



Muthoot Finance Limited

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August 11, 2023

Ref: SEC/MFL/SE/2023/4836

National Stock Exchange of India Limited
Exchange Plaza,
Plot No. C/1, G Block,
Bandra-Kurla Complex
Bandra (E), Mumbai - 400 051
Symbol: MUTHOOTFIN

Department of Corporate Services
BSE Limited,
P. J. Tower, Dalal Street,
Mumbai - 400 001
Scrip Code: 533398

Dear Sir/Madam,

Re: Press release on Unaudited Financial Results for the quarter ended June 30, 2023

The Company's Board of Directors at their meeting held today i.e., August 11, 2023, has announced the Unaudited Financial Results for the quarter ended June 30, 2023.

We herewith enclose a copy of Press Release proposed to be released in leading newspapers across the country.

Thank You,

For **Muthoot Finance Limited**

Rajesh A
Company Secretary
ICSI Membership No. FCS 7106



Financial Results Q1 FY 2024 JUNE 2023



Muthoot Family - 800 years of Business Legacy



Performance Highlights Q1 FY24



Increase in Consolidated Loan AUM:
21% YoY at ₹ 76,799 Crores



Highest ever Quarterly Gold Loan Disbursement:
₹ 53,612 Crores



All time high Gold Loan Portfolio Growth in any Q1:
₹ 4,164 Crores



Increase in Consolidated Profit After Tax:
27% YoY at ₹ 1,045 Crores



Increase in Standalone Profit After Tax:
22% YoY at ₹ 975 Crores



All time high Interest Collection in any Q1:
₹ 2,863 Crores



Kochi, August 11, 2023:

Q1 Historic Highest Growth in Loan Assets of Rs. 4,429 crores in Q1 FY24, up by 7% QoQ
Q1 Historic Highest Growth in Gold Loan Assets of Rs. 4,164 crores in Q1 FY24, up by 7% QoQ
Historic Highest Disbursements in Gold Loan Assets of Rs. 53,612 crores in Q1 FY24

Consolidated Loan Assets Under Management stood at Rs. 76,799 crore, up by 21% YoY
Consolidated Profit after Tax stood at Rs. 1045 crore for Q1FY24, up by 27% YoY

Standalone Loan Assets Under Management stood at Rs. 67,639 crore, up by 19% YoY
Standalone Profit after tax stood at Rs. 975 crore for Q1FY24, up by 22% YoY

Other Key Highlights:

- Opened 59 new branches by the Group in Q1FY24
- Muthoot Finance received permission from RBI in July 2023 to open 114 new branches
- Raised Rs. 179 crores through the 31st Public Issue of Secured Redeemable Non-Convertible Debentures mainly from retail investors

Key Subsidiaries – ‘Growth revival continues’

Muthoot Homefin

- Gross Loan AUM at Rs.1501 crores in Q1 FY24 vs. Rs.1438 crores in Q4 FY23 ; growth of ~4% QoQ;
- Disbursed Rs.109 crores in Q1FY24 vs. Rs. 66crores in Q1FY23; Rs. 85crores in Q4FY23
- Interest income up ~10% to Rs.37 crores vs. Rs.34 crores in Q4FY23;
- Profit After Tax Rs. 4.72 crores vs. Rs.1.45crores in Q1FY23 and Rs. 2.61crores in Q4FY23
- GNPA and NNPA ~3.97% and 1.21% in Q1 FY24 respectively against ~4.01% and ~1.39% in March 2023;
- Provision coverage ratio ~70.37%; higher than the required provisions as per NHB norms

Muthoot Money

- Continuous decline in NPA through physical collections witnessed consistently throughout the quarter. NPA decreased to 2.46% from 3.72%
- Gross Loan Assets has increased from Rs. 387crores to Rs. 496 crores
- Branch network increased to 185 from 149

Belstar Microfinance

- Improvement in the disbursements MoM ~ Rs.700 crores per month
- Gross Loan AUM crossed Rs.7000 crores
- Collection Efficiency on Regular accounts @ 99.40%
- GNPA @ 1.62% and NNPA @ 0.21%
- Improvement in the Credit Rating – Outlook changed from AA- Stable to AA- Positive by Crisil Rating Agency
- Expansion in Other Non-Tamilnadu States to reduce concentration on Tamilnadu – Home State initiated in line with long term strategy to diversify concentration from current 49% to ~ 35% by FY 2026



Results

A meeting of the Board of Directors of Muthoot Finance Ltd. was held today to consider and approve the unaudited standalone and consolidated results for the quarter ended June 30, 2023.

