



Muthoot Finance Limited

Registered Office :
2nd floor, Muthoot Chambers,
Opp. Saritha Theatre Complex,
Banerji Road, Ernakulam - 682 018
Kerala, India.
CIN : L65910KL1997PLC 011300

Phone : +91 484 2396478, 2394712
Fax : +91 484 2396506, 2397399
mails@muthootgroup.com
www.muthootgroup.com

Scrip Code: 533398
Symbol: MUTHOOTFIN

Ref: SEC/MFL/SE/2017/2572

August 08, 2017

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, 2017

The Board of Directors at their meeting held on 08th August, 2017 has announced unaudited financial results for the quarter ended June 30, 2017

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

This is for your kind information and record thereon.

Thanking You,

For **Muthoot Finance Limited**

Maxin James
Company Secretary



Loan Assets Under Management at Rs. 27852crs as on June 30, 2017

Total Income for Q1 FY18 at Rs. 1399crs

PAT increased y-o-y by 30% for Q1 FY18 at Rs. 351crs

Branch Network of 4285 spread across 29 States including Union Territories

Kochi, August 8, 2017:

Muthoot Finance Ltd, the largest gold financing company in India in terms of loan portfolio, registered an increase in net profit of 30%, at Rs. 351crs for Q1 FY18 as against Rs. 270crs in the previous year. Loan Assets registered an increase by Rs. 574crs during Q1 FY18 which is an increase of 2% and Rs.1992crs increase since last year which is an increase of 8% . Loan Assets stood at Rs. 27852crs at the end of June 30,2017.

Board has decided to acquire remaining 11.73% holding with other shareholders in Muthoot Homefin (India) Ltd at an aggregate price of Rs. 38.72crs. With this acquisition , MHIL will become a wholly owned subsidiary. Further Board has decided to infuse Rs.100crs in MHIL as equity share capital. During the quarter, its loan portfolio increased by Rs. 155crs at Rs. 596crs. Total revenue for Q1 FY18 stood at Rs. 19crs as against previous year total revenue of Rs.1cr. It achieved a profit after tax of Rs. 4crs in Q1 FY18 as against previous year loss of Rs.44 lakhs.

M/s. Belstar Investment and Finance Private Limited (BIFPL) , an RBI registered micro finance NBFC and Subsidiary Company where Muthoot Finance holds 64.60% stake., grew its loan portfolio during the quarter by 11% at Rs. 628crs. It achieved a profit after tax of Rs.5crs during the quarter as against previous year profit after tax of Rs.2crs. Its Gross and Net NPA stood at 0.18% and 0.04% respectively as on June 30,2017.

Muthoot Insurance Brokers Pvt Limited, an IRDA registered Direct Broker in insurance products and a wholly owned subsidiary company generated a First year premium collection amounting to Rs. 16 crs during Q1 FY18 as against Rs. 10 crs in the previous year.

The Sri Lankan subsidiary - Asia Asset Finance PLC. where Muthoot Finance holds 60% stake , increased its loan portfolio during the quarter by 5% at LKR 908crs. Total revenue for Q1 FY18 stood at LKR 59crs as against previous year total revenue of LKR 45crs. It generated a profit after tax of LKR 6crs during the quarter as against previous year similar profit after tax.

Commenting on the results M G George Muthoot, Chairman stated, "Company could achieve a growth of Rs.574crs in its loan assets during the quarter even in the backdrop of seemingly challenging external environment which shows that initiatives taken by the Company are delivering results. The profit after tax showed an increase of 30% y-o-y at Rs.351crs , a historic record performance."

Speaking on the occasion George Alexander Muthoot, Managing Director said, "Board has decided to make Muthoot Homefin (India) Limited as a wholly owned subsidiary. During the quarter, the housing finance company has grown its loan portfolio to Rs.596crs and continues its stronger focus in the affordable housing segment. The micro finance subsidiary which has a strong SHG model could increase its loan portfolio, during the quarter, by 11% reaching

Rs.628crs. The NBFC in Sri Lanka could increase its loan portfolio by 5%. First Year Premium collections in the Insurance Broking subsidiary have increased by 60% y-o-y at Rs.16crs.”

