Muthoot Fincorp Limited

July 10, 2019

Ratings

Instruments	Amount (Rs. crore)	Rating[1]	Rating Action
Commercial Paper Issue	-	-	Withdrawn

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE has withdrawn the rating assigned to the Commercial Paper issue of Muthoot Fincorp Limited with immediate effect, as the company has fully repaid the amount under the said issue and there is no amount outstanding.

Analytical approach: Not Applicable

Applicable Criteria

Policy on Withdrawal of ratings

About the Company

Muthoot Fincorp Limited (MFL) is an NBFC registered with RBI as non-deposit accepting loan company, headquartered in Trivandrum. MFL is the flagship company of Kerala based Muthoot Pappachan Group which was established in 1927. MFL was originally incorporated as Muthoot Debt Management Services Ltd. in 1997 and the name was changed to the current form in 1997. As on March 31, 2018, promoters held 78.75% stake in the company with rest being held by family members of promoters.

The company lends loans against jewellery/ gold ornaments and it constituted around 88% of loan portfolio as on March 31, 2018. Besides, the company has also engaged in lending SME/business loans and it constituted around 12% of the loan portfolio as on March 31, 2018.

Brief Financials (Rs. crore)	FY17 (A)	FY18 (A)
Total income	2,105	2,187
PAT	116	152
Interest coverage (times)	1.16	1.17
Total Assets	13,478	14,492
Net NPA (%)	1.15	1.45
ROTA (%)	0.93	1.08

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

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Commercial Paper	-	-	-	0.00	Withdrawn

[1] *Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications*

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
1.	Fund-based - LT-Cash Credit	LT	1765.00	CARE A-; Stable	1)CARE A-; Stable (05-Apr-19)	-	1)CARE A-; Stable (30-Mar-18) 2)CARE A-; Stable (25-Jul-17)	1)CARE A (21-Nov-16)
2.	Fund-based - LT-Term Loan	LT	416.66	CARE A-; Stable	1)CARE A-; Stable (05-Apr-19)	-	1)CARE A-; Stable (30-Mar-18) 2)CARE A-; Stable (25-Jul-17)	1)CARE A (21-Nov-16)
3.	Commercial Paper	ST	-	-	1)CARE A1 (05-Apr-19)	1)CARE A1 (25-Jun-18)	1)CARE A1 (03-Oct-17)	-
4.	Fund-based - LT-Working Capital Limits	LT	650.00	CARE A-; Stable	1)CARE A-; Stable (05-Apr-19)	-	1)CARE A-; Stable (30-Mar-18)	-

Note on complexity levels of the rated instrument: *CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.*

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About CARE Ratings:

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In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

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