Consolidated Results of Muthoot Finance Ltd

Muthoot Finance Ltd Consolidated Loan Assets Under Management grew 21% YoY to Rs.76,799 crore in Q1FY24 as against Rs 63,444 crore in the same quarter last year. During the quarter, Consolidated Loan Assets Under Management increased by Rs. 5,302 crores which is an increase of 7% QoQ. Consolidated Profit after tax increased by 27% YoY to Rs. 1045 crore as against Rs. 825 crore in the same quarter last year.

(Rs. in crores)						
Financial Performance	Q1FY24	Q4FY23	QoQ %	Q1FY23	YoY %	FY23
Group Branch Network	5,897	5,838	1%	5,667	4%	5,838
Consolidated Gross Loan Assets Under Management of the Group	76,799	71,497	7%	63,444	21%	71,497
Consolidated Profit after tax of the Group	1,045	1,009	4%	825	27%	3,670
Contribution in the Consolidated Gross Loan Assets Under Management of the Group						
Muthoot Finance Ltd	67,259	62,950	7%	56,689	19%	62,950
Subsidiaries	9,540	8,547	12%	6,755	41%	8,547
Contribution in the Consolidated Profit after tax of the Group						
Muthoot Finance Ltd	971	900	8%	802	21%	3,467
Subsidiaries	74	109	-32%	23	220%	203

Mr. George Jacob Muthoot, Chairman, The Muthoot Group said, "Muthoot Finance has continued to deliver a strong performance in Q1 FY24 and achieved Consolidated Loan AUM of Rs.76,799 crores, registering a growth of 21% YoY. Consolidated profit after tax grew by 27% YoY and stood at Rs. 1,045 crores. We achieved highest ever consolidated loan assets growth in any Q1 of Rs.5302 crores. Our subsidiaries Muthoot Homefin, and Belstar Microfinance continue to report strong disbursements and as a result the contribution of our subsidiaries to the overall consolidated loan AUM has increased to 12%. Our vision is to remain a leader in gold loan business and at the same time cater to our large customer base with various loan products to meet their varied requirements. The Indian economy has been resilient so far, driven by strong domestic demand, and pick up in investment activity, signifying its enduring strength. As a result, we continue to foresee improved demand conditions for gold loans, small and personal and business finance loans in the current financial year."

Mr. George Alexander Muthoot, Managing Director said, "Our Gold loan AUM continued to grow at a robust pace of 18% YoY and 7% QoQ and stood at Rs. 66039 crores in Q1 FY24. Our strategic focus on disbursements, operational efficiency, and margins has led to a profit after tax of Rs. 975crores in Q1 FY 24, and profits grew 22% YoY. A resilient Indian economy, improved demand conditions, make us optimistic of growing our gold loan book by 10-15% in FY24. With continued focus on loan disbursements and recovery efforts, we are confident of maintaining our NIMs around 11%. Our non-gold loan segments continue to witness improved business environment, and our new products - small business loans and micro-personal loans have reported good traction this quarter.



Standalone Results of Muthoot Finance Ltd and its subsidiaries

Muthoot Finance Ltd (MFIN), India's largest gold financing company in terms of loan portfolio, registered net profit of Rs. 975 crores in Q1FY24 as against **Rs. 802 crores** in Q1FY23, an increase of **22% YoY**. Loan assets stood at Rs. **67,639** crores as compared to **Rs. 56,689 crores** in the same quarter last year, registering a growth of **19% YoY**. During the quarter, Loan assets increased by Rs. 4,429 crores registering a growth of 7% QoQ.

Muthoot Homefin (India) Ltd (MHIL), the wholly owned subsidiary, loan AUM stood at **Rs.1,501** crores in Q1 FY24 as against **Rs. 1,475 crores** in the same quarter last year. During the quarter, Loan assets increased by Rs. **63** crores, an increase of **4% QoQ**. Total revenue for Q1FY24 stood at **Rs. 44 crores**, up **16% YoY**. Profit after tax stood at **Rs. 4.72 crores** in Q1FY24 as against **Rs.1.45 crores** in the same quarter last year, increased by **226% YoY**. Stage III Asset as percentage of Gross Loan Asset stood at **3.97%** as on June 30, 2023 as compared to **4.01%** as on March 31, 2023.

