



**Muthoot Finance Limited**

Registered Office :  
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Opp. Saritha Theatre Complex,  
Banerji Road, Ernakulam - 682 018  
Kerala, India.  
CIN : L65910KL1997PLC 011300

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mails@muthootgroup.com  
www.muthootgroup.com

June 17, 2020

Ref: SEC/MFL/SE/2020/3488

**National Stock Exchange of India Ltd.**  
**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: Investor Presentation: Quarter and financial year ended March 31, 2020

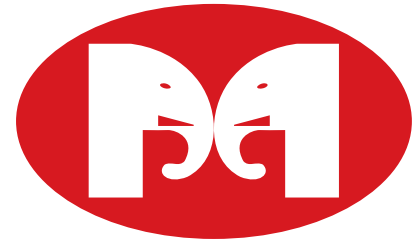
We herewith enclose a copy of the investor presentation for the Quarter and financial year ended March 31, 2020.

This is for your kind information and record thereon.

Thanking You,

For **Muthoot Finance Limited**

Rajesh A  
Company Secretary  
ICSI Membership No. FCS 7106



***Muthoot Finance***

**Financial Results Q4 FY 2020**

**March 2020**

**MUTHOOT FINANCE LIMITED**

## SAFE HARBOUR STATEMENT

This presentation may include statements, which may constitute forward-looking statements. All statements that address expectations or projections about the future, including, but not limited to, statements about the strategy for growth, business development, market position, expenditures, and financial results, are forward looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The company cannot guarantee that these assumptions and expectations are accurate or will be realised. The actual results, performance or achievements, could thus differ materially from those projected in any such forward-looking statements.

The company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events, or otherwise. While every effort is made to ensure that this presentation conforms with all applicable legal requirements, the company does not warrant that it is complete, comprehensive or accurate, or commit to its being updated. No part of the information provided herein is to be construed as a solicitation to make any financial investment and is provided for information only.

Any person/ party intending to provide finance / invest in the shares/businesses of the Company shall do so after seeking their own professional advice and after carrying out their own due diligence procedure to ensure that they are making an informed decision. In no event shall the company be liable for any damages whatsoever, whether direct, incidental, indirect, consequential or special damages of any kind or including, without limitation, those resulting from loss of profit, loss of contracts, goodwill, data, information, income, expected savings or business relationships arising out of or in connection with the use of this presentation.

## Diversified business of the Group

	Primary Business	Shareholding of holding company (%)
Muthoot Finance Ltd	Gold Loans	Holding Company
Muthoot Homefin (India) Ltd	Affordable Housing Finance	100.00
Belstar Microfinance Limited	Microfinance	70.01
Muthoot Money Limited	Vehicle Finance	100.00
Asia Asset Finance PLC	Listed Diversified NBFC in Sri Lanka	72.92
Muthoot Insurance Brokers Private Limited	Insurance Broking	100.00
Muthoot Asset Management Private Limited	-	100.00
Muthoot Trustee Private Limited	-	100.00

## Snapshot of performance

	<b>FY 2020</b>	<b>FY 2019</b>	<b>YoY(%)</b>
<b>Group Branch Network (Nos)</b>	<b>5,330</b>	<b>5,020</b>	<b>6</b>
<b>Consolidated Gross Loan Assets* of the Group (₹ in million)</b>	<b>468,705</b>	<b>383,036</b>	<b>22</b>
<b>Consolidated Profit of the Group (₹ in million)</b>	<b>31,687</b>	<b>21,030</b>	<b>51</b>
<b>Contribution in the Consolidated Gross Loan Assets* of the Group</b>			
Muthoot Finance (%)	88	88	-
Subsidiaries (%)	12	12	-
<b>Contribution in the Consolidated Profit of the Group</b>			
Muthoot Finance (%)	95	94	1
Subsidiaries (%)	5	6	(17)

*\*Principal amount of Loan assets*

## Gross Loan Assets\* of the Group

(₹ in millions)

	FY 2020	FY 2019	YoY (%)
Muthoot Finance Ltd	416,106	342,461	22
Muthoot Homefin (India) Ltd	19,769	19,075	4
Belstar Microfinance Limited	26,310	18,419	43
Muthoot Money Limited	5,090	3,107	64
Asia Asset Finance PLC	5,380	4,974	8
Less: Intra-Group Loan Assets	3,950	5,000	(21)
<b>Total</b>	<b>468,705</b>	<b>383,036</b>	<b>22</b>

\*Principal amount of Loan assets

## Standalone Profit of Group Companies

(₹ in millions)

	FY 2020	FY 2019
Muthoot Finance Ltd	30,183	19,721
Muthoot Homefin (India) Ltd	318	363
Muthoot Insurance Brokers Private Limited	104	150
Belstar Microfinance Limited	990	729
Muthoot Money Limited	27	3
Asia Asset Finance PLC	28	41
Muthoot Asset Management Private Limited	51	2
Muthoot Trustee Private Limited	(0.13)	-

**Consolidated Statement of Assets and Liabilities**

(₹ in millions)

<b>Particulars</b>	<b>FY 2020</b>	<b>FY 2019</b>
<b>ASSETS</b>		
<b>Financial assets</b>		
Cash and cash equivalents	58,348	20,057
Bank Balance other than above	2,959	1,978
Derivative Financial Instruments	3,449	-
Trade Receivables	90	217
Loans	470,677	387,263
Investments	6,302	2,111
Other Financial Assets	2,449	1,758
<b>Non-Financial Assets</b>		
Current Tax Assets(Net)	94	20
Defered Tax Assets(Net)	171	369
Investment Property	156	157
Property ,Plant and Equipment	2,427	2,056
Right to use Asset	168	-
Captial Work- In- Progress	287	228
Goodwill	300	300
Other Intangible Assets	85	80
Other Non Financial Assets	854	753
<b>Total- Assets</b>	<b>548,816</b>	<b>417,348</b>



**Consolidated Statement of Assets and Liabilities**

(₹ in millions)

Particulars	FY 2020	FY 2019
<b>LIABILITIES</b>		
<b>Financial Liabilities</b>		
Trade Payables	2,220	1,664
Debt Securities	102,827	82,149
Borrowings(other than Debt securities)	300,115	211,314
Deposits	2,560	2,619
Subordinated Liabilities	3,850	5,193
Lease Liability	168	-
Other Financial Liabilities	11,885	10,466
<b>Non-Financial Liabilities</b>		
Current Tax Liabilities(net)	808	612
Provisions	3,712	2,165
Deferred Tax Liabilities(net)	151	10
Other Non-Financial Liabilities	507	419
<b>EQUITY</b>		
<b>Equity attributable to equity owners of the company</b>	<b>118,292</b>	<b>99,312</b>
Non-Controlling Interest	1,721	1,424
<b>Total Liabilities and Equity</b>	<b>548,816</b>	<b>417,348</b>



## Consolidated Financial Results

(₹ in millions)

Particulars	FY 2020	FY 2019
<b>Income</b>		
Interest Income	94,177	74,160
Service Charges	943	881
Sale of Services	191	230
Other Income	233	66
Income other than above	1,528	673
<b>Total Income</b>	<b>97,072</b>	<b>76,010</b>
<b>Expenses</b>		
Finance Cost	31,728	25,355
Impairment of Financial Instruments	1,871	679
Employee Benefit Expenses	12,085	10,133
Depreciation, Amortisation and Impairment	592	517
Other Expenses	8,192	6,732
<b>Total Expenses</b>	<b>54,468</b>	<b>43,415</b>
<b>Profit before tax</b>	<b>42,604</b>	<b>32,595</b>
Tax expense	10,917	11,566
<b>Profit after Tax</b>	<b>31,687</b>	<b>21,030</b>
Earnings per share –Basic (₹)	78.30	51.92
Earnings per share –Diluted (₹)	78.20	51.82



# MUTHOOT FINANCE: DRIVING INCLUSIVE GROWTH

- India's largest gold financing company (by loan portfolio)
- Trusted pan-India brand in the gold loans sector; revolutionised India's gold banking
- Our intervention has empowered millions of people across the social pyramid

## Multiple service offerings

### CORE SERVICE



Gold Loans

### OTHER SERVICES



Money Transfer Services



Collection Services



National Pension Scheme



Wind Mill Power Generation



Personal Loans

**29**

States/Union territory presence

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**176 tonnes**

Gold jewellery kept as security

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**4,500+**

Pan-India branches

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**100,000+**

Retail investor base across debenture and subordinated debt portfolio

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**25,000+**

Team members

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**200,000+**

Customers served every day

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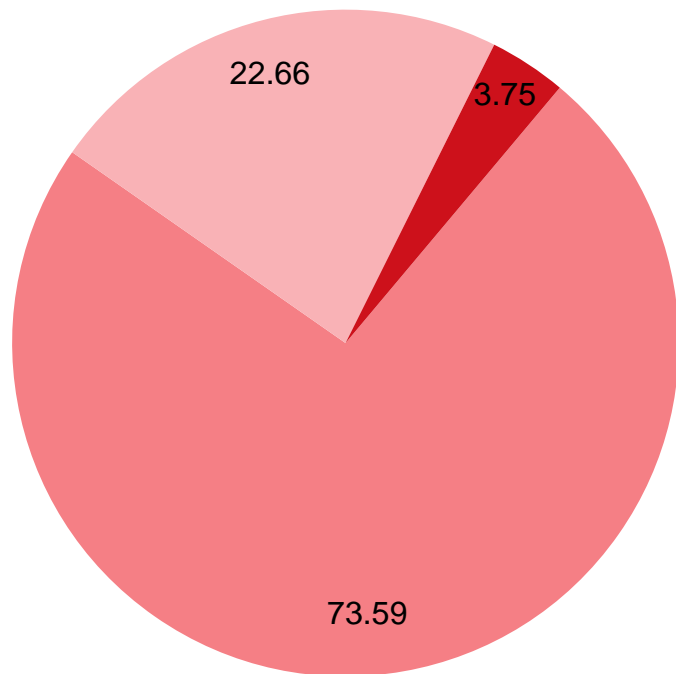
**₹ 416,106 mn**

Loan Assets Under Management

*(As of March 31, 2020)*

# SHAREHOLDING PATTERN

**Strong promoter interest in business with 74% stake**



(%) Shareholding as on March 31, 2020

- Promoters & Relatives
- FII, FC, MF & Others
- Public

**NSE Ticker**

MUTHOOTFIN

**BSE Ticker**

533398

**Market Capitalisation**

(as on March 31, 2020)

₹ 245,896 million

# DIVIDEND PAYOUT

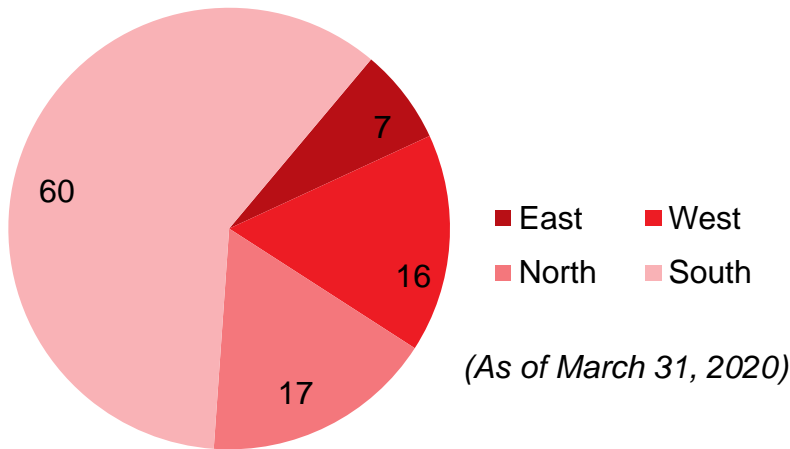
Delivering consistent returns to stakeholders							(%)
	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	
Dividend (%)*	150	120	100	60	60	60	
First Interim Dividend (%)	150	120	100	60	40	40	
Second Interim Dividend (%)	-	-	-	-	20	-	
Final Dividend (%)	-	-	-	-	-	20	
Dividend Payout Ratio (%)	19.91	24.36	22.48	20.30	29.50	35.36	

