Muthoot Finance Limited
Registered Office :
2nd floor, Muthoot Chambers,
Banerji Road, Kochi - 682 018
Kerala, India.
CIN : L65910KL1997PLC 011300

Phone : +91 484 2396478, 2394712
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The Muthoot Group

Scrip Code: 533398
Symbol: MUTHOOTFIN

Ref: SEC/MFL/SE/2016/ 2066

January 28, 2016

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

Department of Corporate Services
BSE Limited,
P. J. Tower, Dalal Street,
Mumbai 400 001

Dear Sir/Madam,

Re: **Highlights of Performance – Quarter ended December 31, 2015**

The Board of Directors of the Company at their meeting held on January 28, 2016 has announced the unaudited financial results for the quarter ended December 31, 2015.

We herewith enclose a copy of the 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

MUTHOOT FINANCE LIMITED KOCHI-18

MUTHOOT FINANCE (NSE: MUTHOOTFIN, BSE: 533398)

Unaudited Results Third Quarter Financial Year 2016 | Press Release

Muthoot Finance

Retail Loan Assets Under Management at Rs.24990crs as at 31st December 2015

Total Income for Q3 FY16 at Rs.1141crs

PAT for Q3FY16 at Rs.187crs

Branch Network of 4259 spread across 27 States including Union Territories

Kochi, January 28, 2016:

Muthoot Finance Ltd, the largest gold financing company in India in terms of loan portfolio, registered an increase in net profit of 21%, at Rs.187crs for the quarter ended December,2015 as against Rs.154crs in last year . Retail loans registered an increase of Rs.117crs during the quarter and Rs.1582crs at 7% during the last 9 months .

Asia Asset Finance Plc , our Srilankan subsidiary has made considerable progress in its business.This will be the first complete financial year after becoming subsidiary of Muthoot Finance. The synergies created is already depicted in its financial results for the nine months.The interest income of the company has increased by 42% at LKR 983 Million, which has contributed to the overall improvement of its profitability by 54% reaching LKR 121 Million.The companies' asset base grew by 36% reaching the LKR 7 Billion milestone. The introduction of Gold Loans and the expansion of Micro Finance portfolio have been the key contributors to this year's growth.

Financial Highlights:

	Q3 FY16 (Rs.in Crs)	Q3 FY15 (Rs.in Crs)	YoY % Qtly change	9M FY16 (Rs.in Crs)	9M FY15 (Rs.in Crs)	YoY % 9M change	FY 15 (Rs. In Crs)
Total Income	1141	1069	7%	3424	3222	6%	4325
Profit Before Tax	290	238	22%	842	771	9%	1028
Profit After Tax	187	154	21%	544	505	8%	671
Earnings Per Share(Basic)	4.69	3.88	21%	13.68	12.81	7%	16.97
Retail Loan AUM	24990	22088	13%	24990	22088	13%	23408

	Q3 FY16	Q3 FY15	9M FY16	9M FY15	FY 15
Return on Average Retail Loans	2.99%	2.80%	2.97%	3.09%	3.03%
Return on Average Equity	13.95%	12.53%	13.79%	14.53%	14.35%
Book Value Per Share (Rs. in crs)	136.70	126.00	136.70	126.00	127.59

Muthoot Finance

	Q3 FY16	Q3 FY15	FY 15
Capital Adequacy Ratio	**23.37%**	**26.26%**	**24.78%**
Share Capital & Reserves (Rs. in Crs)	**5446**	**5009**	**5083**

Commenting on the results M G George Muthoot, Chairman stated "The woes of the economy continues to impact us. However , we could achieve 21% increase in profit after tax at Rs.187crs for the third quarter as against last year. Our sincere appreciation to our employees for their dedication , commitment and hardwork."

Speaking on the occasion George Alexander Muthoot, Managing Director said "Fall in interest cost as well as better control on expenditure and lower provisions has enabled us to show a better performance this quarter. Since gold loans are of short duration and consequent to higher level of demand being absent, incremental growth in portfolio is muted. However , we are seeing good demand for the new customer friendly lifestyle schemes launched. To meet unforeseen contingencies and as a matter of higher level of investor comfort , we have increased the standard asset provision again from 0.50% to 0.52% , thus in excess of regulatory requirement of 0.25%"

Business Highlights:

Particular	**9M FY 16**	**9M FY 15**	**% Growth(YoY)**
Branch Network	4259	4256	0.07%
Gold Loan Outstanding (Rs. in Cr)	24941	22012	13%
Credit Losses (Rs. In Cr)	7.16	12.32	-42%
% of Credit Losses on Gross Retail Loan AUM	0.029%	0.056%	-48%
Average Gold Loan per Branch(Rs. In Cr)	5.86	5.17	13%
No. of Loan Accounts (in lakh)	69	59	17%
Total Weight of Gold Jewellery pledged (in tonnes)	145	123	18%
Average Loan Ticket Size	36134	37440	-3%
No. of employees	23070	23226	-1%

Other Highlights:

13th Public Issue of Debentures

During the quarter , Company successfully completed 13th Public Issue of Debentures of a base issue size of Rs.250crs and a greenshoe option another Rs.250crs. The issue was oversubscribed.

