

Emphasis of Matter:

4. We draw attention to Note 5 of the accompanying Statement, which describes the uncertainty relating to the effects of COVID-19 pandemic on the Company's operations and the consequential impact on the appropriateness of the impairment losses recognized towards the loan assets outstanding as at 31 December 2021. Our conclusion is not modified in respect of this matter.

Conclusion:

5. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 as prescribed under section 133 of the Act and other recognised accounting practices and policies generally accepted in India has not disclosed the information required to be disclosed in terms of Regulation 52 of the Listing Regulations including circulars issued by SEBI from time to time in this regard, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Other matters

6. The Statement includes the results for the year ended 31 March 2021 which were audited by the predecessor auditor who issued their unmodified opinion vide their report dated 03 June 2021.

Our conclusion is not modified in respect of these other matters.

For Sharp & Tannan Associates
Chartered Accountants
Firm's registration no. 109983W
by the hand of



A handwritten signature in blue ink, appearing to read "Tirtharaj Khot".

Tirtharaj Khot
Partner

Membership no.(F) 037457
UDIN: 22037457ABFNEJ4855

Pune, 10 February 2022

Muthoot Microfin Limited

Regd. Office: 13th Floor, Parinee Crescenzo, Bandra Kuria Complex, Bandra East, Mumbai, Maharashtra - 400051

Admin Office: 5th Floor, Muthoot Towers, Opp Abad Hotel, MG Road, Kochi, Kerala - 682035

Statement of financial results for the quarter and nine months ended 31 December 2021

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

Particulars	Quarter Ended			Year to date		Year Ended
	31-Dec-21	30-Sep-21	31-Dec-20	31-Dec-21	31-Dec-20	31-Mar-21
	Unaudited	Unaudited	Unaudited	Unaudited (Refer Note 13)	Unaudited (Refer Note 13)	Audited
Revenue from operations						
Interest income	19,227.38	17,353.87	18,072.94	52,572.06	46,661.48	62,097.57
Fees and commission income	159.83	70.83	53.37	277.43	217.38	321.15
Net gain on fair value changes	1,665.75	2,000.51	-	4,419.08	-	4,273.28
Income on investments	117.50	127.61	272.31	444.62	1,566.16	1,699.52
Sale of services	14.68	5.03	2.69	34.42	12.27	25.15
Total revenue from operations	21,185.14	19,557.85	18,401.31	57,747.61	48,457.29	68,416.67
Other income	276.93	109.29	326.19	659.39	749.54	1,211.46
Total income	21,462.07	19,667.14	18,727.50	58,407.00	49,206.83	69,628.13
Expenses						
Finance costs	8,462.32	7,816.14	6,896.75	24,006.76	22,276.23	29,932.80
Fees and commission expenses	435.65	347.53	300.04	1,040.98	595.65	973.54
Impairment on financial instruments	4,222.94	1,336.75	4,579.84	9,541.64	11,298.05	13,141.45
Employee benefit expenses	6,112.17	5,723.13	4,738.82	17,191.41	12,048.99	18,688.08
Depreciation and amortisation expense	518.01	505.90	476.71	1,522.51	1,398.50	1,883.34
Other expenses	1,460.37	1,387.46	1,293.54	3,781.09	3,749.88	4,103.32
Total expenses	21,211.46	17,116.90	18,285.70	57,084.39	51,367.30	68,722.63
Profit / (loss) before tax for the period / year	250.61	2,550.24	441.80	1,322.61	(2,160.47)	905.50
Tax expense						
Current tax	1,511.64	900.03	2,003.71	3,244.13	2,003.71	3,472.89
Deferred tax	(1,435.32)	(245.64)	(1,875.56)	(2,872.90)	(2,496.60)	(3,177.16)
Tax relating to prior years	-	7.93	-	7.93	-	(95.63)
Total tax expense	76.32	662.32	128.15	379.16	(492.89)	200.10
Profit / (loss) for the period / year	174.29	1,887.92	313.65	943.45	(1,667.58)	705.40
Other comprehensive income						
Items that will not be reclassified to profit or loss						
Remeasurement of the net defined benefit liability / asset	18.18	(115.66)	-	(255.05)	(43.63)	(81.36)
Income tax relating to items that will not be reclassified to profit or loss	(4.58)	29.11	-	64.20	10.98	20.48
Items that will be reclassified to profit or loss						
Remeasurement of financial assets carried at fair value through OCI	1,866.07	84.62	328.58	2,757.84	3,275.91	(3,174.60)
Income tax relating to items that will be reclassified to profit or loss	(469.69)	(21.30)	(82.70)	(694.15)	(824.55)	799.05
Other comprehensive income / (loss), net of tax	1,409.99	(23.23)	245.88	1,872.84	2,418.71	(2,436.43)
Total comprehensive income / (loss) for the period / year	1,584.28	1,864.69	559.53	2,816.29	751.13	(1,731.03)
Paid-up equity share capital (face value of ₹ 10 each)	11,417.06	11,417.05	11,417.05	11,417.06	11,417.05	11,417.05
Reserves (excluding revaluation reserves) as per Balance sheet of previous accounting year.	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	77,571.93
Earnings per share (not annualized)						
Basic (EPS) (₹)	0.15	1.65	0.28	0.83	(1.46)	0.62
Diluted (DPS) (₹)	0.15	1.65	0.28	0.82	(1.46)	0.62
Par value of equity shares (₹)	10.00	10.00	10.00	10.00	10.00	10.00