\* On face value of ₹ 10 per equity share

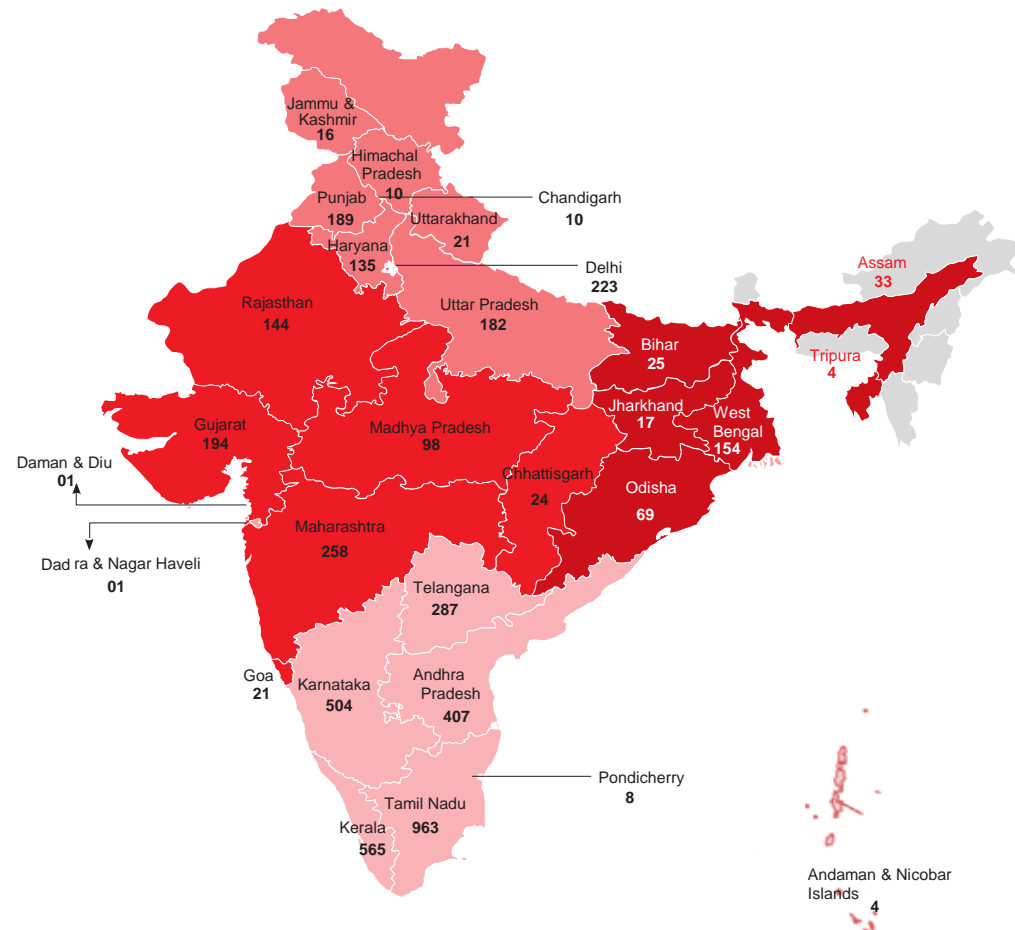
# GEOGRAPHICAL PRESENCE

## A strong presence of 4567 branches across India

(%) Branches region wise



State wise Branch Network



- Rural India accounts for about 65% of total gold stock in the country
- Large portion of the rural population has limited credit access
- Catering to under-served rural and semi-urban markets through strong presence

## Digital convenience for new gen & Millennium Customer acquisition



### Direct Credit Facility

- Loan proceeds credited to bank account
- NEFT/RTGS/IMPS mode of bank transfer
- Less cash handling at branch
- Instant credit to customer bank account



### PoS Terminals

- Enables swiping of Debit cards issued by banks
- Swiping charges for Interest payments waived off



## Online Gold Loan (OGL)

- 18.5% of our active Gold loan Customers are transacting Online

### Muthoot Online



- Our online services has now been re-branded to Muthoot Online, from WebPay earlier.
- Customers can now make payment of interest and principal re-payments using Debit Card/Net Banking.
- Withdraw available loan amount and renew eligible loans through our Online Gold Loan (OGL) facility.
- To facilitate this service, we have partnered with leading Banks and online payment gateway service providers.
- e-Sign facility has been launched in September'17.

### iMuthoot App



### Mobile App

- Launched in Nov'16 has about 19 lakhs downloads.
- Online Gold Loan (OGL) facility available to withdraw loan amount and renewal, apart from payments.
- Rs.1,300 crs payments received from 57 lakhs successful transactions so far.
- Updated scheme details available with loan calculator.
- Google maps integrated for easy location of nearest branch and fix appointment.
- UPI facility has been introduced in Feb'19.
- Paytm Payment gateway has been introduced in June'19.
- e-Sign facility has been introduced in Jan'18.

**Standalone Statement of Assets and Liabilities**

(₹ in millions)

<b>Particulars</b>	<b>FY 2020</b>	<b>FY 2019</b>
<b>ASSETS</b>		
<b>Financial assets</b>		
Cash and cash equivalents	55,046	17,135
Bank Balance other than above	1,360	220
Derivative Financial Instruments	3,449	-
Trade Receivables	47	161
Loans	426,042	349,329
Investments	14,383	9,826
Other Financial Assets	1,057	1,079
<b>Non-Financial Assets</b>		
Deferred Tax Assets(Net)	-	175
Property ,Plant and Equipment	2,227	1,867
Capital Work- In- Progress	287	228
Other Intangible Assets	51	59
Other Non Financial Assets	648	608
<b>Total- Assets</b>	<b>504,597</b>	<b>380,687</b>

**Standalone Statement of Assets and Liabilities**

(₹ in millions)

<b>Particulars</b>	<b>FY 2020</b>	<b>FY 2019</b>
<b>LIABILITIES</b>		
<b>Financial Liabilities</b>		
Trade Payables	2,185	1,634
Debt Securities	99,619	79,870
Borrowings(other than Debt securities)	268,706	184,174
Subordinated Liabilities	2,976	4,287
Other Financial Liabilities	10,617	9,764
<b>Non-Financial Liabilities</b>		
Current Tax Liabilities(net)	782	604
Provisions	3,633	2,106
Deferred Tax Liabilities(net)	40	-
Other Non-Financial Liabilities	321	320
<b>EQUITY</b>		
Equity Share Capital	4,010	4,007
Other Equity	111,708	93,921
<b>Total Liabilities</b>	<b>504,597</b>	<b>380,687</b>



## REVENUE &amp; PROFIT

## Standalone Financial Results

(₹ in millions)

	FY 2020	FY 2019	YoY Growth (%)	Q4 FY 2020	Q3 FY 2020	Q2 FY 2020	Q1 FY 2020
<b>INCOME</b>							
Interest Income	85,644	67,570	27	23,506	22,806	21,057	18,274
Other than Interest Income	1,584	1,236	28	520	403	348	313
<b>Total</b>	<b>87,228</b>	<b>68,806</b>	<b>27</b>	<b>24,026</b>	<b>23,209</b>	<b>21,405</b>	<b>18,587</b>
<b>EXPENSES</b>							
Finance Cost	27,909	22,368	25	7,700	7,094	6,699	6,416
Employee benefit Expense	9,640	8,415	15	2,666	2,504	2,250	2,220
Administrative & Other expenses	7,067	5,998	18	2,094	1,852	1,539	1,581
Impairment on Financial Instruments	957	275	248	48	612	265	33
Directors Remuneration	650	561	16	422	76	76	75
Depreciation & Amortisation	431	421	2	122	110	103	96
<b>Total</b>	<b>46,654</b>	<b>38,038</b>	<b>23</b>	<b>13,052</b>	<b>12,248</b>	<b>10,932</b>	<b>10,421</b>
<b>PROFIT</b>							
Profit Before Tax	40,574	30,768	32	10,973	10,961	10,473	8,166
Profit After Tax	30,183	19,721	53	8,151	8,152	8,580	5,300

## Strong Capital Base

### Networth

(₹ in millions)

	<b>Mar-20</b>	<b>Dec-19</b>	<b>Sep-19</b>	<b>Jun-19</b>	<b>Mar-19</b>
Equity Share Capital	4,010	4,010	4,007	4,007	4,007
Other Equity	111,708	110,004	101,979	93,425	93,921
<b>Total</b>	<b>115,718</b>	<b>114,014</b>	<b>105,986</b>	<b>97,432</b>	<b>97,928</b>

## Core focus continues to be gold loan

### Gross Loan Assets under management\*

	Mar-20	Dec-19	Sep-19	Jun-19	Mar- 19	Growth	Growth
	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	YoY (%)	QoQ (%)
Gross loan assets under management	416,106	384,982	357,305	358,159	342,461	22	8

### Break-up of Gross Loan Assets under management

Gold Loans under management	407,724	377,245	349,419	351,708	335,853	21	8
Other loans	8,382	7,737	7,886	6,451	6,608	27	8

\*Principal amount of Loan assets

# LIABILITIES

## Stable sources of funding\*

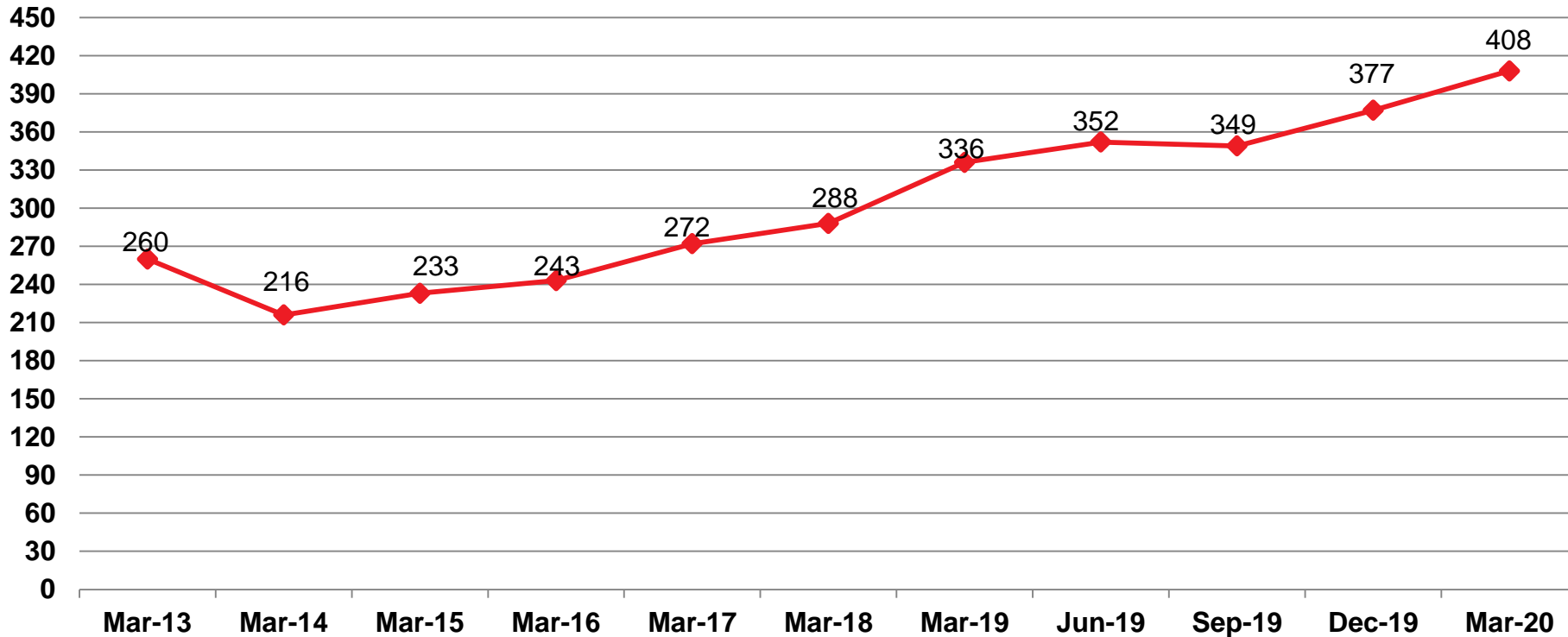
	Mar-20	Dec-19	Sep-19	Jun-19	Mar-19	Growth	Growth
	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	YoY (%)	QoQ (%)
Secured Non-Convertible Debentures (Muthoot Gold Bonds)	3,236	3,473	3,869	4,254	5,351	(40)	(7)
Secured Non-Convertible Debentures-Listed	96,840	103,919	86,492	79,134	75,147	29	(7)
Borrowings from Banks/FIs	145,775	129,038	133,732	137,773	131,043	11	13
External Commercial Borrowings- Senior secured Notes	75,665	32,091	-	-	-		136
Subordinated Debt	57	61	96	246	597	(90)	(7)
Subordinated Debt -Listed	2,969	3,406	3,639	3,849	3,849	(23)	(13)
Commercial Paper	35,954	46,102	48,916	48,153	47,525	(24)	(22)
Other Loans	11,880	7,852	8,033	8,076	5,711	108	51
<b>Total</b>	<b>372,376</b>	<b>325,942</b>	<b>284,777</b>	<b>281,485</b>	<b>269,223</b>	<b>38</b>	<b>14</b>

\*Principal amount of Borrowings

## Gaining scale over the years

### Gold Loan Assets Under Management\*

(₹ in billions)



