



**Muthoot Finance Limited**

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Scrip Code: 533398  
Symbol: MUTHOOTFIN

Ref: SEC/MFL/SE/2019/3236

August 12, 2019

**National Stock Exchange of India Ltd.**

Exchange Plaza,  
Plot no. C/1, G Block,  
Bandra-Kurla Complex  
Bandra (E), Mumbai - 400 051

**BSE Limited**

Department of Corporate Services  
P. J. Tower, Dalal Street,  
Mumbai 400 001

Dear Sir/Madam,

**Re: Press release on Unaudited Financial Results for the quarter ended June 30, 2019**

The Board of Directors at their meeting held on August 12, 2019 has announced unaudited financial results for the quarter ended June 30, 2019.

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

This is for your kind information and record thereon.

For **Muthoot Finance Limited**

Maxin James  
Company Secretary

Kochi, August 12, 2019:

**Consolidated Loan Assets Under Management increased by 18% YoY at Rs.40228crs**  
**Consolidated Profit after Tax increased by 9% YoY at Rs.563crs**  
**Standalone Loan Assets Under Management increased by 16% YoY at Rs.35816crs for Q1**  
**FY20**  
**Standalone Profit after tax increased by 8% YoY at Rs.530crs for Q1 FY20**

#### Consolidated Results of Muthoot Finance Ltd

Muthoot Finance Ltd Consolidated Loan Assets under management achieved a YoY increase of 18% at Rs.40228crs as against last year of Rs.33954crs. During the quarter, Consolidated Loan Assets under management increased by 5% of Rs.1924crs. Consolidated Profit after tax achieved a YOY increase of 9% of Rs.563crs as against last year of Rs.518crores.

	Q1 FY20	Q1 FY19	FY19	YoY %
Group Branch Network	5092	4688	5020	9
Consolidated Gross Loan Assets of the Group (Rs. In crores)	40228	33954	38304	18
Consolidated Profit of the Group (Rs. In crores)	563	518	2103	9
Contribution in the Consolidated Gross Loan Assets of the Group				
Muthoot Finance	35406	30634	33746	16
Subsidiaries	4822	3320	4558	45
Contribution in the Consolidated Profit of the Group				
Muthoot Finance	522	489	1946	7
Subsidiaries	41	29	157	41

#### 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 8%, at Rs.530crs for Q1 FY20 as against Rs.492crs in the previous year. Loan Assets stood at Rs.35816crs as at June 30, 2019 as against Rs.30997crs as at June 30, 2018, Y-o-Y growth of 16%. During Q1 FY20, Loan Assets increased by Rs.1570crs.

**Muthoot Homefin (India) Ltd (MHIL)**, the wholly owned subsidiary, increased its loan portfolio to Rs.1988crs as against previous year of Rs.1621crs, a YoY increase of 23%. During Q1 FY20, loan portfolio increased by Rs.80crs. Total



revenue for Q1 FY20 stood at Rs.62crs as against previous year total revenue of Rs.49crs. It achieved a profit after tax of Rs.6crs in Q1 FY20 as against previous year profit of Rs.11crs. Its Stage III Asset on Gross Loan Asset % as on June 30, 2019 stood at 0.81%.

**M/s. Belstar Investment and Finance Private Limited (BIFPL)**, an RBI registered micro finance NBFC and Subsidiary Company where Muthoot Finance holds 70.01% stake, grew its loan portfolio to Rs. 1939crs as against last year of Rs. 1237crs, a YoY increase of 57%. During Q1 FY20, loan portfolio increased by Rs. 97crs. It achieved a profit after tax of Rs. 23crs in Q1 FY20 as against previous year profit after tax of Rs. 12crs. Its Stage III Asset on Gross Loan Asset % as on June 30, 2019 stood at 1.16%.

**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. 61crs in Q1 FY20 as against Rs. 50crs in the previous year. It generated a Profit after Tax of Rs. 3crs in Q1 FY20 as against Rs. 2crs 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 1290crs as against last year of LKR 10,68crs, a YoY increase of 21%. During Q1 FY20, loan portfolio increased by LKR 33crs. Total revenue for Q1 FY20 stood at LKR 80crs as against previous year total revenue of LKR 69crs. It generated a profit after tax of LKR 3crs in Q1 FY 20 as against previous year profit after tax of LKR 2crs.

**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. During Q1 FY20, it has increased its loan portfolio to Rs.393crs. During Q1 FY20, loan portfolio increased by 82crs. Total revenue for Q1 FY20 stood at 14crs.

