



Press Release
MULAMOOTTIL FINANCIERS LIMITED
August 18, 2025
Rating Assigned and Upgraded

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	29.51	ACUITE BBB Stable Assigned	-
Bank Loan Ratings	90.49	ACUITE BBB Stable Upgraded	-
Total Outstanding Quantum (Rs. Cr)	120.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has assigned the long-term rating of ‘**ACUITE BBB**’ (read as **ACUITE triple Bo**) on the Rs. 29.51 crore bank facilities of Mulamoottil Financiers Limited (MFL). The outlook is ‘**Stable**’.

Acuite has upgraded the long-term rating to ‘**ACUITE BBB**’ (read as **ACUITE triple Bf**) from ‘**ACUITE BBB-**’ (read as **ACUITE triple B minus**) on the Rs. 90.49 crore bank facilities of Mulamoottil Financiers Limited (MFL). The outlook is ‘**Stable**’.

Rationale for the rating

The upgrade in the rating factors in the experienced promoters, healthy asset quality and comfortable capitalization levels. MFL reported a CRAR of 32.63 percent (Tier 1: 25.04 percent) and gearing level stood at 3.07 times as on March 31, 2025. The rating takes into consideration in the company’s lending profile towards liquid gold loans & improvement in disbursal levels. The rating further draws comfort from sound asset quality metrics marked by on time portfolio at 99.75 percent and Gross Non-Performing Assets (GNPA) at nil as on March 31, 2025. Profitability has also improved in FY25 as PAT is Rs 11.03 Cr. and in FY24 it was Rs.9.95 Cr. The rating is, however, constrained by geographical concentration, modest scale of operations and highly competitive business of gold loans. Going forward, the company’s ability to raise capital, profitably scale-up its loan portfolio while maintaining the asset quality will be a key monitorable.

About the company

Mulamoottil Financiers Limited (Formerly Mulamoottil Leasing and Hire Purchase Ltd) a Non- Banking Financial Company (NBFC) incorporated in February 1994 based out of central Travancore area of Kerala mainly operates in providing gold loan primarily to individuals in rural areas. The company is being promoted by Mr. Jacob Thomas and his family members. The company has expanded its operations in the state of Kerala with a network of 178 branches.

MFL is a part of the Mulamoottil Group, the group is also engaged in other businesses like hospitality, finance, retail amongst others.

Unsupported Rating

Not Applicable.

Analytical Approach

Acuite has considered the standalone financial and business risk profile of MFL to arrive at the rating.

Key Rating Drivers

Strength

Experienced promoters

The promoters have more than two decades of experience and a strong understanding of customer profile in the region they operate. Given the company's long track record of presence of more than three decades in the state of Kerala, the company has built up good credibility among the borrowers. The company is promoted by Mr. Jacob

Thomas and his family members. He holds ~55.62 percent of shares individually of MFL as on March 31, 2025, while rest of the shareholding is held by other family members. Mr. Jacob Thomas, the managing director of the company, has long-standing experience in various business & also in financial services. The day-to-day operation of MFL is led by Dr. Ashly Thomas Jacob who is supported by his team of professionals. Acuité believes that MFL will continue to benefit from its established presence of the Mulamoottil Group and experience of the promoters in the gold loan segment.

Healthy Asset Quality

Asset quality has shown improvement marked by on time portfolio at 99.75 percent as on March 31, 2025. MFL reported a Gross NPA and Net NPA as nil as on FY25. The improvement was led by the management's focus on collection toward delinquent assets. Going forward, the company's ability to maintain asset quality will be key monitorable and risk arising from adverse gold prices would be critical.

Weakness

Moderate scale of Operations with high geographical concentration.

Mulamoottil Financiers limited commenced its operation in 1994 and currently has a loan portfolio of Rs. 231.68 Cr. as on March 31, 2025 as against Rs. 197.37 Cr. as on March 31, 2024, and Rs. 149.97 Cr. in FY2023. MFL is a mid-sized but a stable growing player in gold loans. MFL's portfolio is currently concentrated in 5 districts of Kerala (i.e Pathanamthitta, Kottayam, Alappuzha, Kollam, Idukki) and has a branch base of 178 branches as on March 31, 2025. Going forward, MFL plans to expand its network of branches in the neighbouring states of Kerala. The company's performance is expected to remain exposed to the competitive landscape in these regions and the occurrence of events such as natural calamities, may adversely impact the credit profile of the borrowers. However, the geographical concentration could evolve into being a niche in the gold loan market in Kerala for MFL as its primary focus and vision is to serve the rural community of Kerala and help this part of the community to grow. Moreover, MFL does plan to penetrate this segment by opening more branches in the coming year which would help build its foundation in these communities. Furthermore, there is a drive to empower women in these areas and that is denoted by the high employment ratio of 95% which is in favor of women.