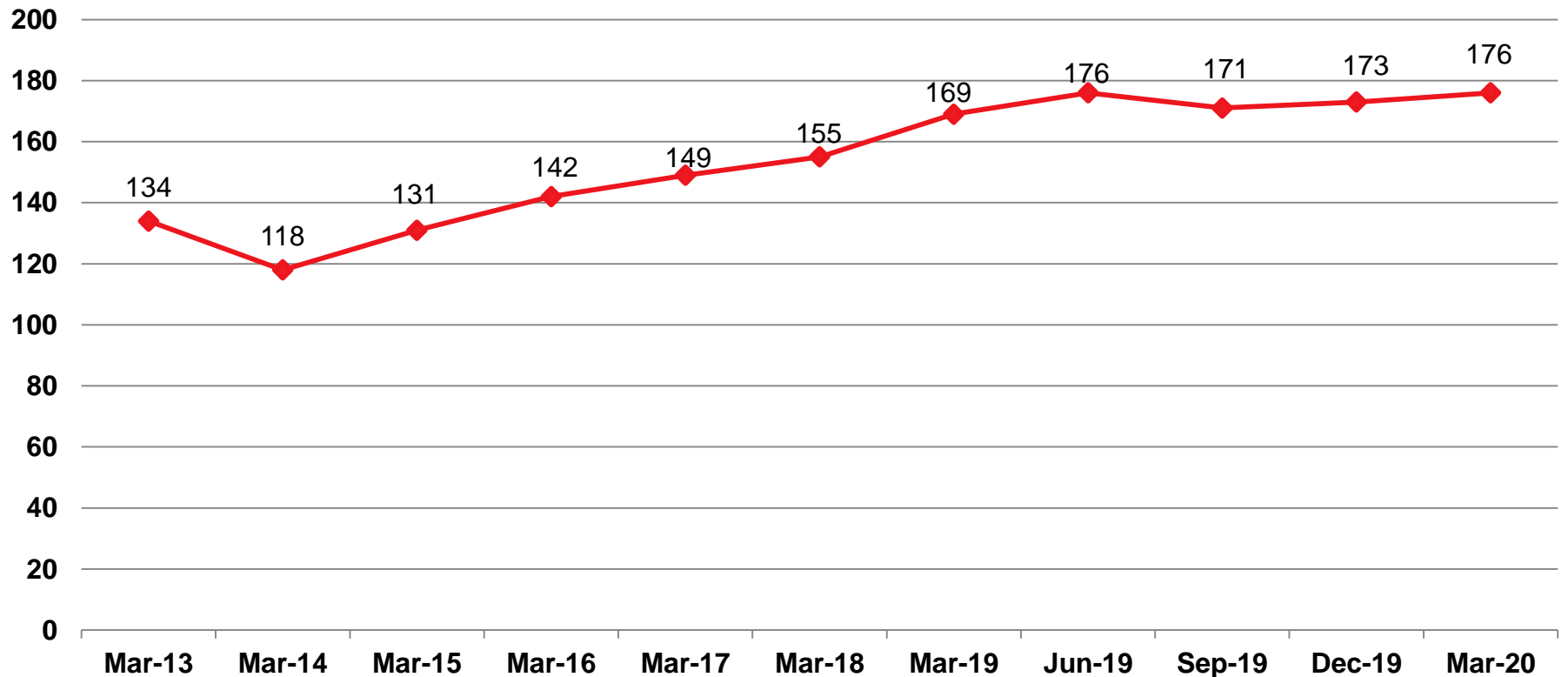
\*Principal amount of gold Loan assets



## Carrying the trust of millions of our customers

### Gold jewellery kept as security

(In tonnes)

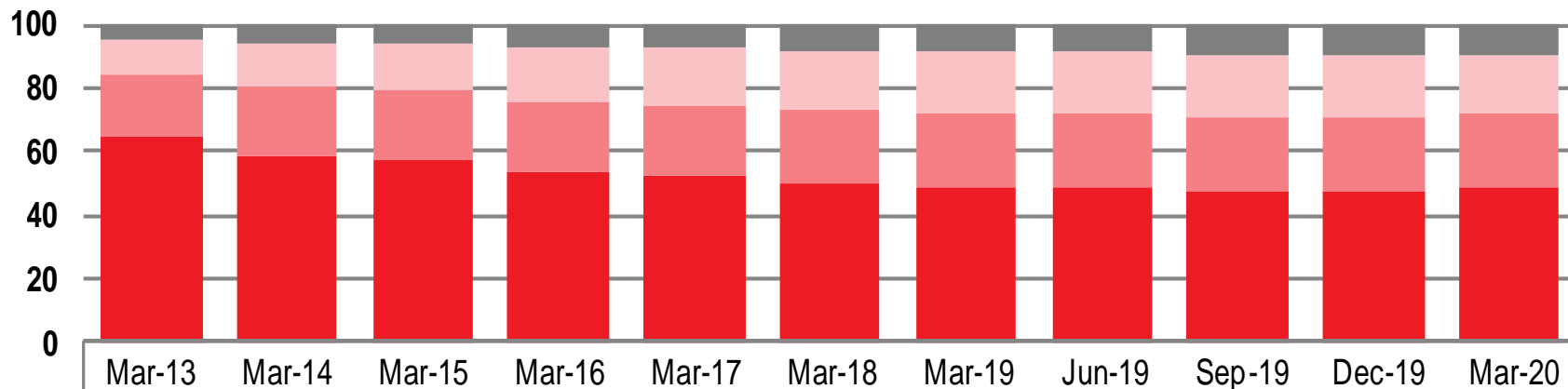




# GEOGRAPHICAL SPREAD OF GOLD LOAN PORTFOLIO *Muthoot Finance*

## Diversified gold loan portfolio across India

(%)



	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20
■ East	5	6	6	7	7	8	8	8	9	9	9
■ West	11	13	15	17	18	19	20	20	20	20	19
■ North	19	22	22	22	23	23	23	23	23	23	23
■ South	65	59	57	54	52	50	49	49	48	48	49

## Gold Loan Assets Under Management \*

(₹ in billions)

Mar-13	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20
260	216	233	243	272	288	336	352	349	377	408

\*Principal amount of Gold Loan Assets

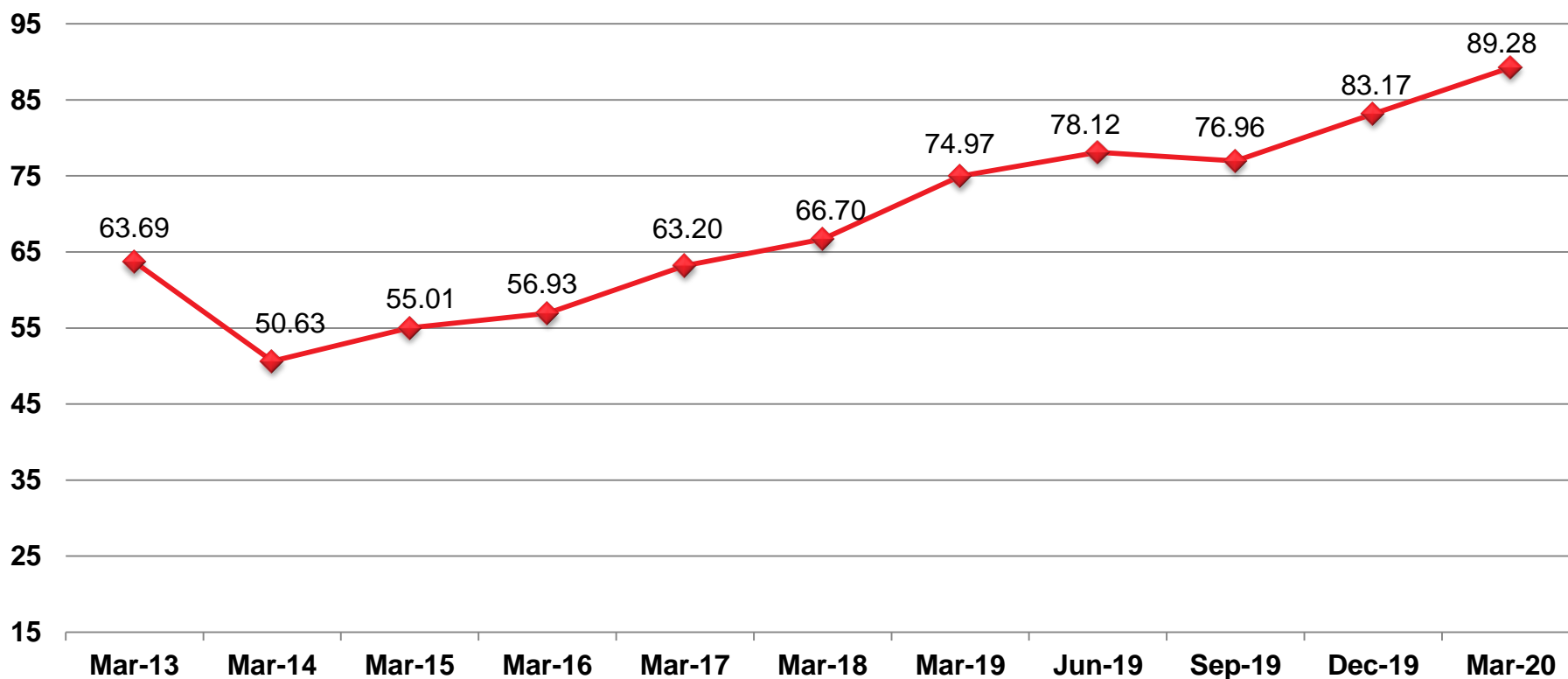


# PRODUCTIVITY

## Widening presence with increasing gold loan business per branch

Average Gold Loan Per Branch \*

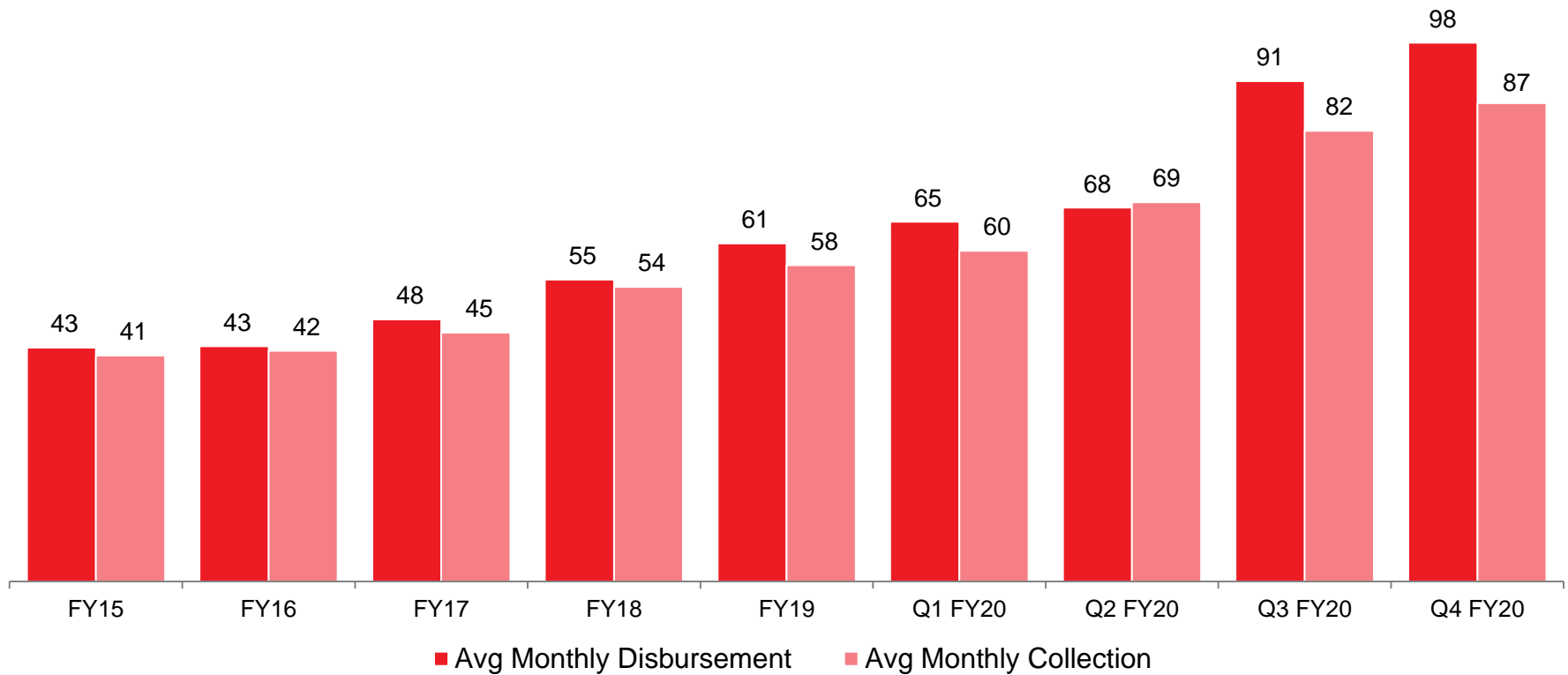
(₹ in millions)



\*Principal amount of Gold Loan Assets

## Disbursements and Collections

(₹ in billions)

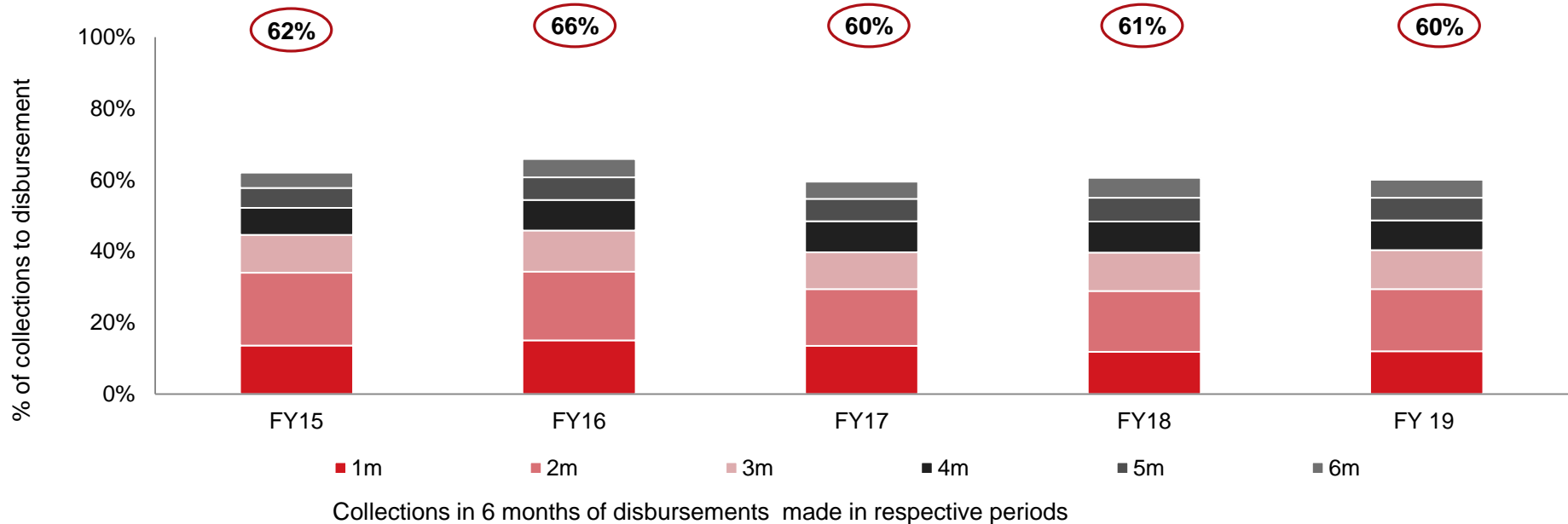


- Strong level of disbursements and collections



# HIGHLY LIQUID PORTFOLIO (2/2)

## Efficient Collection



- A high proportion of gold loan is repaid within first 6 months



## SAFETY OF OUR GOLD LOAN PORTFOLIO

## Lender's Perspective &amp; Borrower's Perspective

	Mar-20	Dec-19	Sep-19	Jun-19	Mar-19	Mar-18	Mar-17	Mar-16	Mar-15
Gold Loan assets (₹ in Billions)	407	377	349	352	336	288	272	243	233
Quantity of Gold content in Ornaments held as Security (Tonnes)	176	173	171	176	169	155	149	142	131
Gold Price/gm (₹)	3,955	3,594	3,452	3,126	2,910	2,824	2,725	2,670	2,470
<b>Lender's Perspective</b>									
Market Price of Gold Content in Ornaments (₹ in Billions)	696	622	590	550	492	438	406	379	324
Margin of safety on loans	42%	39%	41%	36%	32%	34%	33%	36%	28%
<b>Borrower's Perspective</b>									
Market Value of Gold Ornaments (₹ in Billions) with 20% additional value towards making charges etc	835	746	708	660	590	526	487	455	389
Equity of Borrower in the Gold Ornaments net of loans availed	51%	49%	51%	47%	43%	45%	44%	47%	40%

