



## Product Note

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# Muthoot Fincorp Limited

Updated As on Dec'25 (Q3FY26)

## Muthoot Fincorp Limited.

### Why we like this issuer

1. **Nature of business** – 87.16% of the book is secured with loans secured against gold, which itself is at a 58.00 % LTV as on Dec'25.
2. **Economies of Scale** - the 2<sup>nd</sup> largest gold loan NBFC in the country with total AUM of Rs. 49,267.93 crore as on Dec'25, diversified across 3,757 branches and 24 states.
3. **Seasoned Management** - having run this business for close to 80 years
4. **Healthy Capitalization** – 18.17% CRAR as on 31<sup>st</sup> Dec'25.
5. **Granular book** – As on 31<sup>st</sup> Dec'25 the Gold Loan AUM of 42,940 Crs (On Book – Rs 32,721 Crs, Off Book – Rs 10.219 Crs) held across 38 Lac active loan accounts making it a very granular book with average ticket size of around Rs 60,000 approx.

### About the Issuer

Muthoot Fincorp Limited (MFL), set up in 1997, is a non-deposit-taking, systemically-important NBFC, engaged in lending against gold jewellery. It is the flagship company of the Muthoot Pappachan Group also popularly known as the Muthoot Blue Group, which has diverse business interests such as hospitality, real estate, and power generation. MFL is largely a promoter driven company, jointly managed by Mr. Thomas John Muthoot (Group Chairman and Managing Director), Mr. Thomas George Muthoot (Director) and Mr. Thomas Muthoot (Executive Director) (all brothers).

MFL has a well-established market position in the gold loan segment with a strong network of over 3,757 branches across India. MFL is the second largest gold loan NBFC in India. The company's promoters have a deep understanding of the gold loan business and have been in this business for over eight decades. Over the years, the group has established a strong reputation and brand in South India, particularly Kerala and Tamil Nadu, and has an appropriate assessment and underwriting methodology, which is being constantly refined.

The assets under management (AUM) stood at Rs 49,267.93 crore as on 31<sup>st</sup> Dec'25 (Gold loan AUM stood at 42,940 crore ~ 87% of the book). As on 31<sup>st</sup> Dec'25, the total gold holding stood at 45.81 tonnes. AUM per branch has increased to around Rs 8.40 crore as on 31<sup>st</sup> Dec'25 (Increases from Rs 5.10 crore as on 31<sup>st</sup> March'22).

### Product

#### MFL Segment wise break-up of business

Business Segment	FY2022		FY2023		FY2024		FY2025		9MFY26	
	% Share	AUM (Rs.in Cr.)	% Share	AUM (Rs.in Cr.)	% Share	AUM (Rs.in Cr.)	% Share	AUM (Rs.in Cr.)	% Share	AUM (Rs.in Cr.)
Gold Loan (On Book and Off Book)	97	18,124	96	17,942.40	85.29	19,502.07	65.80	22,084.99	87.16	42,940.91
Other Loans (MSME)	3	561	4	826.06	9.67	2,210.08	11.76	3,946.66	9.27	4,567.06
Direct Assignment/Co-lending					5.04	1,153.85	22.44	7,531.79	3.57	1,759.03
<b>Total</b>	<b>100%</b>	<b>18,685</b>	<b>100%</b>	<b>18,768.46</b>	<b>100%</b>	<b>22,866.19</b>	<b>100%</b>	<b>33,563.44</b>	<b>100%</b>	<b>49,267.93</b>

## Shareholding Structure (As of Dec'25)

Name	Holding (%)
Promoter	86.26
Angels, Family & Friends	13.74
<b>Total</b>	<b>100.00</b>

Overall managed AUM of the group was around Rs 64,279.48 crore as on 31<sup>st</sup> Dec'25 (Rs 51,535 crore as on 31<sup>st</sup> March'25). Following are the subsidiaries of Muthoot Fincorp

1. Muthoot Microfin Limited
2. Muthoot Housing Finance Company Limited
3. Muthoot Pappachan Technologies
4. Muthoot Capital Services Limited

## Key points about the issuer

### Liquidity

As per the asset liability management statement of 31<sup>st</sup> Dec'25, MFL, on a standalone basis, had cumulative positive gaps in the up to 5-year bucket. As on 31<sup>st</sup> Dec'25, it had liquidity of Rs 3,224.20 crore (Rs 2,735.92 crore of cash and cash equivalent, Rs 155.42 crore of bank balance and Rs 332.86 crore of investments in government securities). Against this, it had total debt repayment (including operating expense) of Rs 2,476.49 crore in the next three months. This excludes CC/WCDL limits, which are typically rolled over.

