



The Muthoot Group

Muthoot Finance Limited

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Kerala, India.
CIN : L65910KL1997PLC 011300

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Scrip Code: 533398
Symbol: MUTHOOTFIN

Ref: SEC/MFL/SE/2016/2193

July 28, 2016

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, 2016

The Board of Directors at their meeting held on 28th July, 2016 has announced unaudited financial results for the quarter ended June 30, 2016.

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

This is for your kind information and record thereon.

Thanking You,

For Muthoot Finance Limited


Maxin James
Company Secretary





Retail Loan Assets Under Management at ₹ 25860 cr as on 30th June 2016

Total Income for Q1FY17 at ₹ 1301crs

PAT increased by 48 % for Q1FY17 at ₹270 crs

Branch Network of 4294 spread across 27 States including Union Territories

Kochi, July 28, 2016:

Muthoot Finance Ltd, the largest gold financing company in India in terms of loan portfolio, registered an increase in net profit of 48%, at ₹270 crs for the quarter ended June 2016 as against ₹183 crs in last year. Retail loans registered an increase of ₹1481cr during the quarter as against ₹ 1000 cr in last year translating to an increase in growth rate by 48%. AUM has increased by 6% at ₹25860crs at the end of June 30,2016 as against ₹24409crs last year.

CRISIL has upgraded long term debt rating of Muthoot Finance from AA-/STABLE to AA/ Stable. Long term debt rating covers debt instruments of above one year whereas short term debt rating is for debt instruments of upto one year. Under CRISIL rating scale, AA rating will fall under 'High Safety' category and carries very low credit risk. Under short term debt rating, Muthoot Finance already has highest rating from CRISIL with A1+ rating which is considered to have very strong degree of safety and carries lowest credit risk.

During the quarter , Muthoot Finance completed acquisition of Muthoot Insurance Brokers Pvt Limited , an IRDA registered Direct Broker in insurance products, as a wholly owned subsidiary. In Q1 FY17 , the premium collections stood at ₹10crs.

Asia Asset Finance Plc, our Sri-Lankan subsidiary has increased its loan portfolio by 50% at LKR 742crs as on June 30,2016 as against LKR 494crs last year. The interest income of the company has increased by 72% at LKR 43crs in Q1FY17 as against LKR 25crs last year, which has contributed to the overall improvement of its profitability by 60% reaching LKR 6crs in Q1 FY17. Micro Finance , Gold Loans ,Personal Loans and Business Loans will be the major thrust areas for the company going forward.

Company has infused ₹40crs as fresh capital acquiring 38.23% of the expanded equity share capital of M/s. Belstar Investment and Finance Private Limited (BIFPL), thereby holding 46.83% in the company in July 2016. Further acquisition of 10.32% from the existing shareholders is expected to be completed soon thereby taking the total holding to 57.15% making it a subsidiary. During the quarter its loan portfolio grew by 9% at ₹ 287crs.

Muthoot Homefin (India) Ltd during Q1FY17 increased its loan portfolio by ₹ 14crs at ₹44crs. The company is primarily focusing on affordable housing segment.

Commenting on the results M G George Muthoot, Chairman stated, "Yet another quarter where Company improved both its profitability and business growth. The current excellent performance could be attributed to total revamp in collection mechanism , structural changes made in operations and improved customer sentiment due to better practices adopted by the Company. During the quarter we could reduce the auctions drastically which is a



step in the right direction. We feel that , with economic activities expected to pick up on account of good monsoons , we should expect growth momentum to continue.”

Speaking on the occasion George Alexander Muthoot, Managing Director said, “Forays into other business segments is yielding benefits to the group and business of these segments are picking up. We would like to tread a cautious path rather than be aggressive on these new segments.”

Financial Highlights:

	Q1 FY17 (₹in Crs)	Q1 FY16 (₹in Crs)	YoY % Change	FY16 (₹in Crs)
Total Income	1301	1143	14%	4875
Profit Before Tax	424	283	50%	1317
Profit After Tax	270	183	48%	810
Earnings Per Share(Basic) ₹	6.77	4.60	47%	20.34
Retail Loan AUM	25860	24409	6%	24379
Branches	4294	4242	1%	4275

	Q1 FY17	Q1 FY16	FY16
Return on Average Retail Loans	4.30%	3.06%	3.32%
Return on Average Equity	18.78%	14.15%	15.13%
Book Value Per Share (₹)	147.51	132.29	140.72

	Q1 FY17	Q1 FY16	FY 16
Capital Adequacy Ratio	24.27%	24.15%	24.48%
Share Capital & Reserves (₹ in Crs)	5892	5271	5619

**Business Highlights:**

Particular	Q1 FY17	Q1 FY16	% Growth(YoY)
Branch Network	4294	4242	1%
Gold Loan Outstanding (₹ in Cr)	25822	24360	6%
Credit Losses (₹ In Cr)	1.33	2.96	(55%)
% of Credit Losses on Gross Retail Loan AUM	0.005%	0.012%	(58%)
Average Gold Loan per Branch (₹ In Cr)	6.01	5.74	5%
No. of Loan Accounts (in lakh)	69	65	6%
Total Weight of Gold Jewellery pledged (in tonnes)	146	138	6%
Average Loan Ticket Size	37417	37293	-
No. of employees	23165	22785	2%

Other Highlights:**15th Public Issue of Debentures**

During the quarter, Company successfully completed 15th Public Issue of Debentures of a base issue size of ₹250crs and a greenshoe option another ₹250crs. The issue was oversubscribed.

