

August 19, 2020

Ref: SEC/MFL/SE/2020/3565

**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: Press release on Unaudited Financial Results for the quarter ended June 30, 2020**

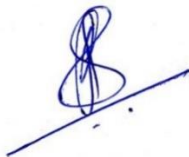
The Board of Directors of the Company at their meeting held today i.e., August 19, 2020 has announced the unaudited financial results for the quarter ended June 30, 2020.

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

This is for your kind information and record thereon.

Thanking You,

For **Muthoot Finance Limited**



Rajesh A  
Company Secretary  
ICSI Membership No. FCS 7106

Kochi, August 19, 2020:

**Consolidated Loan Assets Under Management increased by 16% YoY at Rs.46,501crs**

**Consolidated Profit after Tax increased by 52% YoY at Rs.858crs**

**Standalone Loan Assets Under Management increased by 15% YoY at Rs.41,296 crs for Q1 FY21**

**Standalone Profit after tax increased by 59% YoY at Rs.841crs for Q1 FY21**

#### Consolidated Results of Muthoot Finance Ltd

Muthoot Finance Ltd Consolidated Loan Assets under management achieved a YoY increase of 16% at Rs.46,501crs as at Q1 FY21 as against last year of Rs.40,228crs. During the quarter, Consolidated Loan Assets under management decreased by Rs.370crs. Consolidated Profit after tax achieved a YOY increase of 52% of Rs.858 crs as against last year of Rs.563crs.

	Q1 FY21	Q4 FY20	QoQ %	Q1 FY20	YoY %	FY20
Group Branch Network	5,330	5,330	0%	5,092	5%	5,330
Consolidated Gross Loan Assets of the Group (Rs. In crores)	46,501	46,871	-1%	40,228	16%	46,871
Consolidated Profit of the Group (Rs. In crores)	858	836	3%	563	52%	3,169
Contribution in the Consolidated Gross Loan Assets of the Group						
Muthoot Finance Ltd	40,906	41,216	-1%	35,406	16%	41,216
Subsidiaries	5,595	5,655	-1%	4,822	16%	5,655
Contribution in the Consolidated Profit of the Group						
Muthoot Finance Ltd	834	809	3%	522	60%	2,993
Subsidiaries	23	27	-15%	41	-44%	176

#### Standalone Results of Muthoot Finance Ltd and its subsidiaries

**Muthoot Finance Ltd (MFIN)**, the largest gold financing company in India in terms of loan portfolio, registered an increase in net profit of 59%, at Rs.841crs for Q1FY21 as against Rs.530crs for Q1 FY20. Loan Assets stood at Rs.41,296crs compared to Rs.35,816crs previous year, Y-o-Y growth of 15%. During Q1 FY21, Loan Assets decreased by Rs.315crs on account of closure of branches during the month of April 2020 due to pan India lockdown announced by Govt. Of India in the wake of Covid-19 pandemic.

**Muthoot Homefin (India) Ltd (MHIL)**, the wholly owned subsidiary, loan portfolio decreased to Rs.1,979 crs as against previous year of Rs.1,988crs, a YoY decrease of 0.40%. During Q1 FY21, loan portfolio increased by Rs.2crs. Total revenue for Q1 FY21 stood at Rs.59crs as against Rs.62crs in the previous year. It achieved a profit after tax of Rs.0.41crs in Q1 FY21 as against Rs.6crs in the previous year. Its Stage III Asset on Gross Loan Asset % as on June 30, 2020 stood at 1.70%. Company also made a Covid ECL provision of Rs.13crs additionally.



**M/s. Belstar Microfinance Limited (BML)**, an RBI registered micro finance NBFC and Subsidiary Company where Muthoot Finance holds 70.01% stake, grew its loan portfolio to Rs.2,575crs as against last year of Rs. 1,939crs, a YoY increase of 33%. During Q1 FY21, loan portfolio decreased by Rs.56crs. It achieved a profit after tax of Rs. 15crs in Q1 FY21 as against Rs. 23crs previous year. Its Stage III Asset on Gross Loan Asset % as on June 30, 2020 stood at 1.11%. Company also made a Covid ECL provision of Rs.6.83crs additionally.

**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. 44crs in Q1 FY21 as against Rs. 61crs in the previous year. It generated a Profit after Tax of Rs. 4crs in Q1 FY21 as against Rs. 3crs in the previous year.

The Sri Lankan subsidiary- **Asia Asset Finance PLC(AAF)** where Muthoot Finance holds 72.92% stake, increased its loan portfolio to LKR 1,348crs as against LKR 1,290crs last year, a YoY increase of 4%. During Q1 FY21, loan portfolio decreased by LKR 36crs. Total revenue for Q1 FY21 stood at LKR 70crs as against previous year total revenue of LKR 80crs. It incurred a loss of LKR 2crs in Q1FY21 as against previous year profit after tax of LKR 3crs.