Particulars	0 to 7 D	8 to 14 D	15 D to 1 M	1 to 2 M	2 M to 3 M	3 M to 6 M	6 M to 1 Y	1 Y to 3 Y	3 Y to 5 Y	Over 5 Y	Total
Total Inflows (In Rs Crs)	3,371.38	613.06	288.75	644.44	226.76	4,032.52	28,587.33	862.25	939.26	5,025.71	44,591.51
Total Outflows (In Rs Crs)	1,209.94	454.32	213.66	567.32	925.58	2,951.92	12,141.03	12,890.52	3,246.52	10,053.40	44,654.25
Mismatch (In Rs Crs)	2,161.44	158.73	75.09	77.11	-698.81	1,080.59	16,446.30	-	-	-5,027.68	-62.74
Cumulative Mismatch (In Rs Crs)	2,161.44	2,320.17	2,395.26	2,472.38	1,773.57	2,854.17	19,300.47	7,272.20	4,964.94	-62.74	-62.74

### Collection Efficiency

The Company's average monthly collections for Q3FY26 stood at around Rs. 11,622.22 Crs, and its continuation over the next few quarters seem more than enough to meet the debt obligations. Hence liquidity position is considered as strong. WCDL is expected to get rollover in a timely manner based on the past trends and present position of the company.

	Dec 2022	Mar 2023	June 2023	Sep 2023	Dec 2023	Mar 2024	Jun 2024	Sep 2024	Dec 2024	Mar 2025	June 2025	Sep 2025	Dec 2025
Collection efficiency	95.12%	95.20%	95.54%	95.35%	95.73%	95.38%	95.67%	95.59%	95.27%	97.38%	96.23%	95.46%	95.47%

## **Second largest gold loan non-banking financial company (NBFC)**

MFL is the second largest gold loan non-banking financial company (NBFC). The promoters have spent over eight decades in the business of lending against gold jewellery. Over the years, the group has established a strong reputation and brand in South India, particularly Kerala and Tamil Nadu, and has an appropriate assessment and underwriting methodology.

### **Improving earnings profile for gold loan business**

MFL's Profitability at a standalone level has seen substantial improvement during the last 1-2 years. On a standalone basis, RoMA improved to 4.01% during Q3FY26 (one of its highest in the last 4-5 years) as against 3.14% during Q2FY26 (2.3% during fiscal 2025). The Company reported a PAT of Rs. 489.03 crores for Q3FY2026 against Rs. 388.31 Crs in Q2FY2026. Total profit for 9MFY26 stands at Rs 1,056.65. The company has maintained its focus on regular interest collections in its gold loan portfolio in order to avoid any higher delinquencies and reduce loss, if any, post auctions.

On a consolidated level, the PAT for 91FY26 stood at Rs 1,189.39 crore translating into RoMA of 3.22% as against Rs 1,166 crore and 2.8%, respectively in FY25. The profitability in the microfinance portfolio has witnessed asset quality challenges during the last 4-6 quarters impacting the group's overall profitability. Muthoot Microfin Ltd reported a PAT of Rs 62.44 crore in Q3FY26 as compared to Rs 30.52 crore in Q2FY26. As far as vehicle finance segment is concerned (which is housed in Muthoot Capital Services Ltd), PAT reported was 8.43 crore in Q3FY26 as compared to Rs 3.31 crore in Q2FY26.

### **Lower LTV**

Average LTV of the gold loan book is 58% as on 31<sup>st</sup> Dec'25. MFL gold loan products have a tenor of 3m/6m/12m/24m/36m with interest rate ranging from 12%-27%. MFL has a minimum LTV of 50% and a maximum of 80%. The ticket size of these gold loans range between Rs 10,000 and Rs 10 lacs. Average ticket size is Rs 60,000 approx.

### **Healthy asset quality in the Gold Loan category even during Covid**

Gross non-performing assets (GNPAs) for MFL stood at 1.34% as of Dec 2025 against 1.41% in Sep 2025. Furthermore, there is negligible impact of the RBI's clarification released in November 2021 on the NPAs as gold loans are demand loans where the interest and principal are due for payment at the end of the tenure. Nevertheless, during the last 6-8 quarters, the company steadily commenced lending to MSME retail outlets and has also been offering loan against property (LAP) loans to salaried customers (against collateral of property). The non-gold portfolio stood at Rs 6,326.09 crore as on 31<sup>st</sup> Dec'25, and the company is planning to steadily expand the same.

In the gold loan segment, MFL has maintained healthy asset quality over the years, backed by strong collection efficiency of 95.47% in Dec'25, as reflected in GNPAs of 1.0-1.8% over the last five fiscals. As on 31<sup>st</sup> Dec'25 Gold Loan GNPA & NNPA ratios improved at 0.35% and 0.23% as compared to 0.64% and 0.52% as on 30<sup>th</sup> Sep'25.