### Management Quote

Commenting on the results **M G George Muthoot, Chairman stated**, "We are glad to announce that consolidated loan assets of the Group grew by 18% at Rs.40228crs during Q1 FY20 as against last year of Rs.33954crs. Consolidated Profit increased by 9% at Rs.563crs during Q1 FY20 as against last year of Rs.518crs. During the quarter the company declared dividend of Rs.12 per equity share which is 120% of the face value with a total payout of Rs.580crs for FY19. Company also made public issue of debentures focusing on retail investors raising Rs.851crs which shows our ability to have diversified funding sources".

Speaking on the occasion **George Alexander Muthoot, Managing Director said**, "Gold loans are of short duration of average 3-4 months. In Q1 FY 20, we disbursed on an average, loans of Rs.6500crs per month and made collections of Rs.6000crs per month which resulted in a net growth of Rs.1500crs for the quarter. Because of such heavy cash inflows from collections, we do not face any liquidity issues. However, due to the uncertainty around NBFC sector there are challenges in getting fresh bank funding for meeting the growth requirements. We have been pursuing alternative sources of funding through public issuance of retail NCDs. Further as on June 30, 2019, we hold gold jewellery worth Rs.550 Billion for a loan amount of Rs.352 Billion i.e., security of 156% of the loan amount."



## Financial Highlights(MFIN) :

	Q1 FY20	Q1 FY19	YoY %
	(Rs.in Crs)	(Rs.in Crs)	Change
Total Income	1857	1632	14%
Profit Before Tax	817	755	8%
Profit After Tax	530	492	8%
Earnings Per Share(Basic) Rs.	13.23	12.29	8%
Loan Assets	35816	30997	16%
Branches	4502	4344	4%

Particular	Q1 FY20	Q1 FY19
Return on Average Loan assets	6.05%	6.54%
Return on Average Equity	21.70%	24.39%
Book Value Per Share (Rs.)	243.02	207.44

Particular	Q1 FY20	Q1 FY19
Capital Adequacy Ratio	24.72	25.89
Share Capital & Reserves (Rs. in Crs)	9743	8307

## Business Highlights (MFIN):

Particular	Q1 FY20	Q1 FY19	Growth (YoY)
Branch Network	4502	4344	4%
Gold Loan Outstanding (Rs. in Cr)	35171	30562	15%
Credit Losses (Rs. in Cr)	2	3	-33%
% of Credit Losses on Gross Loan Asset Under Management	0.006%	0.010%	-40%
Average Gold Loan per Branch (Rs. In Cr)	8.24	7.04	17%
No. of Loan Accounts (in lakh)	82	78	5%
Total Weight of Gold Jewellery pledged (in tonnes)	176	161	9%
Average Loan Ticket Size	42705	39204	9%
No. of employees	24644	23623	4%



**Other Highlights:**

**Public Issue of Non-Convertible Debentures**

During the quarter, Company successfully completed 20<sup>th</sup> Public Issue of Non-Convertible Debentures raising Rs.851crs.

During the quarter, Muthoot Homefin India Limited, the wholly owned subsidiary of the Company raised Rs.283crs through their maiden public issue of Non-Convertible Debentures.

Our CSR Initiatives:



## Muthoot M George Foundation hands over 7 houses under Muthoot

Muthoot Finance Ltd handed over the 2<sup>nd</sup> home under Muthoot Aashiyana project to the flood-affected family of Thulasi C K, Keethottathilppadi, Thekkemala PO, Kozhencherry



The key handover ceremony was graced by HH Dr. Mathews Mar Timotheus, Assistant Metropolitan of Chengannur Diocese, Mr. George Alexander Muthoot, Managing Director, Mr. George Thomas Muthoot, and Mr. George Jacob Muthoot, Joint Managing Directors, The Muthoot Group. Mr. Karunakara Kurup C R, Senior Regional Manager, Muthoot Finance Ltd, Kozhencherry Region, Mr. Babu John Malayil, DGM- Corporate Communications, The Muthoot Group, Mr. Sam, RO Manager, Muthoot Finance Ltd, Kozhencherry Region, etc. were present on this occasion

## Aashiyana Project.

Muthoot Finance Ltd handed over the 3rd home under Muthoot Aashiyana project to the flood-affected family of Ramlath Nazar, Mecheriparambu, Eloor North, Udyogamandal PO, Ernakulam



The key handover ceremony was done by Justice Benjamin Koshy, Independent Director, Muthoot Finance Ltd. along with Mr. George Varghese, Director, MITS. Dr. Neelakandan, Principal, Dr. Babu Kurien, Professor - Dept. of Civil Engineering, Mr. Dileep M, Associate Professor - Dept. of Civil Engineering, MITS, Mr. Babu John Malayil, DGM- Corporate Communications, The Muthoot Group, Mr. Vinod Kumar, Regional Manager, Muthoot Finance Ltd, Ernakulam Region, etc were present on this occasion.