**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. Recently, Company has started extending loans for Commercial Vehicles and Equipments. Its loan portfolio stood at Rs.497 crs as on June 30 ,2020. During Q1 FY21, loan portfolio decreased by Rs.12crs. Total revenue for Q1 FY21 stood at Rs.20 crs. Company also made a Covid ECL provision of Rs.12.19crs additionally.

### **Management Quote**

Commenting on the results **M G George Muthoot, Chairman** stated, “At a time when pandemic has disrupted business activities across the globe, we with the support of our employees, customers and lenders have been able to continue excellence in our performance. Company could achieve a 59% YoY increase in profit after tax of Rs.841crs for the quarter. Our branches were completely shut during the month of April due to nationwide lockdown. To ensure business continuity we upscaled our digital platforms. We recorded four-fold jump in digital loan disbursals since then. To encourage digital usage, we are incentivizing our customers with a cashback scheme to service interest payments through our online platforms. With businesses resuming, we have witnessed surge in gold loans as it is the most convenient form of availing working capital for small business and traders to kickstart their businesses.”

Speaking on the occasion **George Alexander Muthoot, Managing Director** said, “Our disbursements during the quarter was lower on account of closure of branches in the month of April 2020 due to nationwide lockdown. Once the branches opened, we saw higher level of repayments than disbursements, probably, on account of restrictions in movement of people. However, we witnessed a significant increase in disbursements since June 2020 which continues in July and August 2020. As initially guided, we are looking forward to achieve a 15% growth in gold loan portfolio for FY 21. Company also maintained a liquidity buffer of Rs.8,477crs as cash, bank and investments in liquid funds as on June 30 ,2020. Non-gold loan portfolio in subsidiaries constituted about 12% of consolidated loan portfolio. Collections in non-gold loan portfolio have significantly improved month on month. Additional Covid ECL provisions to the extent of Rs.32crs were made for non-gold loan portfolio in the quarter.”



### Financial Highlights (MFIN):

	Q1 FY21	Q4 FY20	QoQ %	Q1 FY20	YoY %
	(Rs.in Crs)	(Rs.in Crs)	Change	(Rs.in Crs)	Change
Total Income	2,385	2,403	-1%	1,859	28%
Profit Before Tax	1,125	1,097	3%	817	38%
Profit After Tax	841	815	3%	530	59%
Earnings Per Share(Basic) Rs.	20.96	20.33	3%	13.23	58%
Loan Assets	41,296	41,611	-1%	35,816	15%
Branches	4,573	4,567	0%	4,502	2%

Particular	Q1 FY21	Q4 FY20	Q1 FY20
Return on Average Loan assets	8.11%	8.13%	6.05%
Return on Average Equity	28.16%	28.39%	21.70%
Book Value Per Share (Rs.)	306.99	288.43	243.02

Particular	Q1 FY21	Q4 FY20	Q1 FY20
Capital Adequacy Ratio	26.30	25.47	24.72
Share Capital & Reserves (Rs. in Crs)	12,316	11,572	9,743

### Business Highlights (MFIN):

Particular	Q1 FY21	Q1 FY20	Growth (YoY)
Branch Network	4,573	4,502	2%
Gold Loan Outstanding (Rs. in Cr)	40,495	35,171	15%
Credit Losses (Rs. in Cr)	3	2	40%
% of Credit Losses on Gross Loan Asset Under Management	0.0069%	0.0068%	1%
Average Gold Loan per Branch (Rs. In Cr)	8.86	8.24	8%
No. of Loan Accounts (in lakh)	76	82	-7%
Total Weight of Gold Jewellery pledged (in tonnes)	165	176	-6%
Average Loan Ticket Size	53,426	42,705	25%
No. of employees	25,430	24,644	3%

## Other Highlights:

### Innovative Digital Products

We launched two new products - Loan@Home and Gold Unlocker during the quarter. Loan@Home enables a company executive visiting the customer and do the due diligence on-the-spot post which the gold loan amount will be credited to customer's bank account via a safe & agile process with the customer not required to step out of his/her home at all. Whereas Gold Unlocker, is a unique value proposition by Muthoot Finance for Indian households which will help unlock the value of their idle gold lying in bank lockers/home safe through an overdraft facility for their gold jewellery".

## 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 Direct Broker from IRDA since 2013. It is actively distributing both life and non-life insurance products of various insurance companies. During Q1 FY21, it has insured more than 135,000 lives with a first year premium collection of Rs. 182million under Traditional, Term and Health products. The same was 433,000 lives with a first year premium collection of Rs. 358 Million in Q1 FY20 respectively.

## Key Business Parameters

Particulars	Q1 FY 21	Q4 FY 20	Q1 FY 20	FY 20
Total Premium Collection (Rs. In millions)	443	1064	606	3232
No. of Policies (In lakhs)	1.42	7.95	4.41	28.06

### 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 14 states and 2 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.

