the total borrowings, as on March 31, 2022. However, the share of bank borrowings has witnessed increase from 19%

as on March 31, 2021, to 29% as on March 31, 2022. CARE Ratings expects the proportion of bank borrowings on the overall resource profile to improve in the medium term.

Significant exposure to fixed assets, however, reducing on a year-on-year basis

MMFL made significant investments in fixed assets during FY16 from related parties. However, with equity infusion post that and revaluation in the value of fixed assets purchased, the fixed assets/net worth ratio has reduced. With retention of profits and no new acquisition of fixed assets, fixed assets/networth improved to 34% as on March 31, 2022, as against 61% as on March 31, 2017.

Intense competition in the gold loan business

Geographically, the gold loan financing industry is predominantly placed in southern India with an active interest of both, the south India-based banks and the large non-banking financial companies (NBFCs) operating out of this region. MMFL faces heavy competition from larger players (including banks and other NBFCs) offering gold loans in the regions in which the company operates.

Liquidity: Adequate

The asset and liability management (ALM) profile, as on March 31, 2022, is at a comfortable level, with no cumulative negative mismatch in any of the time brackets upto one year. ALM is comfortable mainly on account of the shorter tenor of loans provided by MMFL with access to longer tenure borrowings. As on June 27, 2022, the company had cash and cash equivalents of ₹110 crore.

Analytical approach: Standalone

Applicable criteria:

[Criteria on assigning outlook and credit watch to credit ratings](#)

[CARE's policy on default recognition](#)

[Financial ratios-Financial sector](#)

[CARE's rating methodology for non-banking finance companies \(NBFCs\)](#)

About the company

Muthoot Mini Financiers Ltd (MMFL) was incorporated on March 18, 1998, and operated as an investment company for other group entities until FY06. Further, MMFL started gold loan advances from FY07 and undertook rapid branch expansions from FY09 onwards. The company was converted to a public limited company on November 27, 2013, and consequently, the name was changed from Muthoot Mini Financiers Private Limited to MMFL. MMFL also operates as an agent of several money transfer service set-ups, realising agency commission for these services. As on March 31, 2022, the company had a loan portfolio of ₹2,499 crore.

Brief Financials (₹ crore)	March 31, 2021 (A)	March 31, 2022 (A)	Q1FY23
Total operating income	368	430	NA
PAT	32	46	NA
Interest coverage (times)	1.28	1.27	NA
Total Assets	2,531	3,246	NA
Net NPA (%)	0.75	0.52	NA
ROTA (%)	1.40	1.60	NA

A: Audited

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Covenants of rated instrument / facility: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various instruments rated for this company: Annexure-4

Bank lender details for this company: Annexure-5

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (₹ crore)	Rating assigned along with Rating Outlook
Fund-based-Long-term (Proposed)	-	-	-	-	2015.00	CARE A-; Stable
Debentures-Non-convertible debentures-III	INE101Q07490	Sep 12, 2019	10.25%	Sep 12, 2022	18.28	CARE A-; Stable
	INE101Q07508	Sep 12, 2019	10.50%	Sep 12, 2022	3.39	CARE A-; Stable
	INE101Q07516	Sep 12, 2019	10.25%	Sep 12, 2022	18.70	CARE A-; Stable
	INE101Q07524	Sep 12, 2019	10.35%	Sep 12, 2024	13.44	CARE A-; Stable
	INE101Q07532	Sep 12, 2019	10.65%	Sep 12, 2024	2.67	CARE A-; Stable
	INE101Q07540	Sep 12, 2019	10.35%	Sep 12, 2024	22.67	CARE A-; Stable
Debentures-Non-convertible debentures-IV	INE101Q07573	Feb 18, 2020	10.00%	Feb 17, 2023	25.91	CARE A-; Stable
	INE101Q07581	Feb 18, 2020	10.22%	Apr 17, 2024	30.95	CARE A-; Stable
	INE101Q07599	Feb 18, 2020	10.50%	Feb 17, 2025	27.27	CARE A-; Stable
	INE101Q07607	Feb 18, 2020	10.07%	Dec 17, 2025	1.65	CARE A-; Stable
	INE101Q07615	Feb 18, 2020	10.28%	Mar 17, 2027	41.93	CARE A-; Stable
Debentures-Non-convertible debentures-V	INE101Q07680	July 2, 2020	10.00%	Jul 01, 2023	26.94	CARE A-; Stable
	INE101Q07698	July 2, 2020	10.22%	Aug 31, 2024	16.86	CARE A-; Stable
	INE101Q07706	July 2, 2020	10.50%	Jul 01, 2025	36.84	CARE A-; Stable
	INE101Q07714	July 2, 2020	10.28%	Jul 31, 2027	31.56	CARE A-; Stable
Debentures-Non-convertible debentures-VI	INE101Q07961	Sep 16, 2021	8.75%	Jan 07, 2023	23.75	CARE A-; Stable
	INE101Q07979	Sep 16, 2021	9.00%	Sep 15, 2023	29.86	CARE A-; Stable
	INE101Q07987	Sep 16, 2021	9.54%	Sep 15, 2023	52.36	CARE A-; Stable
	INE101Q07995	Sep 16, 2021	9.50%	Mar 15, 2025	44.04	CARE A-; Stable
	INE101Q07AA1	Sep 16, 2021	10.22%	Nov 15, 2025	33.57	CARE A-; Stable
	INE101Q08159	Sep 16, 2021	10.00%	Mar 15, 2027	25.92	CARE A-; Stable
	INE101Q08167	Sep 16, 2021	10.41%	Sep 15, 2028	24.08	CARE A-; Stable
Debentures-Non-convertible debentures-VII	INE101Q07AB9	Jan 03, 2022	8.50%	Apr 27, 2023	23.13	CARE A-; Stable
	INE101Q07AC7	Jan 03, 2022	8.75%	Jan 02, 2024	19.19	CARE A-; Stable
	INE101Q07AD5	Jan 03, 2022	9.09%	Jan 02, 2024	23.02	CARE A-; Stable
	INE101Q07AE3	Jan 03, 2022	9.50%	Jan 02, 2025	17.51	CARE A-; Stable
	INE101Q07AF0	Jan 03, 2022	9.75%	Jan 02, 2026	61.82	CARE A-; Stable
	INE101Q07AG8	Jan 03, 2022	10.13%	July 02, 2027	26.19	CARE A-; Stable
Debentures-Non-convertible debentures-VIII	INE101Q07AH6	May 23, 2022	8.00%	Sept 14, 2023	21.42	CARE A-; Stable
	INE101Q07AI4	May 23, 2022	8.50%	May 22, 2024	25.55	CARE A-; Stable
	INE101Q07AJ2	May 23, 2022	8.90%	May 22, 2024	33.35	CARE A-; Stable
	INE101Q07AK0	May 23, 2022	9.25%	May 22, 2025	28.69	CARE A-; Stable
	INE101Q07AL8	May 23, 2022	9.50%	May 22, 2026	90.70	CARE A-; Stable
	INE101Q07AM6	May 23, 2022	10.00%	Nov 22, 2027	43.55	CARE A-; Stable
Debentures-Non-convertible debentures- IX (Proposed)	-	-	-	-	300.00	CARE A-; Stable