See accompanying notes to financial results



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Notes to financial results as at 31 December 2021

- 1 The above results have been reviewed by the Audit Committee dated 09th February 2022 and approved by the Board of Directors of Muthoot Microfin Limited at their respective meetings held on 10th February 2022.
- 2 The financial results of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) (Amendment) Rules, 2016.
- 3 The above financial results have been audited by the statutory auditors of the Company as required under Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").
- 4 The Company is primarily engaged in the business of financing and as such no separate information is required to be furnished in terms of Ind AS 108 "Operating Segments" specified under section 133 of the Companies Act, 2013.
- 5 The outbreak of COVID-19 and second wave of pandemic continues to have a significant impact and volatility in domestic economy. Various staggered lockdowns / movement restrictions announced by the various State Governments in India have lead to further slowdown of the economic activity. The extent to which the same may impact the Company's operations and financial position remain uncertain and is dependent on several factors including measures initiated by the Government to mitigate the impact as well as regulatory measures notified by the Reserve Bank of India ("RBI"). The Company's management continues to closely monitor the day-to-day operations, business, and liquidity position as well as adequacy of capital. Though the operations of the Company witnessed improvement and, as the uncertainty associated with the pandemic situation continues and the actual impact may vary, the company holds a management overlay of Rs. 7,405.74 Lakhs in addition to existing expected credit losses (ECL) as at 31 December 2021.
- 6 The Company had introduced digital payment option to enable customers to make the remittance online and the Company has recorded 6.17 % of the total collection in digital mode in Q3 of FY 22. The Company has also demonstrated improvement in collection efficiency in Q3 of FY 22 with 96%.

The Company has taken all possible measures to protect its employee's health and their life by providing adequate preventive measures to avoid contracting COVID-19 and by extending insurance protection. To safeguard the health of its employees and for being the part of the strives of the State Government and Government of India to fight against the pandemic- Covid-19, Company has extended support to vaccinate employees. The Company has introduced Doctor on Call Facility to support the employees and their family, where the employees can consult registered doctors totally free of cost over call in their local language for any disease.

- 7 The business model of the company under Ind AS 109 "Financial Instruments" continues to be 'hold to collect and sell' and consequently the financial assets have been fair valued through other comprehensive income as on 31 December 2021.



