



Muthoot Finance

MUTHOOT FINANCE LIMITED

Press Release for immediate publication

Not for distribution outside India

PUBLIC ISSUE BY MUTHOOT FINANCE LIMITED, (“COMPANY” OR “ISSUER”) OF SECURED NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF Rs. 1,000.0 EACH, (“NCDs”), AGGREGATING UPTO Rs. 2,500.0 MILLION WITH AN OPTION TO RETAIN OVER-SUBSCRIPTION UPTO Rs. 2,500.0 MILLION FOR ISSUANCE OF ADDITIONAL NCDS AGGREGATING TO A TOTAL OF UPTO Rs. 5,000.0 MILLION

Issue Opens on September 17, 2012

Mumbai, September 11, 2012: Muthoot Finance Limited, the largest gold financing company in India in terms of loan portfolio according to the IMaCS Research & Analytics Industry Reports, Gold Loans Market in India, 2009 [“IMaCS Industry Report, (2010 Update)], will open on September 17, 2012, a public issue of secured, redeemable, non-convertible debentures (“NCDs”) of face value of Rs. 1,000 each aggregating upto Rs. 250 Crores with an option to retain oversubscription upto Rs. 250 Crores, aggregating to a total of upto Rs. 500 Crores (the “Issue”).

The NCD Issue with five investment options and effective yield of upto 12.40% (per annum) closes on October 05, 2012, with an option for early closure as may be decided by the NCD Public Issue Committee subject to necessary approvals. The face value of each NCD is Rs. 1,000 and the minimum application is for ten NCDs (Rs. 10,000) (for all options of NCDs, namely Option I, Option II, Option III, Option IV and Option V either taken individually or collectively) and in multiples of one NCD thereafter.

The NCDs offered through the Prospectus are proposed to be listed on BSE Limited and National Stock Exchange of India Limited.

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. 500 Crores.

There are five 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 11.50% p.a. for NCD Holders in Category I, 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 11.75% p.a. for NCD Holders in Category I, Category II and Category III.

Option III: The maturity date is 60 months from the deemed date of allotment and the interest is payable monthly. The coupon rate is 11.75% and effective yield is 12.40 % p.a. for NCD Holders in Category I, Category II and Category III.

Option IV: 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 12.00% p.a. for NCD Holders in Category I, Category II and Category III.

Option V: The maturity date is 72 months from the deemed date of allotment and effective yield is 12.25% p.a. and investment amount doubles in 6 years for NCD Holders in Category I, 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, working capital requirement and other general corporate purposes, 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. As of June 30, 2012, the Company has branch network of 3,780 branches. The Company's Gold Loan portfolio as of March 31, 2012 comprised approximately 6 million loan accounts. As of June 30, 2012, it employed 25,103 persons in its operations.

The Lead Managers to the Issue are ICICI Securities Limited, A.K.Capital Services Limited, Edelweiss Financial Services Limited, Karvy Investor Services Limited, RR Investors Capital Services (P) Limited and SBI Capital Markets 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”), BSE Limited and the National Stock Exchange of India Limited (“NSE”) and the Prospectus with the Registrar of Companies, Kerala and Lakshadweep (“RoC”), SEBI, BSE Limited and the NSE. The Draft Prospectus and Prospectus are available on the website of SEBI at www.sebi.gov.in, BSE Limited at www.bseindia.com, National Stock Exchange of India Ltd. at www.nseindia.com, the Company at www.muthootfinance.com and the respective websites of the Lead Managers, at www.icicisecurities.com, www.akcapindia.com, www.edelweissfin.com, www.karvy.com, www.rrfcl.com and www.sbicaps.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 September 09, 2012, filed with the RoC.