The Muthoot Group featured on CNBC TV18 as an Excellent Workplace

The Muthoot Group has been selected as one of the top 30 best work places in the country by CNBC TV18 and Skill tree Knowledge consortium. Work Place Excellence is India's first television series showcasing the journey towards creating and maintaining an Excellent Workplace.

The series on CNBC TV18 salutes and acknowledges organizations that apply unique methods to create highly engaged, motivated, productive and loyal employees who have sense of ownership and identity in the environment they work in.

The Muthoot Group announced Bhaichung Bhutia as official representative for its Hero ISL Fair Play Award

The Muthoot Group announced Bhaichung Bhutia, former Indian Football Captain as its Official Representative for its association with Hero Indian Super League (Hero ISL) to propagate Fair Play and values in football.

The Group also endorsed its continued association as the official Referee and Fair Play Sponsor of Hero Indian Super League for the second consecutive year.

The Muthoot Group has also been associated with the Indian Premier League (Delhi Daredevils) and Cochin International Half Marathon in the recent past.

Our CSR Initiatives:

A) **Human Elephant Conflict Mitigation n Association with WWF**

Pressures of development and urbanization have led to fragmentation of natural habitats of Elephants across the country. This leads to straying away of elephants in the areas of human settlement, resulting in damage to human life & property and injury & death of elephants. We have tied-up with WWF India to mitigate this increasing human elephant conflict in 6 priority regions -- Assam, Arunachal Pradesh, West Bengal, Tamil Nadu, Kerala, Uttarakhand. Solar fences are put up in areas of conflict. Orientation camps and awareness meetings for anti-depredation squads are conducted Search lights and early warning motion sensor alarms are also provided to forest wardens .

B) **Muthoot M. George Excellence Award to 10th Standard Topers of Government Schools in Andhra Pradesh, Telangana, Karnataka and Kerala.**

1800 schools in these states are covered under this program. Topers of these schools are given cash award and a certificate signed by Government School authorities and Chairman Muthoot M. George Foundation. Majority of these children are coming from low income group or lower middle class families. This program is implemented with a clear vision to make progress in forming an equitable and sustainable society by uplifting the younger generation.

C) Burn Care Centre at General Hospital, Ernakulam.

Although this was one of the critical care center of the hospital, it was in a dilapidated condition. Muthoot Finance, as part of its CSR initiative renovated the center. The Management of the hospital has appreciated this humanitarian gesture and a number of emergency cases are treated at this centre. The renovated care centre was opened to the public in the presence of District Collector, Local MLA and other dignitaries.

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 , Srilanka

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 December 31, 2015, total holding in AAF by Muthoot Finance stood at 455 million equity shares representing 54% 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 a total staff strength of 340 currently. Recently , it has entered the space of Gold Loans with assistance of Muthoot Finance.

Muthoot Finance

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Statement of Unaudited Financial Results for the Quarter & Nine months ended 31st December 2015

Rs. in Lakhs

Particulars	Standalone					
	Quarter ended			Year to date		Year ended
	31.12.2015	30.09.2015	31.12.2014	31.12.2015	31.12.2014	31.03.2015
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Income from Operations	112,346.70	112,256.52	105,223.54	337,161.06	317,522.09	426,226.40
Other Operating Income	1,480.09	1,356.46	1,537.46	4,284.35	3,823.25	5,153.79
Total Income from Operations	**113,826.79**	**113,612.98**	**106,761.00**	**341,445.41**	**321,345.34**	**431,380.19**
Expenses						
Employee Benefits Expenses	15,820.03	16,226.75	16,269.06	48,116.30	47,265.33	63,042.74
Rent	4,293.22	4,319.87	4,118.86	12,765.39	12,262.20	16,495.33
Advertisement	1,289.94	1,793.94	1,970.95	4,766.39	4,943.81	6,506.46
Provisions & Write offs	741.58	1,457.04	349.73	3,254.92	1,553.29	3,714.35
Other Expenditure	5,374.71	5,407.17	5,360.38	15,634.27	15,567.16	20,871.49
Depreciation and Amortisation	1,455.59	1,429.50	2,167.63	4,286.02	6,315.23	8,411.86
Total Expenses	**28,975.07**	**30,634.27**	**30,236.61**	**88,823.29**	**87,907.02**	**119,042.23**
Profit from Operations before Other Income, Finance cost & Exceptional Items	84,851.72	82,978.71	76,524.39	252,622.12	233,438.32	312,337.96
Other Income	289.48	382.12	163.73	927.80	933.77	1,083.42
Profit from ordinary activities before Finance cost & Exceptional Items	85,141.20	83,360.83	76,688.12	253,549.92	234,372.09	313,421.38
Finance Cost	56,158.08	56,521.63	52,923.13	169,379.40	157,311.52	210,635.61
Profit from ordinary activities after Finance cost but before Exceptional Items	28,983.12	26,839.20	23,764.99	84,170.52	77,060.57	102,785.77
Exceptional Items	-	-	-	-	-	-
Profit from Ordinary Activities before tax	**28,983.12**	**26,839.20**	**23,764.99**	**84,170.52**	**77,060.57**	**102,785.77**