MFL is doing regular auctions of gold loans, which would help in reducing GNPAs to below 2% in gold loans. In the gold loan segment, the company has maintained healthy asset quality over the years, backed by strong collection efficiency. Asset quality, as measured by credit costs, has also been under control (within 0.5%) during this period for gold loans. In fiscal 2025, the company reported nil credit cost. The company has been doing regular auctions since June 2021. Furthermore, the company is focusing on short-tenure (less than 12 months) gold loan product which should help MFL to de-risk the portfolio from any sharp movements in gold prices in the near term.

## Adequate Capitalization

CRAR stood at 18.17% as on 31<sup>st</sup> Dec'25 from 19.50% as at the end of FY25. The networth of MFL as on 31<sup>st</sup> Dec'25 was Rs. 5,825.45 Crores. (FY25: Rs. 4,506.16 Crs). Adjusted TNW (including CCCPS of Rs 410.93 crore) stands at Rs 6,235.46 crore as of Dec'25. Adjusted gearing levels have shown significant improvement from 5.29 times as on March 31, 2022 to 5.12 times as on 31<sup>st</sup> Dec'25 mainly on account of increase in net worth due to profits and steady outstanding borrowings since end of FY21. Reported gearing stands at 6.20 times as of Dec'25.

## Widespread Branch Network and Strong Presence in South India

As of 31<sup>st</sup> Dec'25, MFL had 3,757 branches located across 24 states, union territory of Andaman and Nicobar Islands and the national capital territory of Delhi, with a significant presence in South India. The customers of MFL are typically retail customers, small businessmen, vendors, traders, farmers and salaried individuals, who for reasons of convenience, accessibility or necessity, avail their credit facilities by pledging their gold rather than by taking loans from banks and other financial institutions.

A significant proportion of MFL branches are located in rural locations and in semi-urban locations. MFL has a wide reach in rural markets as compared with other competition in this category. This reach in rural and semi-urban locations gives MFL an added advantage of being able to reach out to a large set of potential rural customers. Having such a network enables MFL to service and support the existing customers from proximate locations which gives the customers easy access to the services and enables us to reach new customers especially potential rural customers. MFL believes that they can leverage on this existing network for further expansion and for fulfilling our customer requirements.

## Strong Governance & Experienced Board

### The Promoter Directors



**THOMAS JOHN MUTHOOT**

Chairman & Managing Director

- He is the Chairman & Managing Director of Muthoot Fincorp Ltd (MFL).
- Under his leadership, the Group has been partnering with and investing in, new-age & tech-led startups with an eye on customer-centricity and the future.
- Alumnus of the Harvard Business School.
- Currently serve as the Deputy Chairman of CII Southern Region
- Recognized for his works and received several awards including "Young Hotel Entrepreneur Award 2006" (Federation of Hotel & Restaurant Associations of India) and "Business Man of the Year 2009" (Trivandrum Management Association), to name a few.



**THOMAS GEORGE MUTHOOT**

Director

- Georgie, as he is fondly called, is the Managing Director of Muthoot Capital Services Limited
- Georgie is also the Promoter-Director with Muthoot Fincorp Limited,
- Mr. George is also the Chairman of the Kerala Non-Banking Finance Companies Welfare Association (KNBFC), Kochi; Secretary of Association of Gold Loan Companies (AGLOC), India; committee member of Finance Companies Association (FCA) and (FADC).
- He is active in various business fora, such as the Kerala Non-Banking Finance Companies Welfare Association, Kochi; Indo-American Chamber of Commerce, Kerala Branch and so on.



**THOMAS MUTHOOT**

Director

- Thomas Muthoot is a core Promoter – Executive Director of Muthoot Pappachan Group (MPG).
- Mr. Thomas is also the Managing Director of Muthoot Microfin Limited (MML)
- He is an expert in micro credit and micro savings business.
- Under Mr. Thomas' leadership, MPG has been actively involved in numerous philanthropical works through the Muthoot Pappachan Foundation.
- In 2014, Mr. Thomas received the SEN Inclusive Business and Community Award by YPO-WPO in recognition of the women empowerment drive undertaken by the Group.

## Independent Directors



Mr. Badal Chandra Das

- Master's degree in commerce from the University of Kalyani, West Bengal and a Certified Associate of Indian Institute of Bankers (CAIB)
- Rich all-round Banking experience from State Bank of India (SBI) in various capacities.
- Retired as Deputy Managing Director from SBI on August 31, 2019, after a tenure of 34 years served in India and abroad in various positions.