## Muthoot Snehasammanam 2019

Muthoot Finance Ltd launched “Muthoot Sneha Samanam 2019” to honour artists, writers and their widows by providing financial assistance. This initiative is a part of the Corporate Social Responsibility activities undertaken by the company.

The first edition of Snehasammanam was launched on January, 2015. 14 beneficiaries were then honoured. In 2016 and 2017, 12 artists and In 2018 seven more artists were chosen. Muthoot Snehasammanam 2019 honoured 8 more artists thus bringing the total number of beneficiaries to 44. These beneficiaries were selected from applications received from artists, writers, and their dependents. These beneficiaries belong to various different backgrounds, which specialize in their respective work segments namely writers, music directors, gamela artist, professional painters etc. The initiative aims to help the upcoming generation of artist and writers who could get inspired and learn from the work of these professionals.



The program was inaugurated by Dr. A. S Joby, Cine Artist along with Mr. George Thomas Muthoot, Jt. Managing Director, Muthoot Finance Ltd. Other officials present during this occasion included Mr. K S Prasad, Secretary, Kalabhavan, Mr. John V George, DGP Haryana (Retd) & Executive Vice President, Muthoot Finance Ltd., Mr. Susil Kumar, Professor, RLV College, Mr. George Varghese, Director, Muthoot Institute of Technology & Science, Dr. P C Neelakanda, Principal, MITS, Mr. Babu John Malayil, DGM, Corporate Communications, Mr. Vinod, Regional Manager, Muthoot Finance Ltd

## Muthoot M George Professional Scholarship 2019



Muthoot M George Higher Education Scholarship is an initiative of Muthoot Finance Ltd, with the purpose of honouring meritorious students to pursue their professional education. The scholarship is awarded to students of four professional courses viz, Medicine, Engineering, Nursing and Commerce. The project was started in 2018.

Muthoot M George Professional Scholarship 2019 was inaugurated and distributed by Mr. K Muraleedharan MLA and Mr. George Jacob Muthoot, Jt. Managing Director, The Muthoot Group in a grand function organized at V J T Hall Thiruvananthapuram. Mr. T. P.Sreenivasan(IFS), Former Indian Ambassador, Mr. T.P Senkumar(IPS), Former DGP, Kerala, Dr. Ajayakumar P. P. Pro Vice Chancellor - University of Kerala, Dr. V. I. Beena Sr. Joint Director (ECS) Directorate of Technical Education, Trivandrum, Mr. N Mahesh, Chairman and Managing Trustee of C.A.T, Mr. Babu John Malayil, DGM, Corporate Communications, The Muthoot Group were present on this occasion

## Awards

### *DHANAM BANKING AND FINANCE SUMMIT AWARD -2018*



Muthoot Finance Ltd. has been honoured with *“Non-banking Finance Company of the year 2018”* award instituted by Dhanam, a leading fortnightly business Magazine, at a function held at Hotel Le Meridian Kochi on 26<sup>th</sup> February 2019. The award was received by Mr. K.R. Bijimon, Chief General Manager from Mr. T. S Vijayan, former Chairman of LIC and IRDAI. Mr. Manoj George, Circulation and Administration DGM, Dhanam Publications, Mr. Abraham Tharian, former Executive Director of The South Indian Bank Ltd. and Mr. K. Vijayakumar, Managing Partner, Aiswarya Advertising Industries are also seen in the photograph.

### 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 FY20, it has insured more than 433,000 lives with a first year premium collection of Rs.358million under Traditional, Term and Health products. The same was 445,000 lives with a first year premium collection of Rs.347 Million in Q1 FY19 respectively.

### Key Business Parameters

Particulars	Q1 FY 20	Q4 FY 19	Q1 FY 19	FY 19
Total Premium Collection (Rs. In millions)	606	887	495	2676
No. of Policies	441,204	678,567	450,376	2,240,560

### 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 long term debt rating of AA- (Stable) for its bank limits which indicates "High degree of safety with regard to timely servicing of financial obligations and carry very low credit risk" and 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.