Our CSR Initiatives:**Distribution of School bags**

As part of CSR Activity, School bags were distributed to the students of Chowalloor VHSS in Kollam District. The programme was inaugurated by Mr. George Jacob Muthoot, Joint Managing Director, The Muthoot Group in a function witnessed by Sri. Mullakara Ratnakaran M.L.A (Ex Minister) along with Mr. T. M. Mathews, Retired AGM, Muthoot Finance Ltd.

**Notebook distribution**

As part of CSR activities, 1 lakh notebooks were distributed through Muthoot Finance branches in South India.



Note books distribution at Govt. Municipal Girls Higher Secondary School, Vellore. Mr. S. Ashok Kumar, Regional Admin Manager, Mr. G.Venkatesan, CBM, Vellore, Mr. T. Vimal Kumar, Regional Trainer, Vellore & Chennai South, and other officials were present on this occasion.

About Muthoot Finance Ltd:

Muthoot Finance Limited is the largest gold financing company in India in terms of loan portfolio. The company is a 'Systemically Important Non-deposit taking NBFC' headquartered in the southern Indian state of Kerala.

Operating history of Muthoot Finance has evolved over a period of 76 years since M George Muthoot (the father of our Promoters) founded a gold loan business in 1939 under the heritage of a trading business established by his father, Ninan Mathai Muthoot, in 1887.

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.

Company is listed on both National Stock Exchange and Bombay Stock Exchange.

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

As on June 30, 2016, total holding in AAF by Muthoot Finance stood at 501 million equity shares representing 59.71% 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 15 branches across Sri Lanka. It has total staff strength of 393 currently. Recently, it has entered the space of Gold Loans with assistance of Muthoot Finance.

About Muthoot Homefin (India) Limited

MHIL is a Housing Finance Company registered with The National Housing Bank (NHB). It is a subsidiary of Muthoot Finance Limited. As on June 30, 2016, Muthoot Finance holds 79% of equity capital of MHIL.

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 would operate on a 'Hub and Spoke' model, with the centralised processing based out of Corporate Office at Mumbai. MHIL plans to expand its operations in Maharashtra (including Mumbai), Gujarat, Rajasthan, Madhya Pradesh and Kerala shortly.



About Muthoot Insurance Brokers Pvt Limited

MIBPL is an unlisted private limited company holding a licence 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 FY15, It has insured more than 2,92,000 lives with a premium collection of ₹ 35 Crore under Traditional, Term and Health products. The same has increased to 4,59,000 lives with a premium collection of ₹ 49 Crore in FY16.

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.

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 0.02 crores.

In the last six 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 March 31, 2016, BIFPL operations are spread over four states and 1 UT (Tamil Nadu, Karnataka, Madhya Pradesh, Maharashtra and Pondicherry). It has 76 branches, with 13 controlling regional offices in 12 Districts and employs 561 staff. Its loan portfolio has grown from INR 0.02 Crores in March 2009 to INR 264 crores in March 2016. For FY 16, Its Net Profit After Tax was ₹6.11crs and had a networth of ₹39.90crs.

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Statement of Unaudited Financial Results for the Quarter Ended 30th June 2016