Acuité believes that geographical concentration will continue to weigh on the company's credit profile, however the development in how this specific niche of operating in rural areas is developed would be key a monitorable.

Limited Financial Flexibility

The capital structure of MFL is supported by Networth of Rs. 63.08 Cr., Total debt of Rs. 193.39 Cr. and resulted gearing of ~3.07 times as on March 31, 2025. MFL borrowing profile comprises non-convertible debentures followed by unsecured non-convertible subordinate debt and facilities from Federal Bank and State Bank of India in the form of CC/OD, WCDL, Term Loan facilities. The NCDs are privately placed with friends and family of the promoters for a tenor of 3 to 7 years. As the company has availed banking facility from three banks, the debt profile of MFL remains largely dependent on promoters for funding requirement. The company is in talks with other banks for raising additional funds. Acuité believes that the ability of the company to mobilize additional funding through debt/equity will be critical.

Rating Sensitivity

- Ability to raise capital
- Profitable scale up in operations
- Movement in liquidity buffers
- Movement in profitability metric
- Changes in the regulatory environment

Liquidity Position

Adequate

MFL's overall liquidity profile remains adequate with no negative cumulative mismatches in near to medium term as per ALM dated March 31, 2025. The company has cash & bank balances of Rs. 13.60 Crore as of March 31, 2025.

Outlook:

Stable.

Other Factors affecting Rating

None.

Key Financials - Standalone / Originator

Particulars	Unit	FY25(Actual)	FY24(Actual)
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Total Assets	Rs. Cr.	270.97	234.06
Total Income*	Rs. Cr.	30.14	26.19
PAT	Rs. Cr.	11.03	9.95
Net Worth	Rs. Cr.	63.08	52.05
Return on Average Assets (RoAA)	(%)	4.37	4.85
Return on Average Net Worth (RoNW)	(%)	19.69	22.46
Debt/Equity	Times	3.07	3.24
Gross NPA	(%)	0.00	0.00
Net NPA	(%)	0.00	0.00

**Total income equals to Net Interest Income plus other income*

Status of non-cooperation with previous CRA (if applicable):

Not Applicable

Any other information

None.

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Non-Banking Financing Entities: <https://www.acuite.in/view-rating-criteria-44.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
08 Oct 2024	Working Capital Demand Loan (WCDL)	Long Term	6.00	ACUITE BBB- Stable (Reaffirmed)
	Secured Overdraft	Long Term	1.00	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	4.60	ACUITE BBB- Stable (Reaffirmed)
	Secured Overdraft	Long Term	15.00	ACUITE BBB- Stable (Reaffirmed)
	Working Capital Demand Loan (WCDL)	Long Term	3.00	ACUITE BBB- Stable (Reaffirmed)
	Working Capital Demand Loan (WCDL)	Long Term	2.27	ACUITE BBB- Stable (Reaffirmed)
	Secured Overdraft	Long Term	10.00	ACUITE BBB- Stable (Reaffirmed)
	Working Capital Demand Loan (WCDL)	Long Term	8.33	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	12.30	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	4.49	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	2.01	ACUITE BBB- Stable (Reaffirmed)
	Working Capital Demand Loan (WCDL)	Long Term	5.00	ACUITE BBB- Stable (Reaffirmed)
	Working Capital Demand Loan (WCDL)	Long Term	10.00	ACUITE BBB- Stable (Assigned)
	Proposed Working Capital Demand Loan	Long Term	5.00	ACUITE BBB- Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	1.49	ACUITE BBB- Stable (Reaffirmed)
06 Mar 2024	Working Capital Demand Loan (WCDL)	Long Term	6.00	ACUITE BBB- Stable (Reaffirmed)
	Secured Overdraft	Long Term	1.00	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	8.26	ACUITE BBB- Stable (Reaffirmed)
	Secured Overdraft	Long Term	15.00	ACUITE BBB- Stable (Reaffirmed)
	Working Capital Demand Loan (WCDL)	Long Term	4.00	ACUITE BBB- Stable (Reaffirmed)
	Working Capital Demand Loan (WCDL)	Long Term	3.73	ACUITE BBB- Stable (Reaffirmed)
	Secured Overdraft	Long Term	10.00	ACUITE BBB- Stable (Assigned)
	Working Capital Demand Loan (WCDL)	Long Term	10.00	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	15.00	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	5.49	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	2.01	ACUITE BBB- Stable (Reaffirmed)
	Working Capital Demand Loan (WCDL)	Long Term	10.00	ACUITE BBB- Stable (Reaffirmed)
02 Aug 2023	Secured Overdraft	Long Term	1.00	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	10.00	ACUITE BBB- Stable (Reaffirmed)