\* Above calculations are made on overall portfolio and excludes interest accrued on loans

# YIELD ON LOAN ASSETS AND NIM

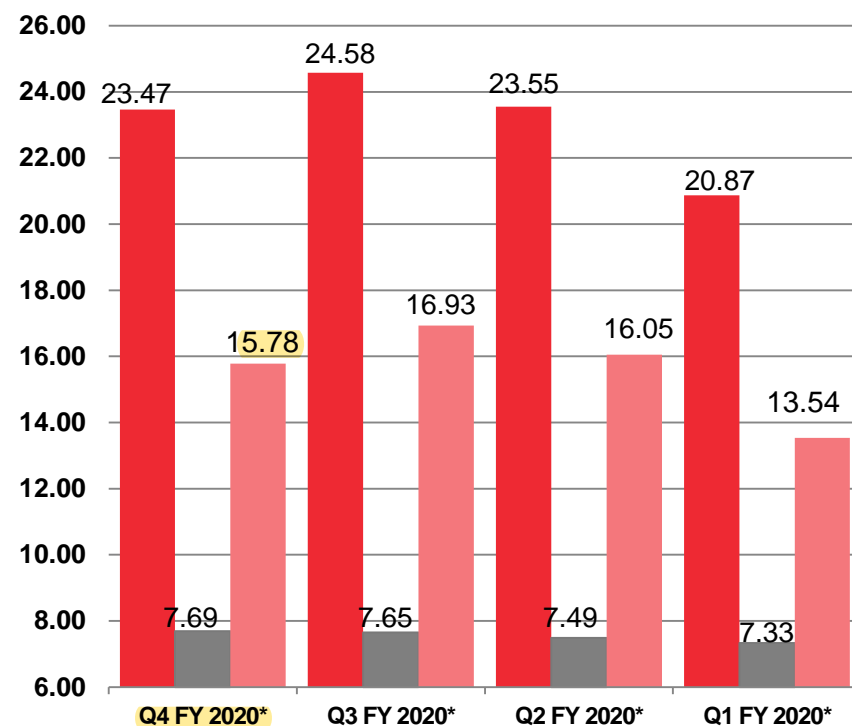
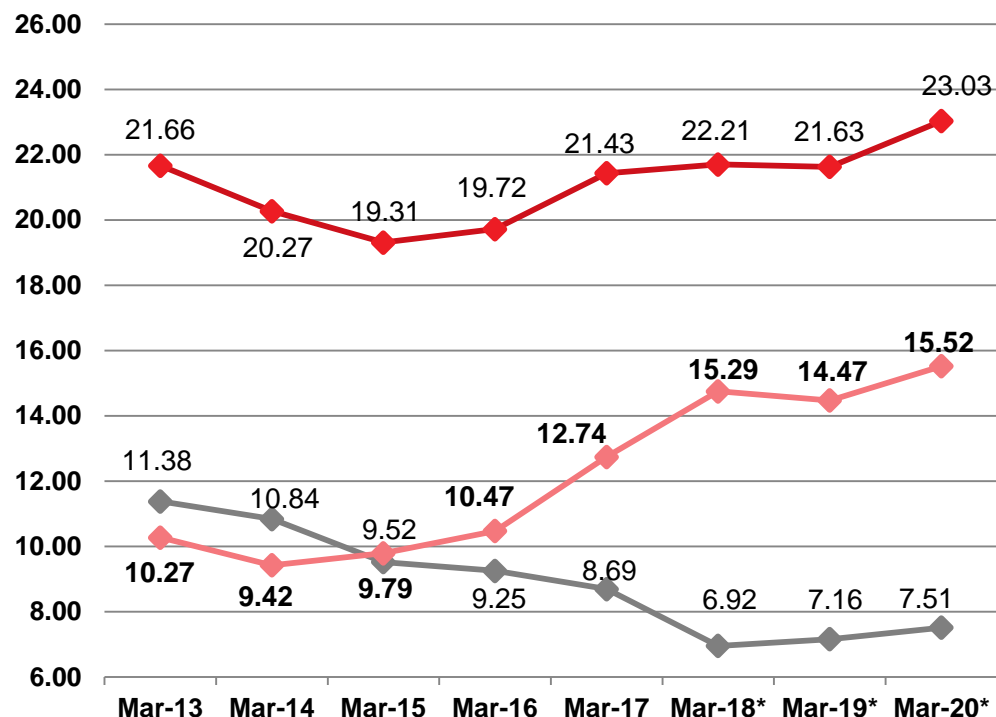


Yearly

(%)

Quarterly

(%)



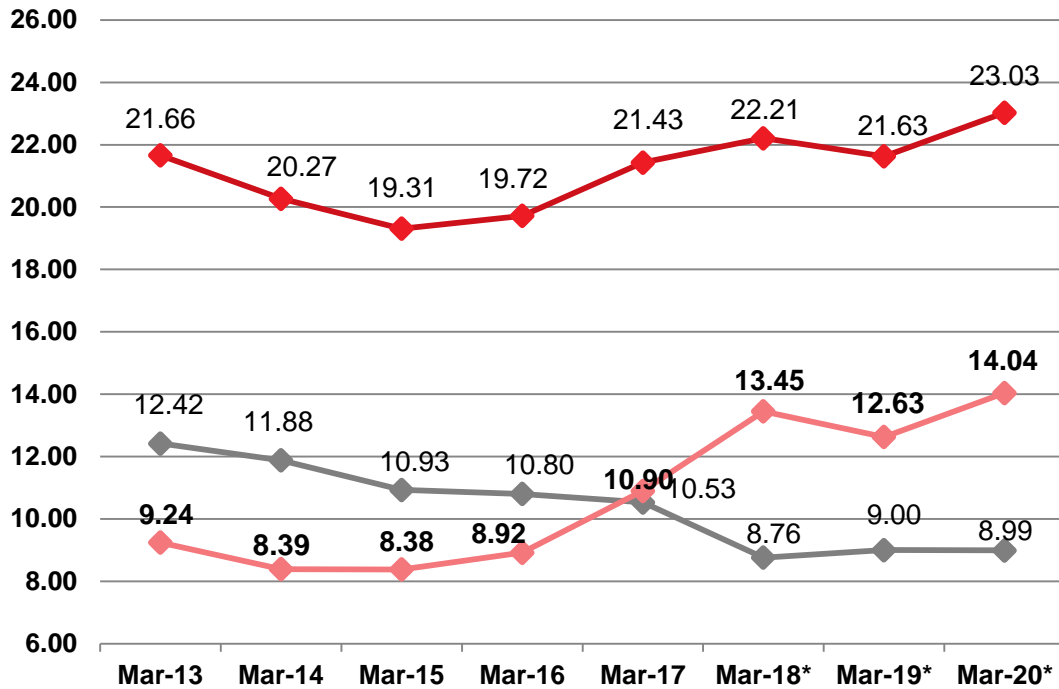
\*Under IND -AS

- Interest Income on Average Loan Assets
- Interest Expense on Average Loan Assets
- Net Interest Margin

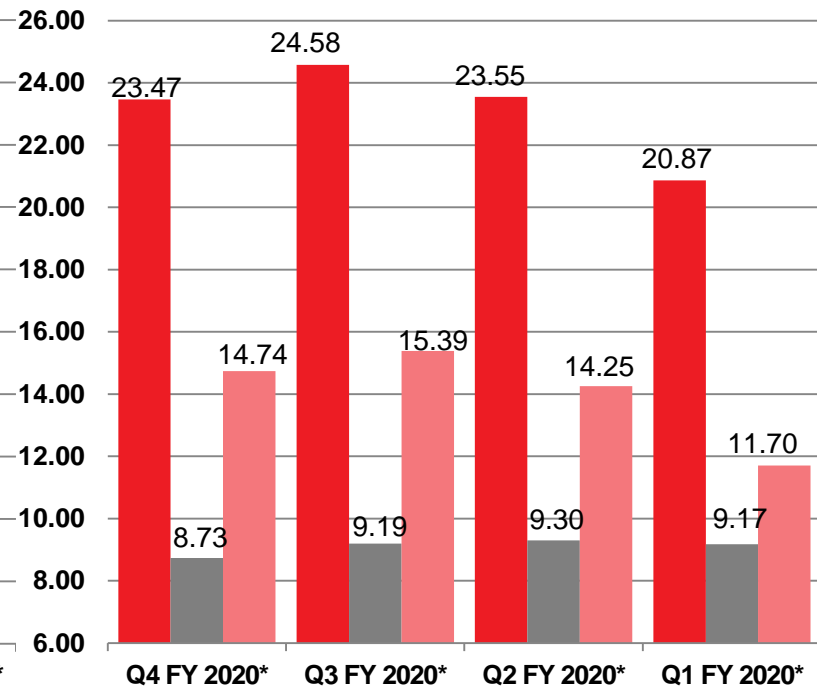


# INTEREST SPREAD

**Yearly** (%) **Quarterly** (%)



\*Under IND-AS



- Interest Income on Average Loan Assets
- Interest Expenses on Average Outside Liabilities
- Interest Spread



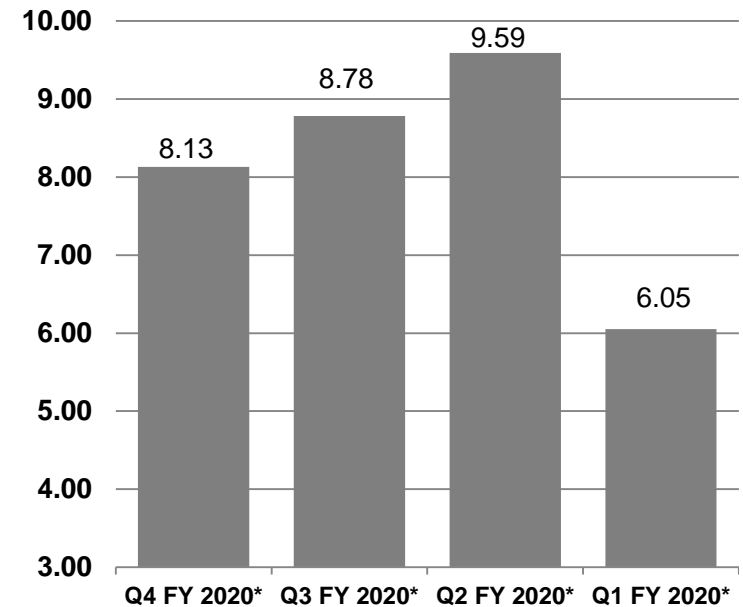
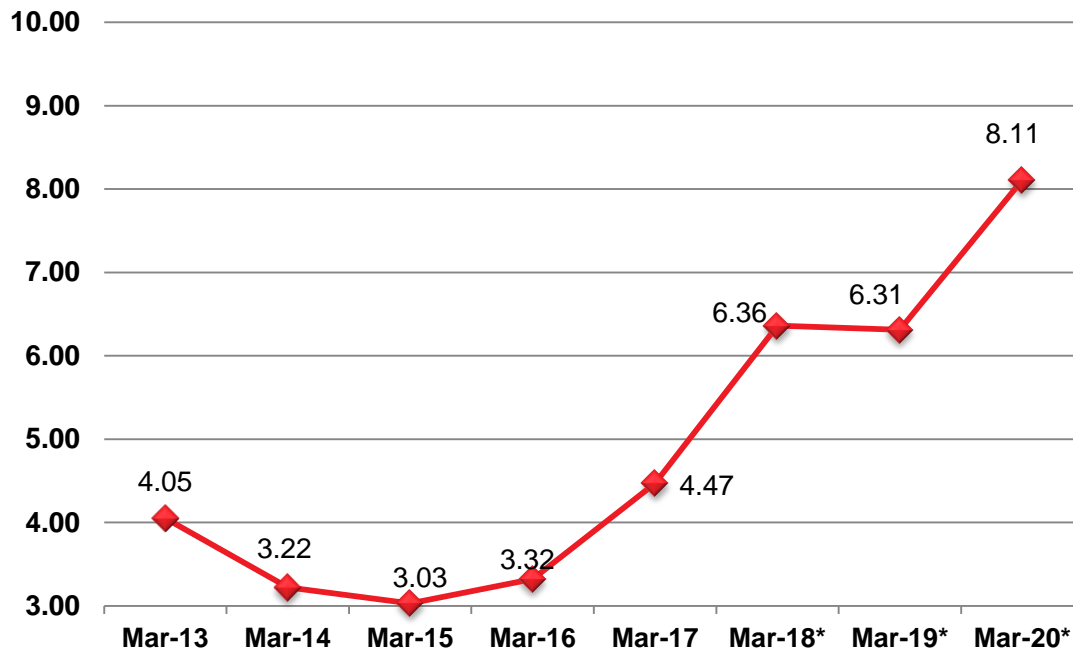