Financial Highlights:

	Q1 FY18 (Rs.in Crs)	Q1 FY17 (Rs.in Crs)	YoY % Change	Q4 FY17 (Rs.in Crs)	QoQ % Change	FY17 (Rs.in Crs)
Total Income	1399	1301	8%	1713	-18%	5747
Profit Before Tax	552	424	30%	589	-6%	1921
Profit After Tax	351	270	30%	322	9%	1180
Earnings Per Share(Basic) Rs.	8.79	6.77	30%	8.06	9%	29.56
Loan Assets	27852	25860	8%	27278	2%	27278
Branches	4285	4294	0%	4307	-1%	4307

	Q1 FY18	Q1 FY17	Q4FY17	FY17
Return on Average Loan assets	5.12%	4.30%	4.75%	4.47%
Return on Average Equity	20.98%	18.78%	19.80%	19.44%
Book Value Per Share (Rs.)	171.76	147.51	162.98	162.98

	Q1 FY18	Q1 FY17	Q4FY17	FY17
Capital Adequacy Ratio	25.61%	24.27%	24.88%	24.88%
Share Capital & Reserves (Rs. in Crs)	6868	5892	6516	6516

Business Highlights:

Particular	Q1 FY 18	Q1 FY 17	Growth (YoY)
Branch Network	4285	4294	-0.2%
Gold Loan Outstanding (Rs. in Cr)	27775	25822	8%
Credit Losses (Rs. in Cr)	0.95	1.33	-29%
% of Credit Losses on Gross Loan Asset Under Management	0.003%	0.005%	-40%
Average Gold Loan per Branch(Rs. In Cr)	6.48	6.01	8%
No. of Loan Accounts (in lakh)	75	69	9%
Total Weight of Gold Jewellery pledged (in tonnes)	152	146	4%
Average Loan Ticket Size	37196	37417	-0.6%
No. of employees	23391	23165	1%

Other Highlights:**17th Public Issue of Debentures**

During the quarter , Company successfully completed 17th Public Issue of Debentures of a base issue size of Rs.200crs with an option to retain oversubscription upto shelf limit of Rs.2000crs. The issue was oversubscribed.

Our CSR Initiatives:

Rain Water Harvesting system and Toilets for Mararikulam

In association with Xandari Pearl, Muthoot Finance launched its new CSR project for Mararikulam, a coastal village in Alleppey, Kerala. Through this project MFIN plans to construct Rain water harvesting system & Toilets for the people in Mararikulam village.



Bag Distribution

As part of CSR activities, School bags were distributed to the deserving students of Government school of Kalavoor, Alleppey. Mr. Ragesh G R, Director & CEO, Muthoot Securities inaugurated the distribution in the presence of Local dignitaries.



Muthoot Snehasraya & Anbin Nizhal

'Muthoot Snehasraya Project' is a health care initiative by The Muthoot Group. A Mobile Laboratory has been set up for the prevention and early detection of not only kidney related diseases, but also diabetes and hypertension ailments. The mobile ambulance is being operated across Tamil Nadu & Kerala and facilitates blood & urine tests and creates awareness among people about the dreaded disease. For this quarter through Muthoot Snehasraya Kerala we had 68 camps, touched lives of 7112 people and through Anbin Nizhal, Tamilnadu we conducted 67 camps with 7380 beneficiaries.



Awards & Recognition:

Kerala Management Association awarded Muthoot Finance for the category "CSR activities Undertaken 2017".

Muthoot Finance received Kerala Management Association special jury awards in the "CSR activities undertaken" Category of the KMA Excellence Award 2017. The award was received by our senior official C V Balasankar GM- Credit & Operations. Shri. Sujith. S, AGM- Administration was also present in the function.



Muthoot Group wins the coveted Enterprise Uptime Champion Award 2017 at the Technology Senate

The Muthoot Group has won the prestigious Enterprise Uptime Champion Award 2017 at the Technology Senate event in Kolkata. The Express Uptime Champion Award recognizes companies having the best network uptime records for the year. The award was presented to Mr. K.N.C. Nair, Chief Technology Officer of Muthoot Group by Mr. Sunil Tandon, Chief General Manager (Executive Support Systems) of State Bank of India.



Muthoot Finance been awarded India's Most Trusted Financial Services Brand

Muthoot Finance Ltd., has been ranked as India's Most Trusted Financial Services Brand in 'The Brand Trust Report, India Study 2017' conducted by TRA Research (formerly Trust Research Advisory). This distinction has been accorded to the Company for the second consecutive year.



TRA is a leading Data Insights Company involved in understanding and researching aspects that make the intangibles of brands measurable. The study involved 17,000 hours of fieldwork, 16 cities' survey, 5 million data points and screening of over 11,000 unique brands. The report was launched through press conferences across 6 cities in India. Shri M G George Muthoot, Chairman- The Muthoot Group, said, on the occasion, "We are delighted to be awarded as the Most Trusted Financial Services Brand. We would like to dedicate the award to our customers, stakeholders and well- wishers for believing in us."