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Notes to financial results as at 31 December 2021

8 Details of credit ratings assigned by various credit rating agencies

Rating agency	Instrument	Rating
CRISIL	Non convertible debentures	CRISIL A / Stable
	Non convertible debentures (MLD)	CRISIL PPMLD A r / Stable
	Commercial paper	CRISIL A1
	Long term bank	CRISIL A / Stable (Reaffirmed)
	MF1 rating	M1C1
India Ratings and Research (Ind - Ra)	Non convertible debentures	IND A/Stable
	Bank Loans	IND A/Stable

9 The following are the details of nature and extent of security provided towards secured listed non convertible debentures

Serial Number	ISIN Number	Nature of security	Outstanding balance as on December 31, 2021 (Amount in Lakhs)	Rate of Interest	Security cover
1	INE046W07099	Book debts	7,500	11.25%	100%
2	INE046W07065	Book debts	7,000	11.40%	100%
3	INE046W07081	Book debts	12,500	9.50%	117%
4	INE046W07107	Book debts	4,000	10.50%	110%
5	INE046W07115	Book debts	4,500	11.40%	100%
6	INE046W07123	Book debts	7,500	10.25%	110%
7	INE046W07131	Book debts	5,000	10.50%	110%
8	INE046W07149	Book debts	11,540	10.60%	110%

(A) Details of previous due date for the repayment of principal and interest as at 31 December 2021

ISIN	Description	Previous repayment date	Principal amount	Interest amount	Paid on or before due date
INE046W07073	Blue Orchard NCD I	28-Apr-21	-	4,01,00,558	Yes
INE046W07073	Blue Orchard NCD I	28-Oct-21	70,00,00,000.00	4,03,60,274	Yes
INE046W07099	Blue Orchard NCD III	18-Sep-21	-	4,25,34,247	Yes
INE046W07065	Blue Orchard NCD IV	27-May-21	-	3,95,51,148	Yes
INE046W07065	Blue Orchard NCD IV	27-Nov-21	-	4,02,27,945	Yes
INE046W07115	Japan Asean Women Empowerment Fund	25-May-21	-	2,54,24,970	Yes
INE046W07115	Japan Asean Women Empowerment Fund	26-Nov-21	-	2,58,60,822	Yes
INE046W07081	Punjab National Bank NCD	13-Aug-21	-	1,19,07,534	Yes
INE046W07081	Indian Bank NCD	13-Aug-21	-	4,76,30,137	Yes
INE046W07107	NCD UNION BANK	18-May-21	-	2,08,27,397	Yes
INE046W07107	NCD UNION BANK	18-Nov-21	-	2,11,72,603	Yes
NA	IFMR subordinated debt	28-Apr-21	-	28,25,342	Yes
NA	IFMR subordinated debt	26-May-21	-	28,25,342	Yes
NA	IFMR subordinated debt	25-Jun-21	-	29,19,521	Yes
NA	IFMR subordinated debt	28-Jul-21	-	28,25,342	Yes
NA	IFMR subordinated debt	30-Aug-21	-	31,07,877	Yes
NA	IFMR subordinated debt	28-Sep-21	-	27,31,164	Yes
NA	IFMR subordinated debt	28-Oct-21	-	28,25,342	Yes
NA	IFMR subordinated debt	29-Nov-21	-	30,13,699	Yes
NA	IFMR subordinated debt	28-Dec-21	-	27,31,164	Yes



(B) Details of next due date for the repayment of principal and interest as at 31 December 2021:

ISIN	Description	Repayment date	Principal amount	Interest amount
INE046W07099	Blue Orchard NCD III	21-Mar-22	-	4,18,40,753
INE046W07099	Blue Orchard NCD III	19-Sep-22	-	4,25,34,247
INE046W07099	Blue Orchard NCD III	20-Mar-23	-	4,18,40,753
INE046W07099	Blue Orchard NCD III	15-Sep-23	75,00,00,000	4,25,34,247
INE046W07065	Blue Orchard NCD IV	27-May-22	-	3,95,72,055
INE046W07065	Blue Orchard NCD IV	28-Nov-22	70,00,00,000	4,02,27,945
INE046W07115	Japan Asean Women Empowerment Fund	26-May-22	-	2,54,39,178
INE046W07115	Japan Asean Women Empowerment Fund	28-Nov-23	22,50,00,000	2,58,60,822
INE046W07115	Japan Asean Women Empowerment Fund	24-May-24	22,50,00,000	1,27,62,022
INE046W07081	Punjab National Bank NCD	11-Feb-22	25,00,00,000	1,18,42,466
INE046W07081	Indian Bank NCD	11-Feb-22	1,00,00,00,000	4,73,69,863
INE046W07107	Union Bank NCD	18-May-22	40,00,00,000	2,08,27,397
INE046W07123	JM financial capital Ltd	15-Dec-22	75,00,00,000	-
INE046W07131	ESS KAY Fincorp	15-Jul-23	50,00,00,000	-
INE046W07149	NCD MLD 3 -Northern Arc	31-Mar-24	1,15,40,00,000	-
NA	IFMR subordinated debt	28-Jan-22	-	29,19,521
NA	IFMR subordinated debt	28-Feb-22	-	29,19,521
NA	IFMR subordinated debt	28-Mar-22	-	26,36,986
NA	IFMR subordinated debt	28-Apr-22	25,00,00,000	29,19,521