# RETURN ON AVERAGE LOAN ASSETS

## Attractive returns over the years

Yearly (%)

Quarterly (%)



\*Under IND-AS

# IMPAIRMENT OF LOAN ASSETS



Muthoot Finance

## Stage III Loans Assets and ECL Provision

(₹ in millions)

	Mar-20	Dec-19	Sep-19	Jun-19	Mar-19
Stage III Loan Asset	8,992	9,769	12,267	11,474	9,326
% Stage III Asset on Gross Loan Asset	2.16	2.54	3.43	3.20	2.72
ECL Provision	5,427	7,178	7,014	6,896	6,359
ECL Provision as % of Gross Loan Assets	1.30	1.86	1.96	1.93	1.86
Excess Provision outstanding in books	2,954	1,191	1,191	1,191	1,734

## Staging Criteria

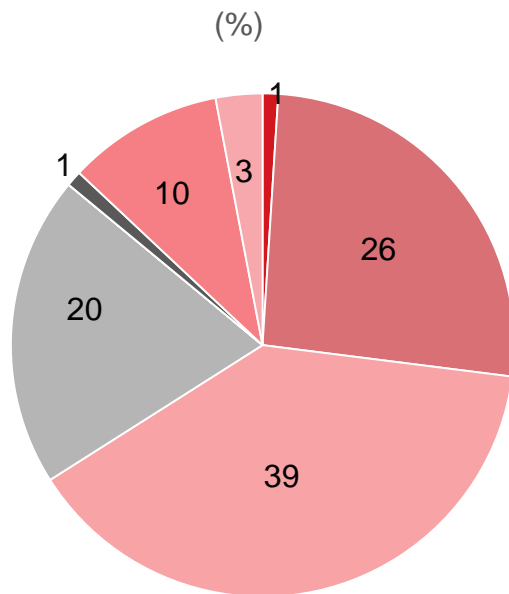
Stage	Description	Provision Mechanism
Stage 1	0-30 days past due	PDxLGDxStage 1 Asset
Stage 2	> 30 to <= 90 past due	PDxLGDxStage 2 Asset
Stage 3	> 90 days past due	LGD x EAD of Stage 3 Asset
<i>PD-Probability of default</i>	<i>LGD-Loss given default</i>	<i>EAD-Exposure at Default</i>

## Bad Debts

(₹ in millions)

	FY 2020	FY 2019	Q4 FY 2020	Q3 FY 2020	Q2 FY 2020	Q1 FY 2020
Bad Debts Written Off	599	259	131	325	130	13
% of Bad Debts written off to Gross Loan Assets	0.14	0.08	0.03	0.08	0.04	0.004

## Maintaining a diversified funding profile\*



- Secured Non-Convertible Debentures (Muthoot Gold Bonds) – ₹ 3,236 mn (1%)
- Secured Non-Convertible Debentures – Listed – ₹ 96,840 mn (26%)
- Borrowings from Banks/Fis - ₹ 145,775 mn (39%)
- External Commercial Borrowings- Senior secured Notes – ₹ 75,665 mn (20%)
- Subordinated Debt – ₹ 57 mn (0%)
- Subordinated Debt – Listed - ₹ 2,969 mn (1%)
- Commercial Paper – ₹ 35,954 mn (10%)
- Other Loans – ₹ 11,880 mn (3%)

\*Principal amount of Borrowings

(As of March 31, 2020)



# DOMESTIC CREDIT RATINGS

## Highest Rating among gold loan companies

### Short-term Rating

	Rating	Indicates
<b>COMMERCIAL PAPER</b>		
CRISIL RATINGS	CRISIL A1+	Very strong degree of safety with regard to timely payment of financial obligation and carry lowest credit risk
ICRA LIMITED	ICRA A1+	Very strong degree of safety with regard to timely payment of financial obligation and carry lowest credit risk
<b>BANK LOANS</b>		
ICRA LIMITED	ICRA A1+	Very strong degree of safety with regard to timely payment of financial obligation and carry lowest credit risk

### Long-term Rating

	Rating	Indicates
<b>SUBORDINATED DEBT</b>		
CRISIL RATINGS	CRISIL AA/Positive	High Degree of safety with regard to timely servicing of financial obligations and carry very low credit risk
ICRA LIMITED	ICRA AA(Stable)	High Degree of safety with regard to timely servicing of financial obligations and carry very low credit risk
<b>NON CONVERTIBLE DEBENTURE</b>		
CRISIL RATINGS	CRISIL AA/Positive	High Degree of safety with regard to timely servicing of financial obligations and carry very low credit risk
ICRA LIMITED	ICRA AA(Stable)	High Degree of safety with regard to timely servicing of financial obligations and carry very low credit risk
<b>BANK LOANS</b>		
ICRA LIMITED	ICRA AA(Stable)	High Degree of safety with regard to timely servicing of financial obligations and carry very low credit risk

# INTERNATIONAL CREDIT RATINGS

## Long-term Rating

Rating Agencies	Rating	Indicates
FITCH RATINGS	BB(Negative)	An elevated vulnerability to default risk, particularly in the event of adverse change in business or economic condition over time, however, business or financial flexibility exists that supports the servicing of financial commitments.
S&P GLOBAL RATINGS	BB(Negative)	Less vulnerable in the near-term but faces major ongoing uncertainties to adverse business, financial and economic conditions.
MOODY'S INVESTORS SERVICE	Ba2 (Negative)	Obiligations are judged to be speculative and are subject to substantial credit risk. The modifier 2 indicates a midrange ranking

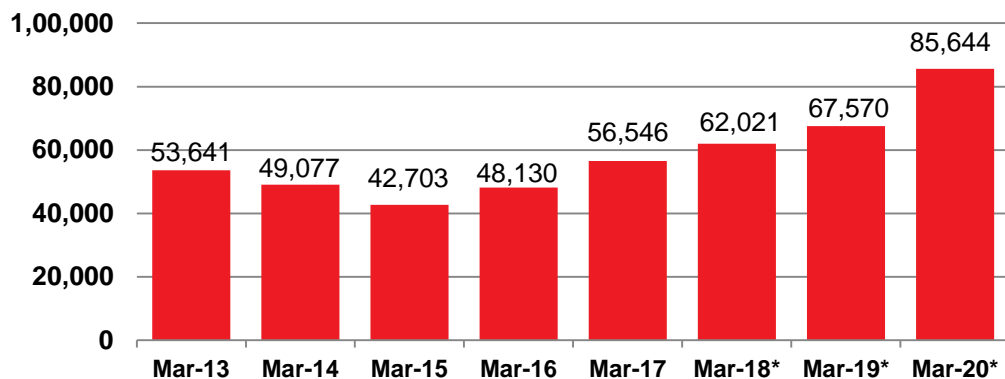


# BREAK-UP OF TOTAL INCOME

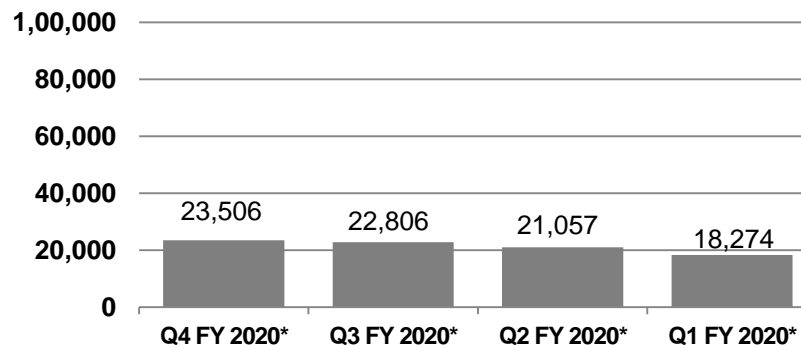
## Interest Income

(₹ in millions)

### Yearly



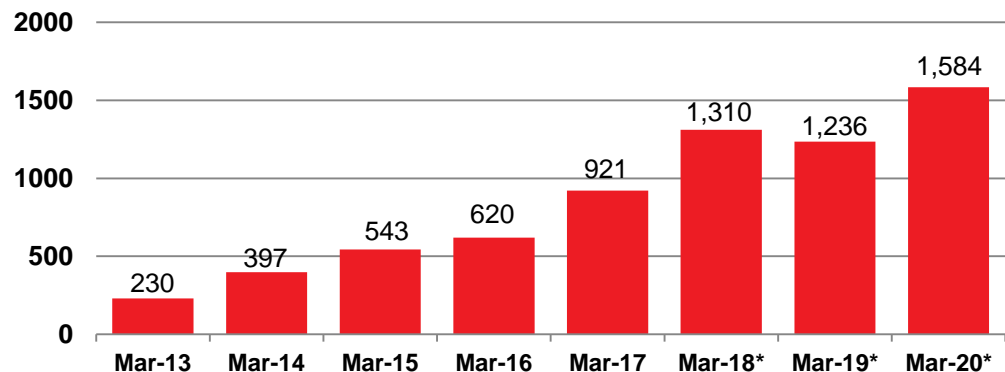
### Quarterly



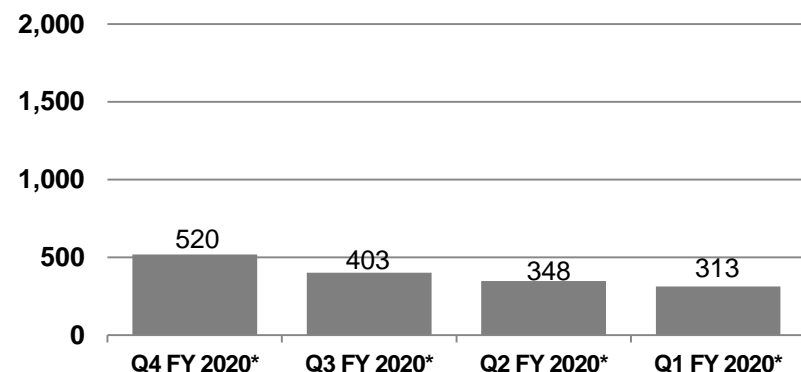
## Other Than Interest Income

(₹ in millions)

### Yearly



### Quarterly



\*Under IND-AS

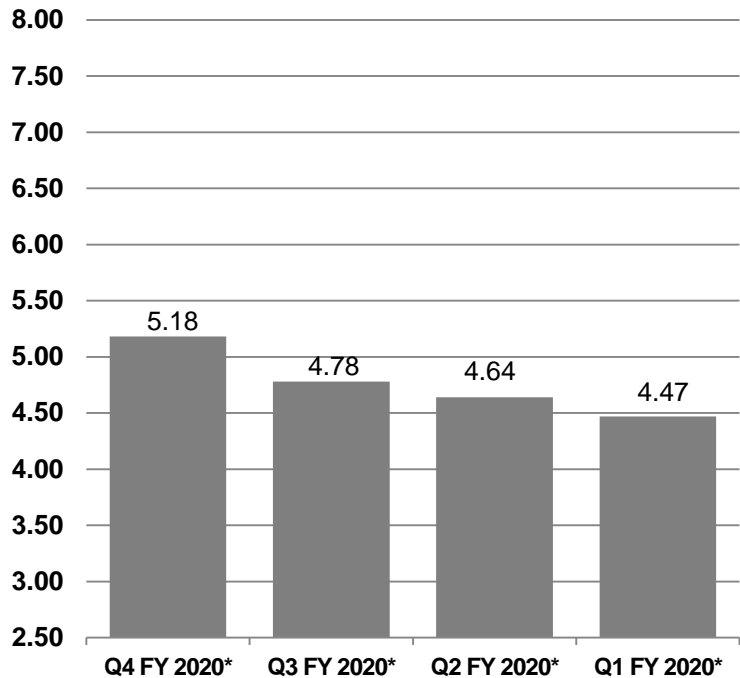
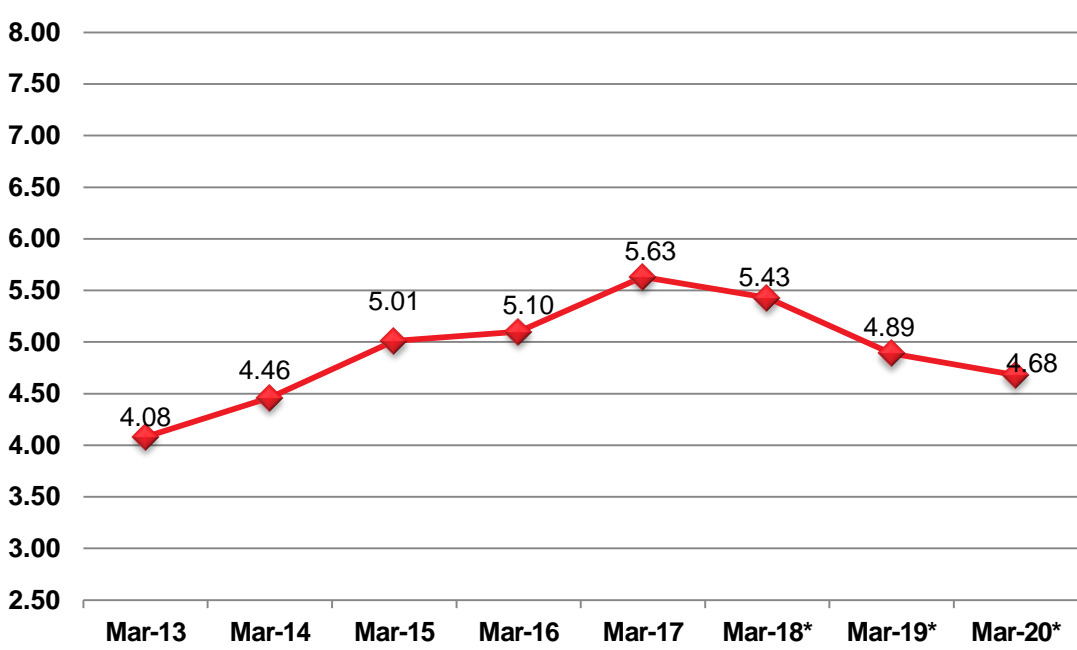