	Secured Overdraft	Long Term	15.00	ACUITE BBB- Stable (Reaffirmed)
	Working Capital Demand Loan (WCDL)	Long Term	4.00	ACUITE BBB- Stable (Assigned)
06 Dec 2022	Working Capital Demand Loan (WCDL)	Long Term	10.00	ACUITE BBB- Stable (Reaffirmed)
	Secured Overdraft	Long Term	1.00	ACUITE BBB- Stable (Reaffirmed)
	Secured Overdraft	Long Term	15.00	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	10.00	ACUITE BBB- Stable (Assigned)
05 Sep 2022	Working Capital Demand Loan (WCDL)	Long Term	10.00	ACUITE BBB- Stable (Assigned)
	Secured Overdraft	Long Term	1.00	ACUITE BBB- Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Tamil Nadu Mercantile Bank	Not avl. / Not appl.	Cash Credit	02 Jul 2025	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE BBB Stable Assigned
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	6.20	Simple	ACUITE BBB Stable Upgraded (from ACUITE BBB-)
Federal Bank	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.00	Simple	ACUITE BBB Stable Upgraded (from ACUITE BBB-)
State Bank of India	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	25.00	Simple	ACUITE BBB Stable Upgraded (from ACUITE BBB-)
State Bank of India	Not avl. / Not appl.	Term Loan	21 Oct 2022	Not avl. / Not appl.	25 Sep 2025	1.00	Simple	ACUITE BBB Stable Upgraded (from ACUITE BBB-)
State Bank of India	Not avl. / Not appl.	Term Loan	13 Oct 2023	Not avl. / Not appl.	13 Oct 2026	8.25	Simple	ACUITE BBB Stable Upgraded (from ACUITE BBB-)
South Indian Bank	Not avl. / Not appl.	Term Loan	31 Oct 2023	Not avl. / Not appl.	31 Oct 2028	5.12	Simple	ACUITE BBB Stable Upgraded (from ACUITE BBB-)
South Indian Bank	Not avl. / Not appl.	Term Loan	11 Sep 2024	Not avl. / Not appl.	11 Sep 2027	2.53	Simple	ACUITE BBB Stable Upgraded (from ACUITE BBB-)
Bandhan Bank	Not avl. / Not appl.	Term Loan	31 Jan 2025	Not avl. / Not appl.	31 Jan 2028	15.00	Simple	ACUITE BBB Stable Upgraded (from ACUITE BBB-)
Tamil Nadu Mercantile Bank	Not avl. / Not appl.	Term Loan	02 Jul 2025	Not avl. / Not appl.	07 Jul 2028	10.00	Simple	ACUITE BBB Stable Assigned
Federal Bank	Not avl. / Not appl.	Working Capital Demand Loan (WC DL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	6.00	Simple	ACUITE BBB Stable Upgraded (from ACUITE BBB-)
Dhanlaxmi Bank Ltd	Not avl. / Not appl.	Working Capital Demand Loan (WC DL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.07	Simple	ACUITE BBB Stable Upgraded (from ACUITE BBB-)
Federal Bank	Not avl. / Not appl.	Working Capital Demand Loan (WC DL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.45	Simple	ACUITE BBB Stable Upgraded (from ACUITE BBB-)
Federal Bank	Not avl. / Not appl.	Working Capital Demand Loan (WC DL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	4.40	Simple	ACUITE BBB Stable Upgraded (from ACUITE BBB-)
Federal Bank	Not avl. / Not appl.	Working Capital Demand Loan (WC DL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.80	Simple	ACUITE BBB Stable Upgraded (from ACUITE

								BBB-)
Federal Bank	Not avl. / Not appl.	Working Capital Demand Loan (WCDL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	4.67	Simple	ACUITE BBB Stable Upgraded (from ACUITE BBB-)
Dhanlaxmi Bank Ltd	Not avl. / Not appl.	Working Capital Demand Loan (WCDL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	9.51	Simple	ACUITE BBB Stable Assigned

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