M/s. Belstar Microfinance Limited (BML), is an RBI registered micro finance NBFC, and a subsidiary company where Muthoot Finance holds **56.97%** stake. Loan AUM for Q1FY24 stood at Rs.**7,008** crores, as against Rs.**4,696** crores in Q1FY23, an increase of **49% YoY**. During the quarter, Loan AUM increased by Rs. **816** crores. an increase of **13% QoQ** Profit after tax stood at Rs. **52** crores in Q1FY24, as against Rs. **14** crores in the same quarter last year, up **271% YoY**. Stage III Asset as percentage of Gross Loan Asset stood at **1.62%** as of June 30, 2023 as compared to **2.43%** as of March 31, 2023.

Muthoot Insurance Brokers Pvt. Limited (MIBPL), an IRDA registered Direct Broker in insurance products and a wholly owned subsidiary company generated a total premium collection amounting to Rs. **148** crores in Q1FY24 as against Rs. **131** crores in same quarter last year. Profit after Tax stood at Rs. **10** crores in Q1FY24, as against Rs. **7** crores in the same quarter last year.

Asia Asset Finance PLC (AAF) is a subsidiary based in Sri Lanka where Muthoot Finance holds **72.92%** stake. Loan portfolio grew to LKR **2010** crores during Q1FY24, as against LKR **1762** crores in same quarter last year, an increase of **14% YoY**. Total revenue for Q1FY24 stood at LKR **172** crores, as against LKR **116** crores during same quarter last year. Profit after tax stood at LKR **6** crores in Q1FY24, as against profit of LKR **5** crores in the same quarter last year.

Muthoot Money Ltd (MML), became a wholly owned subsidiary of Muthoot Finance Ltd in October 2018. MML is a RBI registered Non-Banking Finance Company engaged mainly in extending gold loans and loans for commercial vehicles and equipment. Loan portfolio for Q1FY24 stood at Rs.**496** crores, as against Rs. **198** crores during same quarter last year. Total revenue for Q1FY24 stood at Rs. **21** crores.

Other Highlights:

Financial Highlights (MFIN): Standalone results for Muthoot Finance Ltd.

(Rs. in Crores)

Particulars	Q1FY24	Q4FY23	QoQ %	Q1FY23	YoY %
Total Income	3,026	2,864	6%	2,509	21%
Profit Before Tax	1,315	1,216	8%	1,082	22%
Profit After Tax	975	903	8%	802	22%
Earnings Per Share(Basic) Rs.	24.29	22.49	8%	19.98	22%
Gross Loan Assets	67,639	63,210	7%	56,689	19%
Branches	4,742	4,739	-	4,617	3%



Particulars	Q1FY24	Q4FY23	Q1 FY23
Return on Average Loan assets	5.96%	5.97%	5.59%
Return on Average Equity	18.47%	17.53%	17.50%
Book Value Per Share (Rs.)	527.42	524.56	456.48

Particulars	Q1FY24	Q4FY23	Q1 FY23
Capital Adequacy Ratio	30.03	31.77	30.62
Share Capital & Reserves (Rs. in Cr)	21,177	21,062	18,325

Business Highlights (MFIN):

Particulars	Q1FY24	Q1 FY23	Growth (YoY)
Branch Network	4,742	4,617	3%
Gold Loan Outstanding (Rs. in Cr)	66,039	56,177	18%
Credit Losses (Rs. in Cr)	4.72	5.30	-11%
% of Credit Losses on Gross Loan Assets	0.01%	0.01%	-
Average Gold Loan per Branch (Rs. in Cr)	13.93	12.17	14%
No. of Loan Accounts (in lakh)	83	81	2%
Total Weight of Gold Jewellery pledged (in tonnes)	182	178	2%
Average Loan Ticket Size	79,216	69,438	14%
No. of employees	27,701	26,618	4%

Our Subsidiaries:

About Muthoot Insurance Brokers Pvt Limited:

MIBPL is a wholly owned subsidiary of Muthoot Finance Ltd. It is an unlisted private limited company holding a license to act as a Direct Broker from IRDA since 2013. It is actively distributing both life and non-life insurance products of various insurance companies. During Q1FY24, it has insured more than **904,700** lives with a first year premium collection of **Rs. 114 crores** under traditional, term and health products. The same was more than **11,74,000** lives with a first year premium collection of **Rs. 101 crores** in Q1FY23.