# OPERATING EXPENSES TO AVERAGE LOAN ASSETS

## Operational efficiency over the years

Yearly (%)

Quarterly (%)



\*Under IND AS



# BREAK-UP OF OPERATING EXPENSES

Yearly

(₹ in million)

Quarterly

(₹ in millions)

	Mar-20*	Mar-19*	Mar-18*	Mar-17	Mar-16	Mar-15	Mar-14	Mar-13	Q4 FY 2020*	Q3 FY 2020*	Q2 FY 2020*	Q1 FY 2020*
Employee Benefit Expenses	9,640	8,415	7,393	7,280	6,418	6,304	5,917	5,453	2,666	2,504	2,251	2,219
Rent	2,158	1,974	1,913	1,808	1,713	1,650	1,542	1,309	550	548	533	527
Advertisement & Publicity	1,163	1,056	720	531	626	651	702	579	294	442	211	216
Communication Costs	355	368	404	372	378	371	364	243	97	85	81	92
Traveling and Conveyance	273	240	182	186	187	212	190	175	63	73	80	57
Printing and Stationery	177	153	136	129	144	160	185	168	54	40	43	40
Repairs and Maintenance	283	280	304	362	290	281	272	256	63	73	81	66
Legal and Professional Charges	260	203	154	124	93	189	216	86	61	60	84	55
Business Promotion Expenses	720	481	209	201	149	140	279	332	177	145	134	264
Directors Remuneration	650	561	431	362	196	192	192	192	423	76	75	76
Depreciation and Amortisation Expenses	431	421	439	482	575	841	475	454	122	110	103	96
Others	1,677	1,260	2,970	835	1,014	733	731	550	733	388	292	264
Provision For Standard & NPA Assets	-	-	-	2,647	1,223	180	214	765	-	-	-	-
Impairment on Financial instruments	957	259	316	-	-	-	-	-	48	612	265	33
<b>Total</b>	<b>18,744</b>	<b>15,670</b>	<b>15,571</b>	<b>15,319</b>	<b>13,006</b>	<b>11,904</b>	<b>11,279</b>	<b>10,562</b>	<b>5,351</b>	<b>5,156</b>	<b>4,233</b>	<b>4,005</b>





# BREAK-UP OF OPERATING EXPENSES

	Yearly (%)								Quarterly (%)			
	Mar-20*	Mar-19*	Mar-18*	Mar-17	Mar-16	Mar-15	Mar-14	Mar-13	Q4 FY 2020*	Q3 FY 2020*	Q2 FY 2020*	Q1 FY 2020*
Employee Benefit Expenses	51	54	47	48	49	53	52	52	50	49	53	55
Rent	12	13	12	12	13	14	14	12	10	11	13	13
Advertisement & Publicity	6	7	5	3	5	5	6	5	5	9	5	5
Communication Costs	2	2	3	2	3	3	3	2	2	2	2	2
Traveling and Conveyance	1	2	1	1	1	2	2	2	1	1	2	1
Printing and Stationery	1	1	1	1	1	1	2	2	1	1	1	1
Repairs and Maintenance	2	2	2	2	2	2	2	2	1	1	2	2
Legal and Professional Charges	1	1	1	1	1	2	2	1	1	1	2	1
Business Promotion Expenses	4	3	1	1	1	1	2	3	3	3	3	7
Directors Remuneration	3	4	3	2	2	2	2	2	8	1	2	2
Depreciation and Amortisation Expenses	2	3	3	3	4	7	4	4	2	2	2	2
Others	9	8	19	5	8	6	6	5	14	8	7	7
Provision For Standard & NPA Assets	-	-	-	17	9	2	2	7	-	-	-	-
Impairment on Financial instruments	5	2	2	-	-	-	-	-	1	12	6	1
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

\*Under IND-AS



# PROFITABILITY RATIOS

Yearly  (Based on Income)	Yearly (%)								Quarterly (%)			
	Mar-20*	Mar-19*	Mar-18*	Mar-17	Mar-16	Mar-15	Mar-14	Mar-13	Q4 FY 2020*	Q3 FY 2020*	Q2 FY 2020*	Q1 FY 2020*
Interest expense to Gross Income	32.00	32.51	30.50	39.92	46.31	48.71	53.08	52.34	32.05	30.57	31.30	34.52
Selling, general and administrative expenses to Net Income	29.26	32.24	28.93	34.88	41.36	48.26	44.66	35.89	31.74	27.50	26.28	31.85
Provisions & Write Offs to Net Income	1.61	0.59	5.44	8.16	6.20	1.67	1.89	3.49	0.29	3.80	1.80	0.27
Operational expenses to Net Income	30.87	32.84	34.38	43.03	47.56	49.93	46.55	39.37	32.03	31.30	28.08	32.12
OPBDT / Net Income	69.13	67.16	65.62	56.97	52.44	50.06	53.45	60.62	67.96	68.70	71.92	67.88
Depreciation to Net Income	0.73	0.90	1.00	1.33	2.13	3.72	2.03	1.76	0.75	0.68	0.70	0.79
OPBT / Net Income	68.40	66.26	64.63	55.63	50.31	46.34	51.42	58.86	67.21	68.02	71.22	67.09
PBT / Net Income	68.40	66.26	64.63	55.63	50.31	46.34	51.42	58.86	67.21	68.02	71.22	67.09
PAT / Net Income	50.88	42.47	40.38	34.17	30.93	30.23	33.60	39.11	49.93	50.59	58.34	43.55

\*Under IND-AS



# PROFITABILITY RATIOS

Yearly (Based on Average Loan Assets)	Yearly (%)								Quarterly (%)			
	Mar-20*	Mar-19*	Mar-18*	Mar-17	Mar-16	Mar-15	Mar-14	Mar-13	Q4 FY 2020*	Q3 FY 2020*	Q2 FY 2020*	Q1 FY 2020*
Interest income to avg. loan assets	23.03	21.63	22.21	21.43	19.72	19.30	20.27	21.66	23.47	24.58	23.55	20.87
Interest expense to avg. loan assets	7.51	7.16	6.92	8.69	9.25	9.52	10.84	11.38	7.69	7.65	7.49	7.33
Net Interest Margin	15.52	14.47	15.29	12.74	10.47	9.78	9.42	10.27	15.78	16.93	16.05	13.54
Other income to avg. loan assets	0.43	0.40	0.47	0.35	0.25	0.25	0.16	0.09	0.52	0.43	0.39	0.36
Net Income Including Other Income	15.95	14.87	15.76	13.09	10.72	10.03	9.59	10.37	16.30	17.36	16.44	13.90
Selling, general and administrative expenses to avg. loan assets	4.68	4.81	5.32	4.56	4.43	4.84	4.28	3.72	5.18	4.78	4.34	4.43
Provisions and write offs to avg. loan assets	0.26	0.08	0.11	1.07	0.67	0.17	0.18	0.36	0.05	0.66	0.30	0.04
PBDT to avg. loan assets	11.01	9.98	10.33	7.45	5.62	5.02	5.12	6.28	11.07	11.92	11.81	9.43
Depreciation to avg. loan assets	0.11	0.12	0.15	0.17	0.23	0.37	0.20	0.18	0.12	0.11	0.10	0.11
PBT to avg. loan assets	10.90	9.85	10.19	7.28	5.39	4.65	4.93	6.10	10.95	11.81	11.71	9.32
Tax to avg. loan assets	2.79	3.54	3.82	2.81	2.08	1.62	1.71	2.05	2.82	3.03	2.12	3.27
PAT to avg. loan assets	8.11	6.31	6.36	4.47	3.32	3.03	3.22	4.05	8.13	8.78	9.59	6.05
Cash Profit to avg. loan assets	8.22	6.44	6.51	4.65	3.54	3.40	3.42	4.24	8.25	8.89	9.69	6.16

\*Under IND-AS



# PROFITABILITY

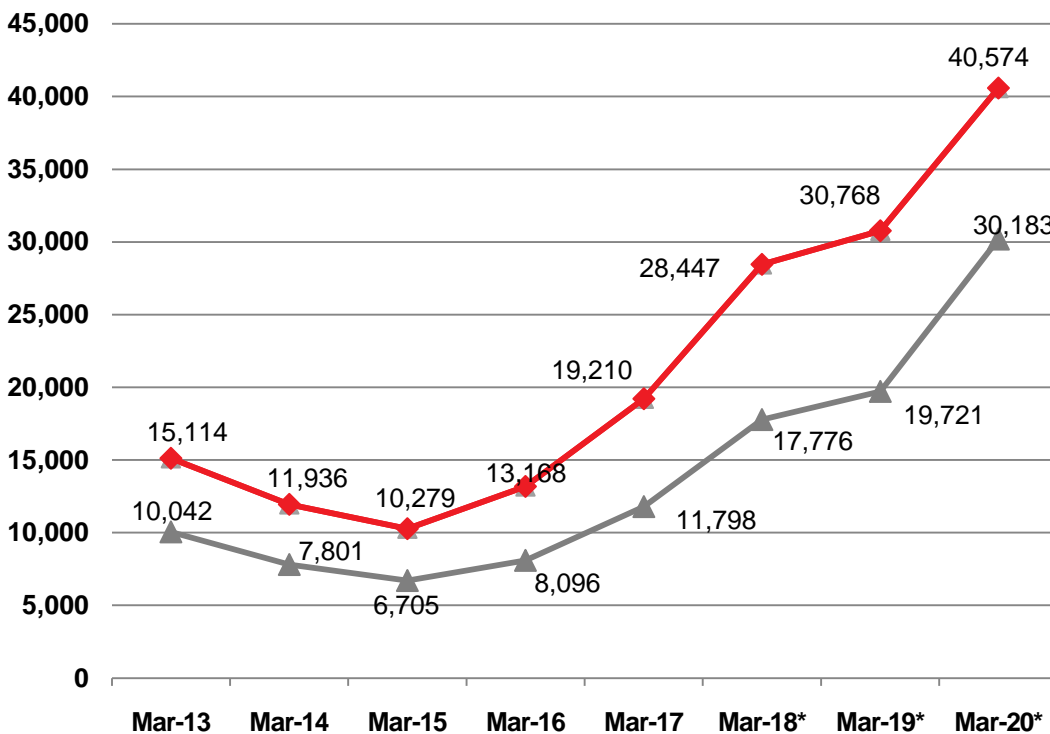
## Efforts getting rewarded

### Profitability at a glance

(₹ in millions)