Shri Alexander George Muthoot, Director - The Muthoot Group, said, "We feel blessed to have the trust of over 2,53,000 customers who visit our branches including our group entities every day. Over 42 crore loyal customers serviced globally have shown their trust in us since our inception 130 years ago. Ninety percent of our overall customers are loyal repeat customers. The 'Brand Trust Report, India Study 2017' is an acknowledgement of all of this. We are overwhelmed at the continued trust that our customers have shown in us. We, at The Muthoot Group, are fully committed to protecting and strengthening this trust."

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 78 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 Muthoot Insurance Brokers Pvt Limited:

MIBPL is a wholly owned subsidiary of Muthoot Finance Ltd. It is an unlisted private limited company holding a license 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 FY17, It has insured more than 5,66,000 lives with a First year premium collection of Rs. 70Cr under Traditional, Term and Health products. The same was 4,59,000 & 2,92,000 lives with a First year premium collection of Rs. 49 Crs & Rs.35 Crs in FY16 & FY15 respectively.

Key Business Parameters

	Q1 FY18	Q1 FY17	FY17	FY16
First Year Premium Collection (Rs. In crs)	16	10	70	49
No. of Policies	216,301	136,212	566,282	458,652

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, 2017, Muthoot Finance holds 88.27% 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 operates on a 'Hub and Spoke' model, with the centralised processing based out of Corporate Office at Mumbai. MHIL has operations in Maharashtra (including Mumbai), Gujarat, Rajasthan, Madhya Pradesh and Kerala .

MHIL has long term debt rating of AA- (Stable) for its bank limits from ICRA Ltd which indicates "High degree of safety with regard to timely servicing of financial obligations and carry very low credit risk." Recently ICRA Ltd assigned short term debt rating of 'A1+' for its Commercial Paper programme which indicates "Very strong degree of safety regarding timely payment of financial obligations and carry lowest credit risk".

Key Financial Parameters**(Rs. In Millions)**

Particulars	Q1 FY 2018	Q1 FY 2017	FY 2017	FY 2016
No. of branches	11	2	9	2
No. of Sales Offices	110	39	110	0
No. of Employees	135	49	111	30
Loan Portfolio	5957	441	4408	315
Capital Adequacy Ratio	27%	177%	36%	226%
Total Revenue	192	14	242	19
Total Expense	131	19	189	19
Profit Before Tax	61	(5)	53	-
Profit After Tax	37	(4)	29	-
Shareholder's Funds	918	564	882	569
Total Outside Liabilities	5,954	3	3,624	3
Total Assets	6,872	567	4,506	572

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.

Muthoot Finance holds 64.60% of equity share capital of BIFPL.

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 Havier District of Karnataka in March 2009 to 3 SHGs, 22 members for INR 0.02crores.

In the last eight 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 June 30, 2017, BIFPL operations are spread over six states and 1 UT (Tamil Nadu, Karnataka, Madhya Pradesh, Maharashtra, Kerala, Odisha and Pondicherry). It has 172 branches, with 31 controlling regional offices and employing 1240 staff. Its loan portfolio has grown from INR 0.02 Crores in March 2009 to INR 567 crores in March 2017. For FY 17, Its Net Profit after Tax was Rs.10.44crs and had a net worth of Rs.90.34crs.

Key Financial Parameters

(Rs. In Millions)

Particulars	Q1 FY 2018	Q1 FY 2017	FY 2017	FY 2016
No. of branches	172	94	155	76
No. of Employees	1,240	705	1,093	561
Loan Portfolio	6,285	2,872	5,668	2,643
Capital Adequacy Ratio	20%	16%	17%	17%
Total Revenue	419	178	1,034	581
Total Expense	339	145	874	489
Profit Before Tax	80	33	160	92
Profit After Tax	52	22	104	61
Shareholder's Funds	956	421	903	399
Total Outside Liabilities	6,982	3,120	6,726	2,881
Total Assets	7,938	3,541	7,629	3,280

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

As on June 30, 2017, total holding in AAF by Muthoot Finance stood at 503 million equity shares representing 60% 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 17 branches across Sri Lanka. It has total staff strength of 449 currently. In 2015, it entered the space of Gold Loans with assistance of Muthoot Finance.

Key Financial Parameters

(LKR in millions)

	Q1 FY18	Q1 FY17	FY17	FY16
INR/LKR	0.41706	0.44908	0.42113	0.43691
No. of Branches	17	15	15	15
No. of Employees	449	393	448	358
Loan Portfolio	9,082	7,421	8,662	6,854
Capital Adequacy Ratio	21%	21%	19%	22%
Total Revenue	593	454	2,131	1,383
Total Expenses	520	387	1,815	1,174
Profit Before Tax	73	67	316	209
Profit After Tax	57	56	278	175
Shareholder's Funds	1,735	1,518	1,737	1,462
Total Outside Liabilities	8,828	7,477	8,290	6,653
Total Assets	10,563	8,995	10,027	8,115