



The Muthoot Group

Muthoot Finance Limited

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Banerji Road, Kochi - 682 018
Kerala, India.
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Ref: SEC/MFL/SE/2016/2211

Symbol: MUTHOOTFIN
Scrip code: 533398

August 17, 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: Press Release regarding 'ICRA Upgrades Muthoot Finance Long Term Debt Rating from AA-/ Stable to AA/ Stable'

We herewith enclose a copy of press release regarding 'ICRA Upgrades Muthoot Finance Long Term Debt Rating from AA-/ Stable to AA/ Stable' proposed to be made in the leading newspapers across the country. Request you to kindly take the same on record 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

Registered and Corporate Office: Muthoot Chambers,

Opposite Saritha Theatre Complex, 2nd Floor, Banerji Road, Kochi 682 018, India.

CIN No. L65910KL1997PLC011300

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Press Release: August 17, 2016

**ICRA UPGRADES MUTHOOT FINANCE LONG TERM DEBT RATING
FROM AA-/STABLE TO AA/STABLE**

ICRA 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. Short term debt rating covers debt instruments of upto one year.

Under ICRA rating scale , “AA” rating carries a meaning “Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.” ICRA may apply '+' (plus) or '-' (minus) sign to this rating to indicate their relative position within the category.

By this upgrade , the definition of ICRA rated long term debt instruments will change from “AA-“ to “AA” which indicates positive change in comparative standing within ‘AA’ rated category.

Under short term debt rating , Muthoot Finance already has highest rating under that category from ICRA with “A1+” rating which carries a meaning “Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk “

ICRA in its rating rationale has stated “The revision in the long-term rating factors in MFL’s initiatives to improve its credit risk profile by tightening interest collections (regular interest collections vis-a-vis bullet collections in the past), which is likely to offset the risks on account of gold volatility to an extent. The ratings continue to factor in the company’s track record in the gold loan business with its leadership position in the market, its established franchise with network of 4,294 branches (as on June 30, 2016) across the country, efficient internal controls and audit systems, ability to raise funds via public issue of NCDs, comfortable capitalisation (gearing of 3.7 times as on March 31, 2016) and liquidity profile, and healthy profitability indicators (RoA of 3.0% in FY2016).”

Speaking on the occasion, Mr. George Alexander Muthoot , MD,Muthoot Finance Ltd said “ The rating upgrade is a reflection of consistent performance inspite of going through turbulent times in the last four years as well as improvement in financial performance last year. This upgrade is a recognition of the efforts of ‘Team Muthoot’ . We believe that , under AA category , we enter a different league of credit rated companies. We hope this upgrade will enable us to get finer rates from financial institutions and banks enabling us to reduce our cost of borrowings.”