Key Business Parameters

(Rs. in Crores)

Particulars	Q1FY24	Q4FY23	Q1 FY23	FY23
Total Premium Collection	148	203	131	651
No. of Policies (in lakhs)	9	13	12	47
Total Revenue	16	21	11	68
Profit After Tax	10	15	7	46


About Muthoot Homefin (India) Limited:

MHIL is a Housing Finance Company registered with The National Housing Bank (NHB). It is a wholly owned subsidiary of Muthoot Finance Limited.

MHIL's prime goal is to contribute towards financial inclusion of LMI families by opening doors of formal housing finance to them. Its focus is on extending Affordable Housing Finance. MHIL would be concentrating primarily on retail housing loans in the initial stages. It operates on a 'Hub and Spoke' model, with the centralized processing based out of corporate office at Mumbai. MHIL has operations in 13 states and 3 Union territories - Maharashtra (including Mumbai), Gujarat, Rajasthan, Madhya Pradesh, Kerala, Karnataka, Telangana, Andhra Pradesh, Haryana, Chandigarh, Uttar Pradesh, Chattisgarh, Punjab, Tamil Nadu, Delhi and Pondicherry.

MHIL has short term debt rating of 'A1+' for its Commercial Paper programme which indicates, "Very strong degree of safety regarding timely payment of financial obligations and carry lowest credit risk" from ICRA Ltd and Care Ratings Ltd.

MHIL has long term debt rating of CRISIL AA+/(stable) for its Bank Limits and Non-Convertible Debentures and CARE AA+(Stable) for its Non-Convertible Debentures which indicates "High degree of safety with regard to timely servicing of financial obligations and carries very low credit risk".

Key Financial Parameters
(Rs. in Crores)

Particulars	Q1FY24	Q4FY23	Q1FY23	FY23
No. of branches	111	108	108	108
No. of Sales Offices	111	108	108	108
No. of Employees	418	346	222	346
Gross Loan AUM	1,501	1,438	1,475	1,438
Gross Loan Asset	1,164	1,087	1,078	1,087
Capital Adequacy Ratio	52%	66%	58%	66%
Total Revenue	44	39	38	155
Total Expense	37	35	36	141
Profit Before Tax	6	4	2	14
Profit After Tax	5	3	1	10
Shareholder's Funds	462	457	449	457
Total Outside Liabilities	931	754	850	754
Total Assets	1,393	1211	1,299	1,211
Stage III Loan Assets	46	44	38	44
% Stage III asset on Gross Loan Assets	3.97	4.01%	3.52%	4.01%
Stage III ECL Provision	33	29	24	29
ECL Provision	40	36	31	36
ECL Provision as a % of Gross Loan Assets	3.39%	3.29%	2.86%	3.29%
No. of Customers	21,608	21,223	20,798	21,223


About Belstar Microfinance Limited (BML):

BML was incorporated in January 1988 at Bangalore and the company was registered with the RBI in March 2001 as a Non-Banking Finance Company. The company was reclassified as “NBFC-MFI” by RBI effective from 11th December 2013. Muthoot Finance holds **56.97%** of equity share capital in BML. BML was acquired by the ‘Hand in Hand’ group in September 2008 to provide scalable microfinance services to entrepreneurs nurtured by ‘Hand in Hand’s’ Self Help Group (SHG) program. The company commenced its first lending operations at Haveri District of Karnataka in March 2009 to 3 SHGs, 22 members for INR 0.20 million.

In the last fourteen years of its operations, BML primarily relied on taking over the existing groups formed by Hand in Hand India. BML predominantly follows the SHG model of lending. Effective January 2015, BML started working in JLG model of lending in Pune district, Maharashtra.

As of June 30, 2023, BML operations are spread over 16 states and 2 UT (Tamil Nadu, Karnataka, Madhya Pradesh, Maharashtra, Kerala, Odisha, Chattisgarh, Gujarat, Rajasthan, Bihar, Uttar Pradesh, Uttarakhand, West Bengal Pondicherry, Haryana, Punjab, Tripura and Delhi). It has **782** branches, with **134** controlling regional offices and employing **8421** staff. Gross loan AUM has grown to **Rs.7008** crores as of June 30, 2023 as against **Rs.4696 crores** during same quarter last year. Profit after tax for Q1FY24 increased to **Rs.52** crores as against **Rs.14** crores in Q1FY23, and Net worth stood at **Rs.1,145** crores as of June 30, 2023.

CRISIL has assigned the long term rating of ‘CRISIL AA-/Positive’ for its Bank Limits and Debt Instruments which indicates, “high degree of safety regarding timely servicing of financial obligations and carry very low credit risk” and short term rating of CRISIL A1+ for its Bank Limit which indicates, “very strong degree of safety regarding timely payment of financial obligations and carry lowest credit risk”.

