



Muthoot Finance Ltd.

Corporate Office :
2nd floor, Muthoot Chambers,
Banerji Road, Kochi - 682 018
Kerala, India.

Phone : +91 484 2396478, 2394712
Fax : +91 484 2396506
mails@muthootgroup.com
www.muthootgroup.com



Symbol: MUTHOOTFIN

August 16, 2011

Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza,
Plot no. C/1, G Block,
Bandra-Kurla Complex
Bandra (E)
Mumbai - 400 051

Sir,

Re: Public Issue of Secured, Redeemable, Non-Convertible Debentures

The Public issue of Secured, Redeemable, Non-Convertible Debentures aggregating to a total of upto Rs. 1,000 crore of Muthoot Finance Limited opens for subscription on August 23, 2011. The NCD Issue with three investment options and effective yield of upto 12.25% (per annum) closes on September 5, 2011. The NCDs proposed to be issued under this Issue have been rated '**CRISIL AA-/Stable**' by CRISIL and '**[ICRA] AA-(stable)**' by ICRA.

We herewith enclose a copy of the Press Release proposed to be made in the leading news papers across the country. Request you to kindly taken on record the same and acknowledge the receipt.

Thank you.

For Muthoot Finance Limited


Rajesh A
Company Secretary



Muthoot Finance

MUTHOOT FINANCE LIMITED

Press Release for immediate publication
India

Not for distribution outside

Muthoot Finance Limited to raise upto Rs. 1,000 crore through a Public Issue of Secured Redeemable Non-Convertible Debentures opening on August 23, 2011

- *Coupon rates and Effective Yields of upto 12.25% p.a.*

Mumbai, August 16, 2011: Muthoot Finance Limited (the "Company" or "Issuer"), the largest gold financing company in India in terms of loan portfolio, according to the 2010 update to the IMAcS Research & Analytics Industry Reports, Gold Loans Market in India, 2009 ["IMaCS Industry Report, (2010 Update)"], will open on August 23, 2011, its maiden public issue of secured, redeemable, non-convertible debentures ("NCDs") of face value of Rs. 1,000 each aggregating upto Rs. 500 crore with an option to retain over subscription upto Rs. 500 crore, aggregating to a total of upto Rs. 1,000 crore (the "Issue").

The NCD Issue with three investment options and effective yield of upto 12.25% (per annum) closes on September 5, 2011, with an option of early closure as may be decided by the duly authorised committee of board of directors of the Company subject to necessary approvals. The face value of each NCD is Rs. 1,000 and the minimum application is for five NCDs (Rs. 5,000) and in multiples of one NCD thereafter.

The NCDs offered through this Prospectus are proposed to be listed on the National Stock Exchange of India Limited ("NSE") and the Bombay Stock Exchange Limited ("BSE").



The NCDs proposed to be issued under this Issue have been rated 'CRISIL AA-/Stable' by CRISIL and '[ICRA] AA- (stable)' by ICRA for an amount of upto Rs. 1,000 crore vide their respective letters dated July 25, 2011.

There are three investment options:

Option I: The maturity date is 24 months from the deemed date of allotment and the interest is payable annually. The coupon rate and effective yield is 11.75% p.a. for NCD Holders in Category 1. The coupon rate and effective yield is 12% p.a. for NCD Holders in Category II and Category III.

Option II: The maturity date is 36 months from the deemed date of allotment and the interest is payable annually. The coupon rate and effective yield is 12% p.a. for NCD Holders in Category 1. The coupon rate and effective yield is 12.25% p.a. for NCD Holders in Category II and Category III.

Option III: The maturity date is 60 months from the deemed date of allotment and the interest is payable annually. The coupon rate and effective yield is 12% p.a. for NCD Holders in Category 1. The coupon rate and effective yield is 12.25% p.a. for NCD Holders in Category II and Category III.

The funds raised through this Issue will be utilised by the Company for various financing activities including lending and investments, to repay existing liabilities or loans and towards business operations including for capital expenditure and working capital requirements, after meeting the expenditures of and related to the Issue and subject to applicable statutory/regulatory requirements.

The Company provides personal and business loans secured by gold jewellery, or Gold Loans, primarily to individuals who possess gold jewellery but could not access formal credit within a reasonable time, or to whom credit may not be available at all, to meet unanticipated or other short-term liquidity requirements. According to the IMA CS Industry Report (2010 update), as of March 31, 2010, the Company's branch network was the largest among gold loan NBFCs in India. The Company's Gold Loan portfolio as



of March 31, 2011 comprised approximately 4.7 million loan accounts in India that it serviced through 2,733 branches across 20 states, the national capital territory of Delhi and four union territories in India. It has since increased its branch network to 2,997 branches as of June 30, 2011. As of June 30, 2011, it employed 19,125 persons in its operations.

The Lead Managers to the Issue are ICICI Securities Limited, HDFC Bank Limited, JM Financial Consultants Private Limited, Kotak Mahindra Capital Company Limited and YES Bank Limited. The Co-Lead Managers to the Issue are Karvy Investor Services Limited and RR Investors Capital Services (P) Limited.

Disclaimer: Muthoot Finance Limited, is proposing, subject to market conditions and other considerations, to make a public issue of securities and has filed a Draft Prospectus with the Securities and Exchange Board of India ("SEBI"), the National Stock Exchange of India Limited and Bombay Stock Exchange Limited and the Prospectus with the Registrar of Companies, Kerala and Lakshadweep ("RoC"). The Draft Prospectus and Prospectus are available on the website of SEBI and the respective websites of the Lead Managers, at www.icicisecurities.com, www.hdfcbank.com, www.jmfinancial.in, www.investmentbank.kotak.com and www.yesbank.in and the Co-Lead Managers at www.karvy.com and www.rrfcl.com, related to the Issue. All investors proposing to participate in the Issue should invest only on the basis of the information contained in the Prospectus (including the risk factors therein) dated August 10, 2011, filed with the RoC.

For further details contact:

Mr. Aryan Rana, Adfactors PR, 91-9930372436/ 91-9820531932