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

**Key Financial Parameters**

(Rs. In Millions)

Particulars	Q1 FY 21	Q4 FY 20	Q1 FY 20	FY 20
No. of branches	107	107	101	107
No. of Sales Offices	107	107	132	107
No. of Employees	344	412	401	412
Loan Portfolio	19,787	19,769	19,875	19,769
Capital Adequacy Ratio	47%	52%	45%	52%
Total Revenue	588	475	616	2876
Total Expense	582	469	526	2452
Profit Before Tax	5	6	90	424
Profit After Tax	4	12	62	318
Shareholder's Funds	4,264	4,260	4,004	4,260
Total Outside Liabilities	15,062	14,590	16,173	14,590
Total Assets	19,326	18,850	20,177	18,850
Stage III Loan Assets	337	338	161	338
% Stage III asset on Gross Loan Asset	1.70	1.71	0.81	1.71
Stage III ECL Provision	111	111	56	111
ECL Provision	309	179	134	179
ECL Provision as a % of Gross Loan Asset	1.56	0.91	0.68	0.91

**About Belstar Microfinance Limited (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. Muthoot Finance holds 70.01% of equity share capital of 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 0.2million.

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 June 30, 2020, BML operations are spread over 17 states and 1 UT (Tamil Nadu, Karnataka, Madhya Pradesh, Maharashtra, Kerala, Odisha, Chattisgarh, Gujarat, Rajasthan, Bihar, Uttar Pradesh, Harayana, Punjab,



Jharkhand, Uttarakhand, West Bengal, Tripura and Pondicherry). It has 603 branches, with 158 controlling regional offices and employing 4197 staff. Its gross loan portfolio has grown from INR 0.20 million in March 2009 to INR 25,754 million in June 2020. For Q1 FY 21, its Net Profit after Tax was Rs. 145 million and had a net worth of Rs.5131 million.

**Key Financial Parameters****(Rs. In Millions)**

Particulars	Q1 FY21	Q4 FY20	Q1 FY20	FY 20
No. of branches	603	603	441	603
No. of Employees	4,197	4,425	3,309	4,425
Gross Loan Portfolio	25,754	26,310	19,385	26,310
Capital Adequacy Ratio	26%	26%	23%	26%
Total Revenue	1,171	1,327	1,079	5,007
Total Expense	983	1021	769	3675
Profit Before Tax	188	306	310	1332
Profit After Tax	145	221	229	990
Shareholder's Funds	5,131	4,978	4,243	4,978
Total Outside Liabilities	23,454	20,210	15,655	20,210
Total Assets	28,585	25,188	19,898	25,188
Stage III Loan Assets	287	240	224	240
% Stage III asset on Gross Loan Asset	1.11	0.91	1.16	0.91
Stage III ECL Provision	215	216	203	216
ECL Provision	418	369	296	369
ECL Provision as a % of Gross Loan Asset	1.62	1.40	1.53	1.40

**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 49 years, evolving to serve the growing needs of people of Sri Lanka.

As on June 30, 2020, total holding in AAF by Muthoot Finance stood at 91 million equity shares representing 72.92% of their total 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 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. It has total staff strength of 461 currently. In 2015, it entered the space of Gold Loans with assistance of Muthoot Finance.

**Key Financial Parameters** (LKR in millions)

Particulars	Q1 FY21	Q4 FY 20	Q1 FY 20	FY 20
LKR/INR	0.40386	0.388758	0.389803	0.388758
No. of Branches	29	29	24	29
No. of Employees	461	495	559	495
Loan Portfolio	13,481	13,839	12,904	13,839
Capital Adequacy Ratio	16%	17%	21%	17%
Total Revenue	697	817	798	3,332
Total Expenses	714	829	770	3,239
Profit Before Tax	(17)	(12)	28	93
Profit After Tax	(17)	(20)	25	70
Shareholder's Funds	2,155	2,172	2,129	2,172
Total Outside Liabilities	12,501	12,983	12,237	12,983
Total Assets	14,656	15,155	14,366	15,155

**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 loans for vehicles. The operations are now centered in Hyderabad. Recently, Company has started extending loans for Commercial Vehicles and Equipments. CRISIL Ltd assigned long term debt rating of AA-/Positive for its bank limits.

As on June 30, 2020 it has a total loan portfolio of Rs. 4,966 Million.

**Key Financial Parameters:** (Rs in millions)

Particulars	Q1 FY 21	Q4 FY 20	Q1 FY 20	FY 20
No. of branches	18	24	24	24
No. of employees	245	304	245	304
Gross Loan Portfolio	4,966	5,090	3,927	5,090





Capital Adequacy Ratio(%)	21	20	26	20
Total Revenue	198	211	142	704
Total Expense	193	212	133	665
Profit Before Tax	5	(0.72)	9	39
Profit After Tax	(25)	(16)	(0.37)	27
Stage III Loan Assets	180	249	12	249
% Stage III asset on Gross Loan Asset	3.62	4.89	0.30	4.89
Stage III ECL Provision	47	65	12	65
ECL Provision	192	143	48	143
ECL Provision as a % of Gross Loan Asset	3.87	2.81	1.23	2.81
Shareholders Funds	1,037	1,062	1,035	1,062
Total Outside Liabilities	4,161	4,323	3,116	4,323
Total Assets	5,198	5,385	4,151	5,385

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