10 Details of resolution plan implemented under the Resolution Framework for COVID-19-related Stress as per RBI circular dated May 5, 2021 (Resolution Framework 2.0) are given below.

Sl No.	Description	Individual Borrowers		Small Business
		Personal Loans	Business Loans	
A	Number of requests received for invoking resolution process under (in numbers)	1,94,824	-	-
B	Number of accounts where resolution plan has been implemented under this window (in numbers)	1,94,824	-	-
C	Exposure to accounts mentioned at (B) before implementation of the plan (Amount in Rs. Lakhs)	45,068.10	-	-
D	Of (C), aggregate amount of debt that was converted into other securities (Amount in Rs. Lakhs)	-	-	-
E	Additional funding sanctioned, if any, including between invocation of the plan and implementation (Amount in Rs. Lakhs)	-	-	-
F	Increase in provisions on account of the implementation of the resolution plan (Amount in Rs. Lakhs)	3,114.32	-	-

None of the loan accounts of the individual borrowers restructured under Resolution Framework 1.0 as per RBI Circular dt. 06 August 2020.

- 11 Ratios required as per Regulations 52 (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended for the period ended December 31, 2021 is provided in Annexure I.
- 12 The Company has maintained requisite full asset cover by way of floating charge on book debts of the Company on its Secured Listed non-convertible debentures as at 31 December 2021.
- 13 Figures for the nine months period ended 31 December 2021 and 31 December 2020 represent the figures for the nine months period from 01 April 2021 and 01 April 2020 respectively.
- 14 Related party disclosures as required by SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended for the period ended December 31, 2021 is provided in Annexure II.
- 15 Previous period's / year's figures have been regrouped / reclassified wherever necessary to correspond with the current period's / year's classification / disclosure.

For and on behalf of the Board of Directors

Name : Thomas Muthoot
 Designation : Managing Director
 DIN : 00082099
 Place : Kochi
 Date : 10 February 2022

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Annexure I to financial results as at 31 December 2021

Disclosure in compliance with Regulations 52 (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended for the period ended December 31, 2021.

Sl No.	Particulars	Period ended 31 Dec 2021
1	Debt Equity Ratio (No. of times)	3.06
2	Debt Service coverage ratio	Not applicable
3	Interest service coverage ratio	Not applicable
4	Outstanding redeemable preference shares (Quantity)	Nil
5	Outstanding redeemable preference shares (Amount in lakhs)	Nil
6	Capital redemption reserve (Amount in lakhs)	Nil
7	Debenture redemption reserve	Nil
8	Net worth (Amount in Lakhs)	1,10,225.00
9	Net profit after tax (Amount in lakhs)	943.45
10	Earning per share (In Rs.) (Face value of Rs. 10 per equity share	
(i)	Basic (Not annualised)	0.83
(ii)	Diluted (Not annualised)	0.82
11	Current ratio	Not applicable
12	Long term debt to working capital (No. of times)	Not applicable
13	Bad debts to accounts receivable ratio	Not applicable
14	Current liability ratio (No. of times)	Not applicable
15	Total debt to total assets (No. of times)	0.71
16	Debtors turnover ratio	Not applicable
17	Inventory turnover ratio	Not applicable
18	Operating margin	2.26%
19	Net profit margin	1.62%
20	Sector specific equivalent ratios include following:	
(i)	Gross NPAs	34,168.44
(ii)	Net NPAs	4,820.07
(iii)	% of Gross NPA	7.88%
(iv)	% of Net NPA	1.19%
(v)	Capital risk adequacy ratio (CRAR) %	24.86%