Rs. In Lakhs

Particulars	Standalone			
	Quarter ended		Year ended	
	30.06.2016	31.03.2016	30.06.2015	31.03.2016
	(Unaudited)	(Audited)*	(Unaudited)	(Audited)
Income from Operations	127,121.52	142,905.77	112,557.84	480,066.83
Other Operating Income	2,517.94	1,788.87	1,447.80	6,073.22
Total Income from Operations	129,639.46	144,694.64	114,005.64	486,140.05
Expenses				
Employee Benefits Expenses	18,489.11	16,071.49	16,069.52	64,187.79
Rent	4,338.08	4,364.37	4,152.30	17,129.76
Advertisement	1,179.97	1,494.82	1,682.51	6,261.21
Provisions & Write offs	1,755.06	12,988.99	1,056.30	16,243.91
Other Expenditure	5,070.96	4,848.39	4,852.39	20,482.66
Depreciation and Amortisation	1,169.05	1,465.45	1,400.93	5,751.47
Total Expenses	32,002.23	41,233.51	29,213.95	130,056.80
Profit from Operations before Other Income, Finance cost & Exceptional Items	97,637.23	103,461.13	84,791.69	356,083.25
Other Income	442.47	433.65	256.20	1,361.45
Profit from ordinary activities before Finance cost & Exceptional Items	98,079.70	103,894.78	85,047.89	357,444.70
Finance Cost	55,708.47	56,389.89	56,699.69	225,769.29
Profit from ordinary activities after Finance cost but before Exceptional Items	42,371.23	47,504.89	28,348.20	131,675.41
Exceptional Items	-	-	-	-
Profit from Ordinary Activities before tax	42,371.23	47,504.89	28,348.20	131,675.41
Tax expense (including deferred tax)	15,344.41	20,982.76	10,032.21	50,720.10
Net Profit from Ordinary Activities after tax	27,026.82	26,522.13	18,315.99	80,955.31
Extraordinary Items	-	-	-	-
Net Profit for the period	27,026.82	26,522.13	18,315.99	80,955.31
Paid up Equity share capital (Face value Rs.10/- each)	39,905.09	39,900.23	39,800.00	39,900.23
Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year				522,024.68
a)Earnings Per Share (Not Annualised) (before extraordinary Items) (of Rs. 10/- each)				
Basic	6.77	6.67	4.60	20.34
Diluted	6.71	6.56	4.56	20.10
b)Earnings Per Share (Not Annualised) (after extraordinary Items) (of Rs.10/- each)				
Basic	6.77	6.67	4.60	20.34
Diluted	6.71	6.56	4.56	20.10

See accompanying notes to financial results

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SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

Rs. In Lakhs

Particulars	Standalone			
	Quarter ended			Year ended
	30.06.2016	31.03.2016	30.06.2015	31.03.2016
	(Unaudited)	(Audited)*	(Unaudited)	(Audited)
1 Segment Revenue:				
Financing	129,598.51	144,692.61	113,995.46	486,025.63
Power Generation	40.95	2.03	10.18	114.42
Total Revenue	129,639.46	144,694.64	114,005.64	486,140.05
2 Segment Result:				
Financing	42,393.70	47,638.33	28,580.98	132,266.78
Power Generation	35.69	(29.35)	(1.48)	59.89
Unallocated income	442.47	433.65	256.20	1,361.45
Unallocated expenses	(500.63)	(537.74)	(487.50)	(2,012.71)
Profit Before Tax	42,371.23	47,504.89	28,348.20	131,675.41
Tax expense (including deferred tax)	15,344.41	20,982.76	10,032.21	50,720.10
Profit after Tax	27,026.82	26,522.13	18,315.99	80,955.31
3 Capital Employed				
(Segment assets - Segment liabilities)				
Financing	579,740.35	567,813.00	536,224.61	567,813.00
Power Generation	452.45	427.56	358.72	427.56
Unallocated Assets/(Liabilities)	8,960.24	(6,315.65)	(9,520.32)	(6,315.65)
Total Capital Employed	589,153.04	561,924.91	527,063.01	561,924.91

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Notes:

- 1 The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on July 28, 2016.
- 2 The above results have been subject to Limited Review by the Statutory Auditors of the Company.
- 3 The working results have been arrived at after considering provisions for standard assets and non-performing assets as per RBI guidelines, depreciation on fixed assets and other usual and necessary provisions.
- 4 The Company operates in two segments – Financing and Power Generation. These segments have been identified in line with the Accounting Standard on Segment Reporting (AS 17).
- 5 During the quarter, the company acquired 20,00,000 existing equity shares of Belstar Investment and Finance Private Limited, for a consideration of Rs.700 lakhs representing 13.93% of the total capital of Belstar Investment and Finance Private Limited.
- 6 During the quarter, the company acquired 5,00,000 existing equity shares of Muthoot Insurance Brokers Private Limited, for a consideration of Rs. 2,000 lakhs representing 100% of the total capital of Muthoot Insurance Brokers Private Limited.
- 7 During the quarter ended June 30, 2016, the company has allotted 48,602 shares under the Muthoot ESOP Scheme 2013. The company has not granted any options during the quarter.
- 8 The Company has maintained hundred percent asset cover by way of mortgage of immovable property and pari passu floating charge on current assets, book debts and loans & advances of the Company for its Listed Secured Non Convertible Debentures aggregating to Rs.400,435.31 lakhs as at June 30 2016.
- 9 *The figures for the quarter ended March 31, 2016 are the balancing figures between the audited figures in respect of the full financial year ended March 31, 2016 and the year to date limited review figures for the nine months ended December 31, 2015.
- 10 Previous period/year figures have been regrouped / reclassified wherever necessary to conform to current period/year presentation.

For and on behalf of the Board of Directors

Kochi
28.07.2016

George Alexander Muthoot
Managing Director