

**Muthoot Finance Limited**

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Ref: SEC/MFL/BSE/2013/42

Scrip code: **533398**

January 14, 2013

Department of Corporate Services
Bombay Stock Exchange Limited,
P. J. Tower, Dalal Street,
Mumbai 400 001

Dear Sir,

Re: Highlights of Performance – Quarter III ended December 31, 2012

The Board of Directors of the Company at their meeting held today (14.01.2013) has announced the quarterly financial results for the quarter ended December 31, 2012. The following are few highlights of performance of the Company during the quarter:

Particulars	9M-FY-13	9M-FY-12	% Growth(YoY)
Branch Network	3914	3480	12%
Gold Loan Outstanding (Rs Cr)	25,388	22,695	12%
Credit Losses (Rs. Cr)	5.47	4.56	20%
% of Credit Losses on Gross Retail Loan AUM	0.021%	0.020%	5%
Average Gold Loan per Branch(Rs. Cr)	6.48	6.52	-1%
No. of Loan Accounts (in lakh)	62	57	9%

We also herewith enclose a copy of the Press Release proposed to be made in the leading newspapers 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



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Muthoot Finance Ltd

Q3 FY 2013 Results

Retail Loan Assets Under Management increased by Rs.1969crs to Rs.25712crs during Q3 FY13

Total Income for Q3 FY13 grew by 11% YoY to Rs.1365crs

PAT for the Q3 FY 13 was at Rs.270crs as against Rs.251crs last year ,a YoY increase of 7%

Branch Network of 3914spread across 21 States and 4 Union Territories

Editors Synopsis

For the Quarter and 9 months ended December 31 , 2012

	Q3 FY 13 (Rs. In Crs.)	Q3 FY 12 (Rs. In Crs.)	YoY Change	9M FY 13 (Rs. In Crs.)	9M FY 12 (Rs. In Crs.)	YoY Change
Total Income	1365	1230	11%	3976	3255	23%
Profit Before Tax	402	374	7%	1164	982	19%
Profit After Tax	270	251	7%	784	657	19%
Earnings Per Share	7.27	6.77	7%	21.10	17.96	17%
Book Value Per Share (Rs.)				99.81	77.03	

	Q3 FY 13	Q3 FY 12	9M FY 13	9M FY 12
Return on Average Retail Loans	4.37%	4.58%	4.29%	4.52%
Return on Average Equity	30.22%	36.65%	31.51%	41.73%

	31-Dec-12	31-Dec-11
Capital Adequacy Ratio	19.50%	18.33%
Share Capital & Reserves(Networth)(Rs. in Crs)	3710	2863

Kochi, January 14, 2013:

Muthoot Finance Ltd, the largest gold financing company in India in terms of loan portfolio, registered a growth of 19% in its net profit to Rs.784 crore for the 9 months ended December 31 ,2012 as compared to Rs. 657crore of the previous fiscal. For the quarter ended December 31 ,2012, the company registered a growth of 7% in its net profits at Rs.270crs as against Rs.251crs last year.

Total income for 9M FY13 stood at Rs.3976crores, as compared to Rs.3255crores in 9M FY12 , a growth of 22%.

The Company obtained approval of shareholders through postal ballot to raise the public holding of its shares to 25% from the current 19.88% so as to satisfy the SEBI stipulation of a minimum public holding of 25% by May 2014. This dilution may be through any of the modes approved by SEBI from time to time in one or more tranches or in combination of including institutional private placement. The company has not decided on the timing of the dilution.

Commenting on the results M G George Muthoot, Chairman stated “Muthoot Finance has been able to register a growth of Rs.1969 cr in its assets under management, as against a de-growth of Rs.1337crores in the first quarter and a growth of Rs. 405crores in the second quarter, signifying the beneficial fall out of the strategic steps the Company have taken to address the regulatory restrictions imposed on Gold Loan

NBFCs. The result gives us the confidence to sustain growth in the coming quarters improving profitability metrics.

We are glad that KUB Rao committee report is now in public domain and the facts mentioned in the report dispels all the negative perception created in the minds of public about gold loan business. There is no systemic implications to domestic financial stability because of interconnectedness of gold loan nbfc and banking system. It is clear now that gold loans are a useful product for the society and the financial inclusion NBFCs bring in. There are certain 'hygeine measures' to be followed by NBFCs in this space which we will try to ensure compliance through our Self Regulatory body 'Association Of Gold Loan Companies (AGLOC)' to its members. As a matter of fact , Muthoot Finance has for decades been in the forefront in terms delivering the best governance practices and standardized all the procedures over a period of time".

Business Highlights:

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Credit Losses (Rs. Cr)	5.47	4.56	20%
% of Credit Losses on Gross Retail Loan AUM	0.021%	0.020%	5%
Average Gold Loan per Branch(Rs. Cr)	6.48	6.52	-1%
No. of Loan Accounts (in lakh)	62	57	9%
Total Weight of Gold Jewellery pledged (in tonnes)	132	132	0%
Average Loan Ticket Size	41146	39944	3%
No. of employees	24846	23219	7%

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 73 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 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.

For More Information Please Contact:

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