#### Yearly

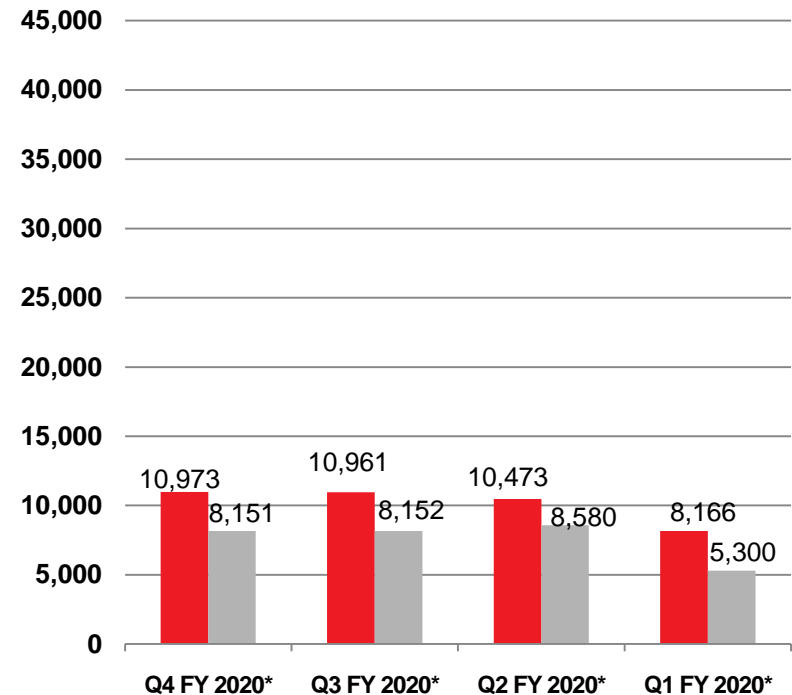
◆ PBT ▲ PAT



\*Under IND-AS

#### Quarterly

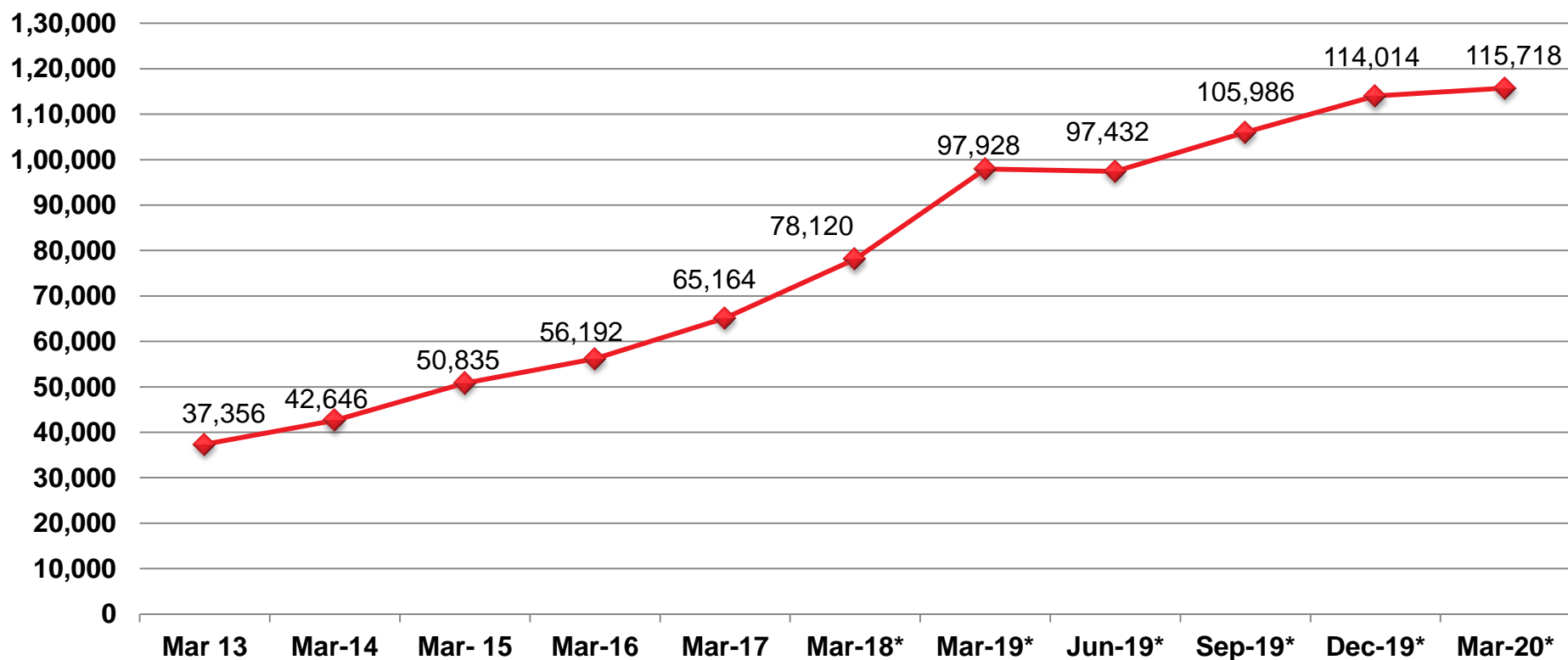
■ PBT ■ PAT



## Steady capital position

### Share Capital and Reserves & Surplus

(₹ in millions)



\*Under IND-AS



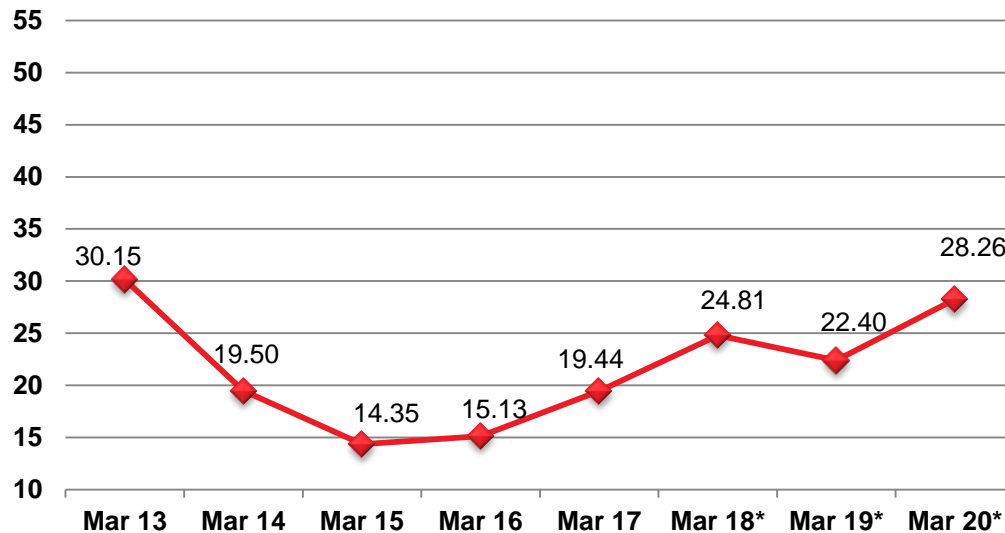
# RETURN ON EQUITY

## Stable shareholder value creation

### Return on Average Equity

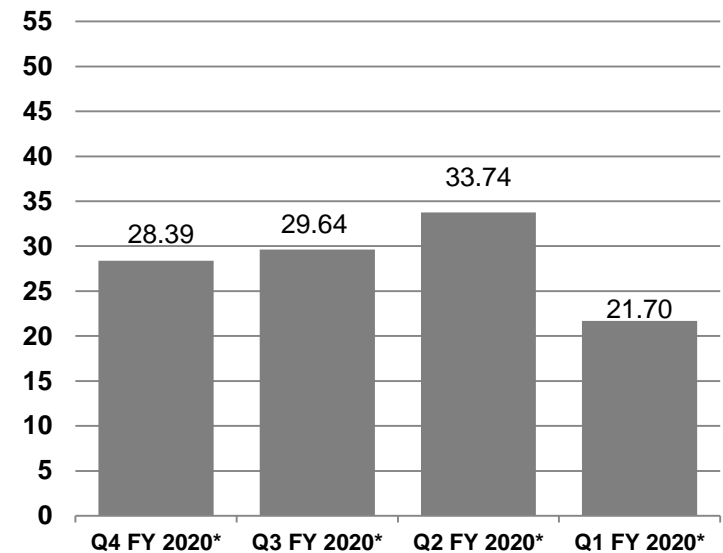
Yearly

(%)



Quarterly

(%)



\*Under IND-AS

## Maintaining capital well above the statutory requirement

### Capital Adequacy Ratio

(%)

	<b>Mar-20</b>	<b>Dec-19</b>	<b>Sep-19</b>	<b>Jun-19</b>	<b>Mar-19</b>
Capital Adequacy Ratio	25.47	26.51	27.11	24.72	26.05
Tier-I	24.30	26.18	26.74	24.33	25.61
Tier-II	1.17	0.33	0.37	0.39	0.44



# MARKET VALUE RATIO

## Equity market valuation ratios indicate potential for upside

	FY 2020	FY 2019	Q4 FY 2020	Q3 FY 2020	Q2 FY 2020	Q1 FY 2020
Earnings per share (₹)						
- Basic	75.31	49.27	20.33	20.34	21.41	13.23
- Diluted	75.21	49.18	20.32	20.32	21.37	13.20

	Mar-20	Dec-19	Sep-19	Jun-19	Mar-19
Book Value per share (₹)	288.43	284.20	264.48	243.02	244.27
Market price per share (₹)**	613.15	761.45	675.90	644.8	615.6
Price to Earnings ratio***	8.14	11.29	11.35	12.84	12.49
Price to Book Value ratio	2.13	2.68	2.56	2.65	2.52

\*\*Source: [www.nseindia.com](http://www.nseindia.com)

\*\*\*Based on trailing 12 months EPS





# CAPITALISATION RATIOS

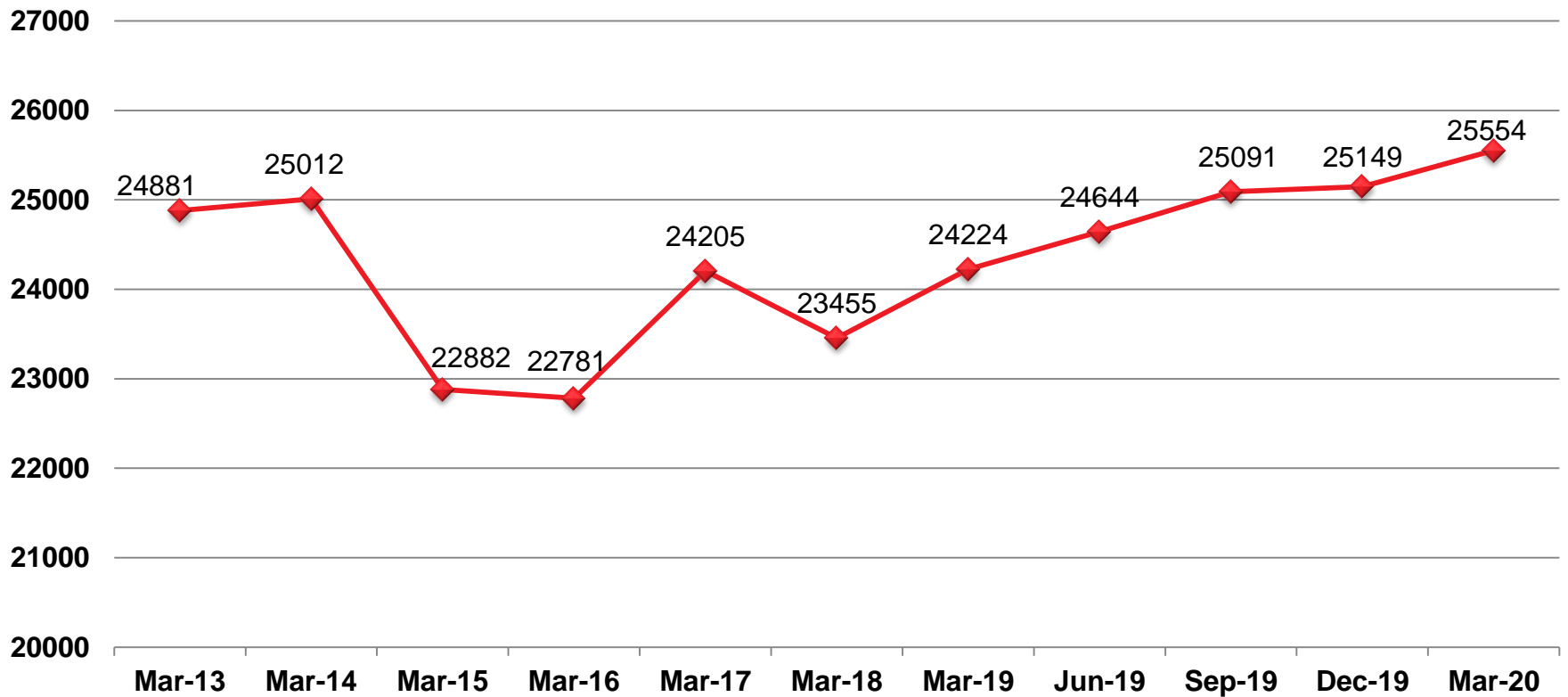
## Headroom for further leveraging

(₹ In millions)

	<b>Mar-20</b>	<b>Dec-19</b>	<b>Sep-19</b>	<b>Jun-19</b>	<b>Mar-19</b>
Outside Liabilities	388,878	339,678	295,139	292,619	282,759
Cash & Bank Balances	56,405	28,301	23,064	10,829	17,355
Tangible Networth	115,668	113,957	105,934	97,376	97,868
Capital Gearing	2.87	2.73	2.57	2.89	2.71

## Groomed human capital over the years to meet growing business requirements

(No. of Employees)





# ASIA ASSET

FINANCE PLC

*The unconventional finance company*



Asia Asset Finance PLC, (AAF) Colombo, Sri Lanka became a foreign subsidiary of Muthoot Finance on December 31, 2014. As on March 31, 2020, total holding in AAF stood at 91 million equity shares representing 72.92% of their total capital. The loan portfolio stands at LKR 13,839 million as on March 31, 2020

**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 in 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 29 branches across Sri Lanka.