Annexure-2: Rating history of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Debentures-Non-convertible debentures	LT	-	-	-	-	-	1)Withdrawn (06-Jan-20)
2	Debentures-Non-convertible debentures	LT	-	-	-	1)Withdrawn (07-Mar-22) 2)CARE BBB+; Stable (28-Jul-21)	1)CARE BBB; Stable (22-Dec-20)	1)CARE BBB; Stable (06-Jan-20)
3	Debentures-Non-convertible debentures	LT	79.15	CARE A-; Stable	1)CARE A-; Stable (01-Jul-22)	1)CARE BBB+; Stable (07-Mar-22) 2)CARE BBB+; Stable (28-Jul-21)	1)CARE BBB; Stable (22-Dec-20)	1)CARE BBB; Stable (06-Jan-20) 2)CARE BBB; Stable (03-Jul-19)
4	Debentures-Non-convertible debentures	LT	127.71	CARE A-; Stable	1)CARE A-; Stable (01-Jul-22)	1)CARE BBB+; Stable (07-Mar-22) 2)CARE BBB+; Stable (28-Jul-21)	1)CARE BBB; Stable (22-Dec-20)	1)CARE BBB; Stable (06-Jan-20) 2)CARE BBB; Stable (20-Dec-19)
5	Debentures-Non-convertible debentures	LT	112.20	CARE A-; Stable	1)CARE A-; Stable (01-Jul-22)	1)CARE BBB+; Stable (07-Mar-22) 2)CARE BBB+; Stable (28-Jul-21)	1)CARE BBB; Stable (22-Dec-20)	1)CARE BBB; Stable (16-Mar-20)
6	Debentures-Non-convertible debentures	LT	233.58	CARE A-; Stable	1)CARE A-; Stable (01-Jul-22)	1)CARE BBB+; Stable (07-Mar-22) 2)CARE BBB+; Stable (28-Jul-21)	-	-
7	Debentures-Non-convertible debentures	LT	170.86	CARE A-; Stable	1)CARE A-; Stable (01-Jul-22)	1)CARE BBB+; Stable (07-Mar-22) 2)CARE BBB+; Stable (25-Aug-21)	-	-
8	Debentures-Non-convertible debentures	LT	243.26	CARE A-; Stable	1)CARE A-; Stable (01-Jul-22)	1)CARE BBB+; Stable (09-Mar-22)	-	-
9	Fund-based-Long term	LT	2015.00	CARE A-; Stable	1)CARE A-; Stable (07-Jul-22) 2)CARE A-; Stable (01-Jul-22)	-	-	-

10	Debentures-Non-convertible debentures	LT	300.00	CARE A-; Stable	1)CARE A-; Stable (07-Jul-22)	-	-	-
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Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities: NA

Annexure-4: Complexity level of various instruments rated for this company

Sr. No.	Name of Instrument	Complexity Level
1	Debentures-Non-Convertible Debentures	Simple
2	Bank Facilities - Fund-based – Long Term	Simple

Annexure-5: Bank lender details for this company

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of the rated instrument: CARE Ratings Ltd. has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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