Mr. Ravi Ramchandran

- Graduated from the University of Madras with a degree in Bachelor's in Commerce.
- He was associated with Nestle India Limited for more than 35 years, where he held several leadership roles within the organisation.
- During his tenure with Nestle India Limited, he also served as the Director for Sales for over nine years. He was also an executive member for the Diversity and Inclusion Council for Nestle India Limited.
- Completed the 'Leading the Nestle Way' programme from London School of Business in September 2017.



Dr. Anthony Abraham Thomas

- Bachelor's degree in technology from the University of Kerala. He has been conferred Doctor of Science in Information Technology, Honoris Causa, from Hindustan Institute of Technology and Science
- He has over 30 years of experience of which about 17 years in leading Digital Transformations at a Global level.
- He is the Chairman of Information and Communication Technology Academy of Kerala.



Mr. Paul Abraham

- Bachelor's degree in Economics (Hons) from St. Stephen's College, Delhi and a post graduate degree in business management from IIM Ahmedabad.
- He is currently the President of the Hinduja Foundation.
- Prior to joining the Company, Paul has served as the COO at IndusInd Bank. Paul also sits on the India Advisory Council of the Canadian Huron University.



Mr. Santosh Kumar Panigrahy

- M. Sc. (Physics), PGDM (MBA) in Finance from Xavier Institute of Management, Certified Associate of Indian Institute of Bankers (CAIB), Advanced Management Programme in Banking at International Management Institute
- He has served in the RBI since January 1989 for about 35 years.
- Retired as Chief General Manager from RBI, Department of Regulation on December 31, 2023, with extensive experience in supervision and regulation areas.

## Financial Indicators

(Rs. in Crore)

	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	9MFY26
<b>Net Worth*</b>	2,954	3,213	3,449.49	3,893	4,423.23	4,506.16	5,825.45
<b>Total Income</b>	2,726	3,233	3,328	3491.26	4,015.77	5,550.52	5,733.01
<b>Profit after Tax</b>	219	369	347	459.81	562.81	787.15	1,056.65
<b>AUM</b>	14,924	18,471	18,685	18,768.46	22,866.19	33,563.44	49,267.93
<b>Gross NPA</b>	1.86%	1.92%	2.88%	2.11%	1.62%	1.98%	1.34%
<b>Net NPA</b>	0.68%	1.01%	1.57%	0.58%	0.64%	1.28%	0.69%
<b>Tier 1</b>	13.04%	12.09%	14.73%	16.55%	15.87%	15.85%	14.21%
<b>Capital Adequacy Ratio</b>	19.56%	16.85%	21.33%	21.34%	20.01%	19.50%	18.17%
<b>Gearing**</b>	5.3x	5.6x	5.29x	4.70x	4.87x	5.86x	5.12x
<b>Total Debt</b>	10,544	15,366	19,737	18,297	19,669.50	27,065.58	35,508.57

\*Net worth including CCPS stands at Rs 6,235.46 crore as of Dec'25

\*\*Adjusted Gearing stands at 5.18x as of Sep'25

## Borrowing Profile

<b>Borrowings</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>	<b>9MFY26</b>
<b>Bank Borrowings</b>	10,947.73	11,535.67	12,498.15	15,305.97	19,894.50	25,109.51
<b>CPs</b>	NIL				1,211.01	2,965.78
<b>NCDs/SUBDEBT</b>	3,758.39	5,794.65	4,843.87	3,686.96	5,193.50	6,567.50
<b>PCGS</b>	1,650.00					
<b>TLTRO</b>	100.00					
<b>PDI</b>	261.11	384	481.13	676.57	766.57	865.77
<b>Others</b>	1,156.34					
<b>Total</b>	<b>17873.57</b>	<b>17,714.32</b>	<b>17,823.15</b>	<b>19,669.50</b>	<b>27,065.58</b>	<b>35,508.57</b>

In terms of additional funding, in Q3FY26, MFL raised Rs 6999.47 crore in the form of terms loans, CC/WCDL, ECB and CP. While a larger proportion of borrowing has been sourced as funding lines from banks and financial institutions such as term loans and CC/WCDL (70.71%), the resource profile remained diversified across avenues such as commercial paper (8.35%) and NCD/Subdebt (18.49%) (as on Dec 31, 2025).

## Credit Ratings

<b>INSTRUMENT RATINGS</b>	
Long Term Rating	CRISIL AA-/Positive as on Mar'26 BRICKWORK AA/Stable as on Oct'25
Commercial Paper	CRISIL A1+ as on Mar'26
Perpetual Debt	CRISIL A+/Stable as on Mar'26

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