Tax expense (including deferred tax)	10,316.35	9,388.78	8,320.62	29,737.34	26,526.74	35,733.36
Net Profit from Ordinary Activities after tax	**18,666.77**	**17,450.42**	**15,444.37**	**54,433.18**	**50,533.83**	**67,052.41**
Extraordinary Items	-	-	-	-	-	-
Net Profit for the period	**18,666.77**	**17,450.42**	**15,444.37**	**54,433.18**	**50,533.83**	**67,052.41**
Paid up Equity share capital (Face value Rs.10/- each)	39,804.40	39,804.40	39,706.38	39,804.40	39,706.38	39,796.64
Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year						468,553.77
a) Earnings Per Share (before extraordinary Items) (of Rs. 10/- each) (not annualised)						
Basic	4.69	4.39	3.88	13.68	12.81	16.97
Diluted	4.65	4.34	3.85	13.55	12.70	16.80
b)Earnings Per Share (after extraordinary Items) (of Rs.10/- each) (not annualised)						
Basic	4.69	4.39	3.88	13.68	12.81	16.97
Diluted	4.65	4.34	3.85	13.55	12.70	16.80

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 to date		Year ended
	31.12.2015	30.09.2015	31.12.2014	31.12.2015	31.12.2014	31.03.2015
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1 Segment Revenue:						
Financing	113,815.02	113,522.54	106,754.65	341,333.02	321,207.66	431,241.89
Power Generation	11.77	90.44	6.35	112.39	137.68	138.30
Total Revenue	**113,826.79**	**113,612.98**	**106,761.00**	**341,445.41**	**321,345.34**	**431,380.19**
2 Segment Result:						
Financing	29,187.41	26,860.06	24,098.47	84,628.45	77,496.43	103,596.68
Power Generation	6.02	84.70	(11.19)	89.24	85.06	68.14
Un-allocable income	289.48	382.12	163.73	927.80	933.77	1,083.42
Un-allocable expenses	(499.79)	(487.68)	(486.02)	(1,474.97)	(1,454.69)	(1,962.47)
Profit Before Tax	**28,983.12**	**26,839.20**	**23,764.99**	**84,170.52**	**77,060.57**	**102,785.77**
Tax expense (including deferred tax)	10,316.35	9,388.78	8,320.62	29,737.34	26,526.74	35,733.36
Profit after Tax	**18,666.77**	**17,450.42**	**15,444.37**	**54,433.18**	**50,533.83**	**67,052.41**
3 Capital Employed (Segment assets - Segment liabilities)						
Financing	540,877.48	552,965.85	493,900.89	540,877.48	493,900.89	514,035.53
Power Generation	432.42	442.18	454.44	432.42	454.44	398.60
Unallocated Assets/(Liabilities)	3,267.90	(27,691.40)	6,518.92	3,267.90	6,518.92	(6,083.72)
Total Capital Employed	**544,577.80**	**525,716.63**	**500,874.25**	**544,577.80**	**500,874.25**	**508,350.41**

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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 January 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 has made a further additional investment of 27,428,963 shares amounting to Rs 206.81 lakhs in its subsidiary company Asia Asset Finance PLC, Colombo.

6. The Company has maintained hundred percent asset cover by way of mortgage of immovable property and paripassu floating charge on current assets, book debts and loans & advances of the Company for its Listed Non Convertible Debentures aggregating to 343,393.64 lakhs as at December 31, 2015.

7. 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
28.01.2016

George Alexander Muthoot
Managing Director

Asia Asset Finance PLC

Synopsis of Key Financials
(LKR in millions)

Pariculars	9M FY2016	9M FY2015	FY 2015	FY 2014
	(Unaudited)	(Unaudited)	(Audited)	(Audited)
LKR/INR	0.4581	0.4815	0.4692	0.4586
Total Revenue	983	691	948	774
Total Expense	840	606	845	731
Profit Before Tax	143	84	103	43
Profit After Tax	121	78	101	47
Shareholder's Funds	1,406	1,264	1,286	741
Total Liabilities	5,759	4,021	4,059	3,199
Total Assets	7,165	5,284	5,344	3,940