Key Financial Parameters
(Rs. in Crores)

Particulars	Q1FY24	Q4FY23	Q1FY23	FY23
No. of branches	782	768	755	768
No. of Employees	8,421	8,022	6,596	8,022
Gross Loan AUM	7008	6,193	4,696	6,193
Gross Loan Assets	5591	4,713	3,955	4,713
Capital Adequacy Ratio	22%	22%	25%	22%
Total Revenue	360	332	210	1,038
Total Expense	293	224	193	869
Profit Before Tax	68	108	17	169
Profit After Tax	52	82	14	130
Shareholder’s Funds	1,145	1,092	978	1,092
Total Outside Liabilities	5,239	5,135	3,659	5,135
Total Assets	6,384	6,227	4,637	6,227
Stage III Loan Assets	91	115	339	115
% Stage III asset on Gross Loan Assets	1.62%	2.43%	8.57%	2.43%
Stage III ECL Provision	79	84	229	84
ECL Provision	110	96	255	96
ECL Provision as a % of Gross Loan Assets	1.97%	2.03%	6.45%	2.03%


About Asia Asset Finance PLC, Sri Lanka:

Asia Asset Finance PLC, (AAF) Colombo, Sri Lanka became a foreign subsidiary of Muthoot Finance Ltd on December 31, 2014. The company formerly known as Finance and Land Sales has been in operation for over 53 years, and has evolved to serve the growing needs of people of Sri Lanka.

As on June 30, 2023, total holding in AAF by Muthoot Finance stood at **9.06 crores** equity shares representing **72.92%** of their total capital and **3.97** crores preference shares representing **95.87%** of their capital. AAF is a registered financial company based in Sri Lanka a fully licensed, deposit-taking institution registered with the Central Bank of Sri Lanka and listed on the Colombo Stock Exchange.

AAF is in lending business since 1970. At present the company is involved in Retail Finance, Hire Purchase & Business Loans and has **77** branches across Sri Lanka. It has total staff strength of **595** currently. In 2015, it entered the space of Gold Loans with assistance of Muthoot Finance.

Key Financial Parameters
(LKR in crores)

Particulars	Q1FY24	Q4FY23	Q1FY23	FY23
LKR/INR	0.26625	0.249700	0.218977	0.249700
No. of Branches	77	75	63	75
No. of Employees	595	590	400	590
Gross Loan AUM	2010	2,120	1,762	2120
Capital Adequacy Ratio	23%	26%	30%	26%
Total Revenue	172	177	116	601
Total Expenses	164	173	108	565
Profit Before Tax	8	4	8	36
Profit After Tax	6	7	5	30
Shareholder's Funds	307	301	278	301
Total Outside Liabilities	2278	2200	1,757	2200
Total Assets	2585	2501	2,035	2501

About Muthoot Money Limited:

Muthoot Money Ltd (MML), became a wholly owned subsidiary of Muthoot Finance Ltd in October 2018. MML is a RBI registered Non- Banking Finance Company engaged mainly in extending gold loans and loans for Cars, Two Wheelers, Commercial Vehicles and Equipment. The operations are now centered in Hyderabad. CRISIL Ltd assigned long term debt rating of AA/Stable for its bank limits. As on June 30, 2023 Muthoot Money Ltd. has a total loan portfolio of **Rs. 496 crores** as against **Rs.198 crores** same quarter last year.


Key Financial Parameters:
(Rs. in crores)

Particulars	Q1FY24	Q4FY23	Q1FY23	FY23
No. of branches	185	149	124	149
No. of employees	1154	920	553	920
Gross Loan AUM	496	387	198	387
Capital Adequacy Ratio (%)	19%	24%	47%	24%
Total Revenue	21	17	11	56
Total Expense	21	13	11	56
Profit Before Tax	-0.08	4	0.03	0.34
Profit After Tax	-0.06	3	0.05	0.24
Stage III Loan Assets	12	14	16	14
% Stage III asset on Gross Loan AUM	2.46%	3.72%	7.84%	3.72%
Stage III ECL Provision	5	6	7	6
ECL Provision	7	8	8	8
ECL Provision as a % of Gross Loan AUM	1.49%	2.01%	3.98%	2.01%
Shareholders' Funds	104	104	104	104
Total Outside Liabilities	454	330	120	330
Total Assets	558	434	224	434