**The company formerly known as Finance and Land Sales has been in operation for over 48 years, evolving to serve the growing needs of people of Sri Lanka.**

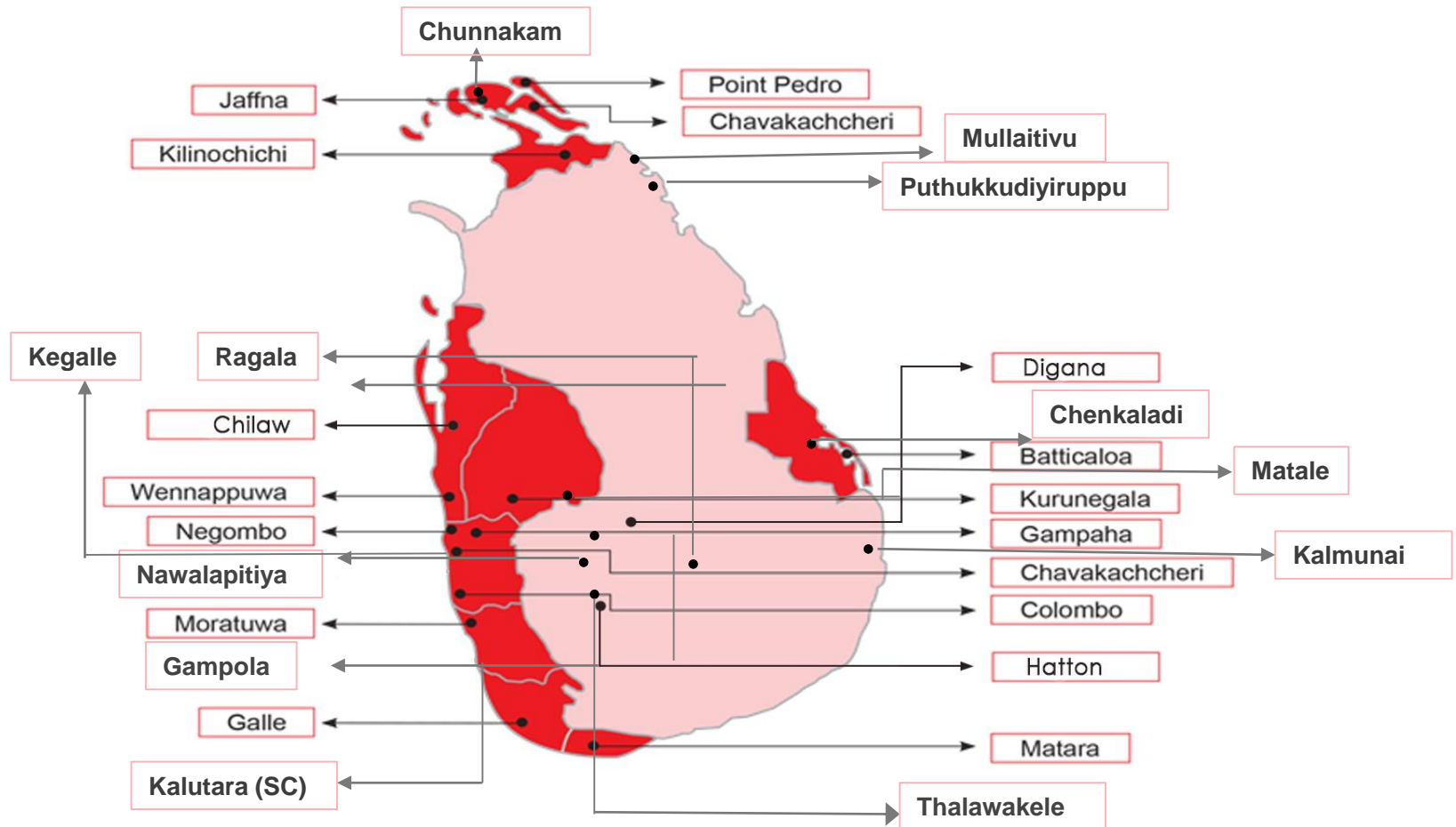
# PRODUCTS



- Fixed Deposits
- Leasing
- Business Loan
- Personal Loan
- Group Personal Loan
- Corporate Loans
- Mortgage Loans
- Factoring
- Short Term Loans
- Micro Finance
- Loan against Gold Jewellery

# BRANCH NETWORK

AAF has operations in various parts of Sri Lanka providing the best services and easy access to clients



## Key Financial Parameters

(LKR in millions)

Particulars	FY 2020	FY 2019
INR/LKR	0.388758	0.395775
Number of branches	29	23
Number of Employees	495	553
Loan AUM (LKR)	13,839	12,569
Capital Adequacy Ratio (%)	17	19
Total Revenue (LKR)	3,332	2,869
Total Expense (LKR)	3,239	2,775
Profit Before Tax (LKR)	93	94
Profit After Tax (LKR)	70	101
Shareholders Funds (LKR)	2,172	1,953
Total Outside Liabilities (LKR)	12,983	11,946
Total Assets (LKR)	15,155	13,899

**OUR SUBSIDIARY**







Muthoot Homefin (India) Limited is a Housing Finance Company registered with The National Housing Bank (NHB). It became a wholly owned subsidiary of Muthoot Finance Ltd in Aug'17.

**MHIL focuses on extending affordable housing finance and targets customers in Economically Weaker Sections (EWS) and Lower Income Groups (LIG) in Tier II & Tier III locations.**

It operates on a 'Hub and Spoke' model, with the centralised processing at Corporate Office at Mumbai. MHIL has operations in Kerala, Maharashtra, Gujarat, Rajasthan, Madhya Pradesh, Chandigarh, Andhra Pradesh, Telangana, Karnataka, Uttar Pradesh, Haryana, Punjab, Delhi, Tamil Nadu, Chattisgarh and Pondicherry.

**As on March 31, 2020, it has a loan portfolio of Rs.19,769 million.**

ICRA and CARE assigned Short Term Debt Rating of ICRA A1+ and CARE A1+ respectively for its Commercial Paper. CRISIL Upgraded Long Term Rating from AA(Stable) to AA (Positive).

**Muthoot Homefin****Muthoot Finance**

## Business Performance

(₹ in millions)

Particulars	FY 2020	FY 2019
Number of branches	107	96
Number of Sales Offices	107	132
Number of Employees	412	382
Loan AUM (₹)	19,769	19,075
Capital Adequacy Ratio (%)	52	46
Total Revenue (₹)	2,876	2,257
Total Expense (₹)	2,452	1,746
Profit Before Tax (₹)	424	511
Profit After Tax (₹)	318	363
Shareholders Funds (₹)	4,260	3,942
Total Outside Liabilities (₹)	14,590	15,530
Total Assets (₹)	18,850	19,472

**Muthoot Homefin****Muthoot Finance**

## Business Performance

(₹ in millions)

Particulars	FY 2020	FY 2019
Disbursement (₹)	4,127	6,543
Borrowings (₹)	14,185	15,420
Debt Equity Ratio (%)	3.33	3.91
Yield on Advances (%)	11.77	12.22
Interest Spread (%)	2.29	3.36
NIM (%)	4.40	5.35
Cost to Income Ratio (%)	36.06	26.10
Return on Assets (ROA) (%)	1.65	2.22
Return on Equity (ROE) (%)	7.75	14.11
Stage III Loan Assets	338	142
% Stage III asset on Gross Loan Asset	1.71	0.74
Stage III ECL Provision	111	55
ECL Provision	179	131
ECL Provision as a % of Gross Loan Asset	0.91	0.69
Number of Customers	24,390	23,466



## Financial Highlights

- Disbursements in FY 2020: Rs 4,127 mn. AUM as on Mar 31, 2020: Rs. 19,769 mn, Loan Book as on Mar 31, 2020: Rs 17,486 mn.
- Direct assignment of Rs 2500 mn done in FY 2020.
- Average Ticket Size in FY 2020: Rs.0.94 mn
- Business Presence: Maharashtra, Gujarat, Rajasthan, Madhya Pradesh , Kerala, Andhra Pradesh, Telangana, Karnataka, Uttar Pradesh, Haryana ,Chandigarh , Delhi, Punjab ,Tamil Nadu, Chattisgarh and Pondicherry Presence in 107 locations
- ROA for FY 2020: 1.65%, ROE for FY 2020: 7.75%
- Average cost of borrowings of 9.48% for FY 2020. Capital Adequacy Ratio: 51.53%, Debt Equity Ratio: 3.33
- Average Yield: 11.77%, Interest Spread: 2.29%
- Received PMAY subsidy of INR 1,097 mn for 4382 cases in FY 2020.

## Growth Drivers

- Increasing the leverage from 3.33x currently will help to improve the ROE
- Higher credit rating will help in raising funds at competitive rates.
- Strong liquidity in Group's balance sheet, along with its free cash flows to fund the capital requirements
- Established corporate brand name among borrower segment, superior customer servicing capabilities and effective loan recovery mechanisms
- Tier II / III cities focused distribution network with a in-house sales team along with cross-sale to the existing gold loans customers of the group

## Profitability

- Long Term Rating from CRISIL AA (Positive) which indicates low risk will help in lower cost of funds. Short Term Rating : ICRA A1+ / CARE A1+
- Debt/Equity ratio at 3.33 times as on Mar 31, 2020, indicates ample scope for financial leverage to increase ROE
- Infrastructure sharing with the parent (Muthoot Finance) helps reduce overall Opex

## Opportunities

- Our focus segment, "affordable housing finance" is the centered around the Government initiative of "Housing for All" by 2022
- Government promoted schemes such as PMAY-CLSS will benefit the end consumers.
- Huge shortfall for housing units in EWS / LIG segment in India
- Attraction of builders to the construction of affordable housing due to Infrastructure status given in Union Budget
- Increase in affordability driven by sustained GDP growth rate and stable property prices.
- Decrease in average members per household and emergence of nuclear families
- Increase in workforce to be driven by expected bulge in working age population
- Increasing urbanization led by rural-urban migration and reclassification of rural towns

## OUR SUBSIDIARY





## MUTHOOT INSURANCE – AN OVERVIEW



MIBPL became a wholly owned subsidiary of Muthoot Finance Ltd in Sep 2016. MIBPL is an unlisted private limited company holding a licence to act as Direct Broker from IRDA since 2013.

**It is actively distributing both life and non-life insurance products of various insurance companies.**

During FY20, it has insured more than 27,71,000 lives with a First year premium collection of Rs.2,059 million  
During FY19, it has insured more than 22,10,000 lives with a First year premium collection of Rs.1,738 million under Traditional, Term and Health products..



## Key Business Parameters

(₹ in millions)

Particulars	FY 2020	FY 2019
Premium Collection (₹)	3,232	2,676
Number of Policies	28,06,336	22,40,560

## Key Financial Parameters

(₹ in millions)

Particulars	FY 2020	FY 2019
Total Revenue (₹)	237	251
Total Expense (₹)	97	36
Profit Before Tax (₹)	141	215
Profit After Tax (₹)	104	150
Shareholders Funds (₹)	531	427
Earnings per share (₹)	139	201

## OUR SUBSIDIARY



BELSTAR MICROFINANCE LIMITED



# BELSTAR MICROFINANCE LIMITED – AN OVERVIEW



**Muthoot Finance**



As of March 2020 , Muthoot Finance holds 70.01% in BML. BML was incorporated on 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.

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 mn.

In the last ten 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 March 31, 2020, BML operations are spread over 17 states and 1 UT (Tamil Nadu, Karnataka, Madhya Pradesh, Maharashtra, Kerala, Odisha ,Pondicherry ,Chattisgarh, Gujarat, Rajasthan, Bihar, Uttar Pradesh, Haryana, Punjab, Jharkhand, Uttarakhand ,West Bengal and Tripura. It has 603 branches, with 155 controlling regional offices and employs 4425 staffs. Its gross loan portfolio has grown from INR 0.20 mn in March 2009 to INR 26,310 mn in March 2020

**Key Financial Parameters**

(₹ in millions)

Particulars	FY 2020	FY 2019
Number of Branches	603	400
Number of Employees	4,425	2,876
Gross Loan AUM (₹)	26,310	18,419
Capital Adequacy Ratio (%)	26	26
Total Revenue (₹)	5,007	3,681
Total Expense (₹)	3,675	2,650
Profit Before Tax (₹)	1,332	1,031
Profit After Tax (₹)	990	729
Stage III Loan Assets	240	211
% Stage III asset on Gross Loan Asset	0.91	1.15
Stage III ECL Provision	216	188
ECL Provision	369	264
ECL Provision as a % of Gross Loan Asset	1.40	1.43
Shareholders Funds (₹)	4,978	4,002
Total Outside Liabilities (₹)	20,210	16,437
Total Assets (₹)	25,188	20,439

## OUR SUBSIDIARY



# MUTHOOT MONEY– AN OVERVIEW



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 loans for vehicles. The operations are now centered in Hyderabad. Recently , Company has started extending loans for Commercial Vehicles and Equipments.

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As on 31<sup>st</sup> March, 2020 it has a total loan portfolio of Rs.5,090 million.

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CRISIL assigned Long Term Debt Rating of CRISIL AA-/Positive for its bank limits.



## Key Financial Parameters

(₹ in millions)

Particulars	FY 2020	FY 2019
Number of branches	24	21
Number of Employees	304	247
Gross Loan AUM (₹)	5,090	3,107
Capital Adequacy Ratio(%)	20	32
Total Revenue (₹)	704	156
Total Expense (₹)	665	149
Profit Before Tax (₹)	39	7
Profit After Tax (₹)	27	3
Stage III Loan Assets	249	-
% Stage III asset on Gross Loan Asset	4.89	-
Stage III ECL Provision	65	-
ECL Provision	143	15
ECL Provision as a % of Gross Loan Asset	2.81	0.47
Shareholders Funds (₹)	1,062	1,035
Total Outside Liabilities (₹)	4,323	2,317
Total Assets (₹)	5,385	3,352



## OTHER SUBSIDIARIES

### MUTHOOT ASSET MANAGEMENT PRIVATE LIMITED

(₹ In millions)

**FY 2020**

**FY 2019**

Networth

1,053

512

### MUTHOOT TRUSTEE PRIVATE LIMITED

(₹ In millions)

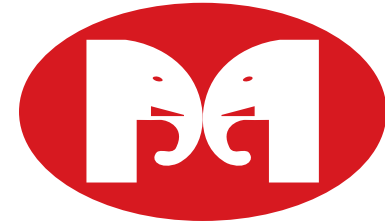
**FY 2020**

**FY 2019**

Networth

10

1



# ***Muthoot Finance***

## **REGISTERED OFFICE**

2<sup>nd</sup> Floor, Muthoot Chambers  
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Tel: (91484) 2394712

Fax: (91484) 2396506

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**CIN:** L65910KL1997PLC011300

**RBI Reg No:** N 16.00167

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## **EMAIL**

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**(Institutional Investors)**

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