CRISIL Ltd assigned long term debt rating of AA (Stable) 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 20	Q4 FY 19	Q1 FY 19	FY 19
No. of branches	101	96	70	96
No. of Sales Offices	132	132	132	132
No. of Employees	401	382	243	382
Loan Portfolio	19875	19075	16210	19075
Capital Adequacy Ratio	45%	47%	28%	47%
Total Revenue	620	651	487	2257
Total Expense	530	564	335	1746
Profit Before Tax	90	87	152	511
Profit After Tax	62	61	105	363
Shareholder's Funds	4004	3942	2184	3942
Total Outside Liabilities	16173	15530	14630	15530
Total Assets	20177	19472	16814	19472
Stage III Loan Assets	160	142	83	142
% Stage III asset on Gross Loan Asset	0.81	0.74	0.51	0.74
Stage III ECL Provision	56	22	12	22
ECL Provision	134	37	77	37
ECL Provision as a % of Gross Loan Asset	0.68	0.19	0.47	0.19

**About Belstar Investment and Finance Private Limited (BIFPL):**

BIFPL 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 BIFPL. BIFPL 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, BIFPL primarily relied on taking over the existing groups formed by Hand in Hand India. BIFPL predominantly follows the SHG model of lending. Effective January 2015, BIFPL started working in JLG model of lending in Pune district, Maharashtra.

As of June 30, 2019, BIFPL operations are spread over 11 states and 1 UT (Tamil Nadu, Karnataka, Madhya Pradesh, Maharashtra, Kerala, Odisha, Chattisgarh, Gujarat, Rajasthan, Bihar, Uttar Pradesh and Pondicherry). It has 441 branches, with 82 controlling regional offices and employing 3309 staff. Its gross loan portfolio has grown from INR 0.20 million in March 2009 to INR 19385 million in June 2019. For Q1 FY 20, its Net Profit after Tax was Rs.229million and had a net worth of Rs.4243 million.

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

Particulars	Q1 FY20	Q4 FY19	Q1 FY19	FY 19
No. of branches	441	400	257	400
No. of Employees	3309	2876	2046	2876
Gross Loan Portfolio	19385	18419	12372	18419
Capital Adequacy Ratio	23%	26%	15%	26%
Total Revenue	1079	1069	739	3681
Total Expense	769	766	561	2650
Profit Before Tax	310	303	178	1031
Profit After Tax	229	204	124	729
Shareholder's Funds	4243	4002	1387	4002
Total Outside Liabilities	15655	16437	12759	16437
Total Assets	19898	20439	14146	20439
Stage III Loan Assets	224	211	87	211
% Stage III asset on Gross Loan Asset	1.16	1.15	0.70	1.15
Stage III ECL Provision	203	188	82	188
ECL Provision	271	264	153	264
ECL Provision as a % of Gross Loan Asset	1.40	1.43	1.24	1.43

### 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 48 years, evolving to serve the growing needs of people of Sri Lanka.

As on June 30, 2019, total holding in AAF by Muthoot Finance stood at 90 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 24 branches across Sri Lanka. It has total staff strength of 559 currently. In 2015, it entered the space of Gold Loans with assistance of Muthoot Finance.

### Key Financial Parameters

LKR in millions

Particulars	Q1 FY20	Q4 FY 19	Q1 FY 19	FY 19
LKR/INR	0.38980	0.39578	0.43263	0.39578
No. of Branches	24	23	17	23
No. of Employees	559	553	493	553
Loan Portfolio	12904	12569	10680	12569
Capital Adequacy Ratio	21%	19%	22%	19%
Total Revenue	798	777	687	2869
Total Expenses	770	765	655	2775
Profit Before Tax	28	12	32	94
Profit After Tax	25	48	16	101
Shareholder's Funds	2129	1953	1875	1953
Total Outside Liabilities	12237	11946	10151	11946
Total Assets	14366	13899	12026	13899

### 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.

As on June 30, 2019 it has a total loan portfolio of Rs. 3927Million.

### Key Financial Parameters:

(Rs in millions)

Particulars	Q1 FY 20	Q4 FY 19	FY 19
No. of branches	24	21	21
No. of employees	245	247	247
Gross Loan Portfolio	3927	3107	3107
Capital Adequacy Ratio(%)	26	32	32
Total Revenue	142	90	156
Total Expense	133	57	149
Profit Before Tax	9	33	7
Profit After Tax	(0.4)	31	3
Stage III Loan Assets	12	-	-
% Stage III asset on Gross Loan Asset	0.30	-	-
Stage III ECL Provision	12	-	-
ECL Provision	48	15	15
ECL Provision as a % of Gross Loan Asset	1.23	0.47	0.47
Shareholders Funds	1035	1035	1035
Total Outside Liabilities	3116	2317	2317
Total Assets	4151	3352	3352