Notes:

- 1 Debt-equity ratio = (Debt securities + Borrowings (Other than debt securities) + Subordinated liabilities) / Net worth
- 2 Net worth = Equity share capital + Other equity
- 3 Total debt to total assets = (Debt securities + Borrowings (Other than debt securities) + Subordinate Liabilities) / Total assets
- 4 Operating margin = Profit before tax (PBT) / Total Income
- 5 Net profit margin = Profit after tax (PAT) / Total Income
- 6 % of Gross NPA = Stage III loans (Greater than 90 DPD) / Gross loan outstanding.
- 7 % of Net NPA = Stage III loans (Greater than 90 DPD) - Total Expected Credit Losses (ECL) / (Gross loan outstanding - ECL)
- 8 CRAR = Adjusted net worth / Risk weighted assets, calculated as per RBI Guidelines.

For and on behalf of the Board of Directors

Name : Thomas Muthoot
Designation : Managing Director
DIN : 00082099

Place : Kochi
Date : 10 February 2022

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Annexure II to financial results as at 31 December 2021

Related party transactions for the period ended December 31, 2021

Names of the related parties and nature of relationship	
Nature of relationship	Name of the party
Holding Company	Muthoot Fincorp Limited
Entities in which KMP are able to exercise control or have significant influence	Muthoot Exim Private Limited Muthoot Pappachan Foundation
Fellow subsidiary	Muthoot Pappachan Technologies Limited
Common directorship	The Thinking Machine Media Private Limited
Key Management Personnel (KMP)	Mr. Thomas Muthoot, Managing Director Mr. Thomas John Muthoot, Director Mr. Thomas George Muthoot, Director Mr. Thomas Muthoot John, Director Mr. Kenneth Dan Vander Weele, Director Mr. T S Vijayan, Independent Director Mr. Alok Prasad, Independent Director Ms. Bhama Krishnamurthy, Independent Director Ms. Pushpy B Muricken, Independent Director Mr. Akshaya Prasad, Independent Director Mr. Sadaf Sayeed, Chief Executive Officer Mr. Praveen T Chief Financial Officer Ms. Neethu Ajay, Company Secretary

Transactions with the related parties

(All amount in Rs. Lakhs unless otherwise stated)

Nature	Name of the party	Transactions during the period ended December 31, 2021	(Payable)/ Receivable as at December 31, 2021
Cash management charges and Commission Expense*	Muthoot Fincorp Limited	211.85	-
Commission Income*	Muthoot Fincorp Limited	27.56	2.74
	Muthoot Exim Private Limited	26.82	5.09
Software support charges*	Muthoot Pappachan Technologies Limited	93.83	-
Travelling charges*	My Travel Muthoot	3.82	(1.28)
Rent expenses*	Muthoot Fincorp Limited	24.40	(3.58)
	Mr. Thomas George Muthoot	23.56	(2.83)
	Mr. Thomas John Muthoot	8.70	(1.05)
	Mr. Thomas Muthoot	20.12	(2.41)
Rental Deposits	Muthoot Fincorp Limited	1.28	7.93
	Mr. Thomas George Muthoot	-	0.99
	Mr. Thomas John Muthoot	-	0.81
	Mr. Thomas Muthoot	-	1.78
CSR Expenditure	Muthoot Pappachan Foundation	152.17	-
Remuneration (CEO)	Mr. Sadaf Sayeed	187.10	-
Remuneration (CFO)	Mr. Praveen T	28.57	-
Remuneration (CS)	Ms. Neethu Ajay	10.56	-
Sitting Fees	Mr. Alok Prasad	5.70	-
	Ms. Bhama Krishnamurthy	6.00	-
	Ms. Pushpy Muricken	5.10	-
	Mr. T S Vijayan	4.80	-

* Excluding applicable taxes

For and on behalf of the Board of Directors

Name : Thomas Muthoot
Designation : Managing Director
DIN : 00082099

Place : Kochi
Date : 10 February 2022



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