



Muthoot Finance Limited

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Scrip Code: 533398
Symbol: MUTHOOTFIN

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May 18, 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 Audited Financial Results for the Quarter and Financial Year ended March 31, 2017

The Board of Directors at their meeting held on 18th May, 2017 has announced audited financial results for the quarter and financial year ended March 31, 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



Retail Loan Assets Under Management at Rs. 27278crs as on March 31, 2017

Total Income for FY17 at Rs. 5747crs

PAT increased y-o-y by 46% for FY17 at Rs. 1180crs

Branch Network of 4307 spread across 29 States including Union Territories

Kochi, May 18, 2017:

Muthoot Finance Ltd, the largest gold financing company in India in terms of loan portfolio, registered an increase in net profit of 46%, at Rs. 1180crs for the year ended March 31, 2017 as against Rs. 810 crs in the previous year. The netprofit for the quarter ended March 31, 2017increased by 22%, at Rs. 322crs as against Rs. 265crs last year. Retail loans registered an increase by Rs. 2899crs during the year FY 17 which is an increase of 12% as against 4% in the previous year. Retail Loan AUM stood at Rs. 27278crs at the end of March 31,2017.

During the year ,Company acquired 64.60% stake in equity share capital of M/s. Belstar Investment and Finance Private Limited (BIFPL) , an RBI registered micro finance NBFC . During the year, its loan portfolio grew by 114% at Rs. 567crs. It achieved a profit after tax of Rs.10crs during the year as against previous year profit after tax of Rs.6crs. Its Gross and Net NPA stood at 0.09% and 0.02% respectively as on March 31 ,2017.

During the year , Company acquired 100% stake in Muthoot Insurance Brokers Pvt Limited, an IRDA registered Direct Broker in insurance products .It generated a First year premium collection amounting to Rs. 70crs during FY17 as against Rs. 48 crs during previous year.

During the year , Company increased its shareholding in the housing finance company - Muthoot Homefin (India) Ltd from 79% to 88.27%.During theyear ,its loan portfolio increased by Rs. 409crs at Rs. 441crs. Total revenue for FY17 stood at Rs. 24crs as against previous year total revenue of Rs.2crs. It achieved a profit after tax of Rs. 2.87crs during the FY17 as against previous year profit after tax of Rs.1.36 lakhs.

During the year , Company increased its shareholding in the Sri Lankan subsidiary - Asia Asset Finance PLC. It increased its loan portfolio by 26% at LKR 866crs during the year. Total revenue for FY17 stood at LKR 213crs as against previous year total revenue of LKR 139crs. It generated a profit after tax of LKR 28crsduring the year as against previous year profit after tax of LKR 18 crs.

Commenting on the results M G George Muthoot, Chairman stated, "An economy which is raring to grow at a high pace powered by a stable government , strong positive sentiment and commitment for resolution of macro and micro issues , present tremendous opportunity for growth for the Group. Inspite of the challenges during last year, we could achieve 46% increase in profit after tax at Rs.1180crs . Retail loans increased by Rs. 2899crs during the year, an increase of 12% YoY"

Speaking on the occasion George Alexander Muthoot, Managing Director said, "Our subsidiaries today contribute about 5% of the Group assets. We are looking at increasing the share of subsidiaries to about 10% of the Group

assets in the coming year. Housing finance company has grown its loan portfolio to Rs.441crs and provides a good potential for growth in the affordable housing segment. The micro finance subsidiary which has a strong SHG model could increase its loan portfolio, during the year, by 114% at Rs.567crs. The NBFC in Sri Lanka has increased its loan portfolio by 26%. First Year Premium collections in the Insurance Broking subsidiary have increased by 46% at Rs.70crs."

Financial Highlights:

	FY17 (Rs.in Crs)	FY16 (Rs.in Crs)	YoY % change	Q4FY17 (Rs.in Crs)	Q4FY16 (Rs.in Crs)	Q4 YoY % change	Q3FY17 (Rs.in Crs)	Q2FY17 (Rs.in Crs)	Q1FY17 (Rs.in Crs.)
Total Income	5747	4875	18%	1713	1451	18%	1346	1386	1301
Profit Before Tax	1921	1317	46%	589	475	24%	446	462	424
Profit After Tax	1180	810	46%	322	265	22%	291	297	270
Earnings Per Share(Basic)	29.56	20.34	45%	8.06	6.67	21%	7.29	7.44	6.77
Retail Loan AUM	27278	24379	12%	27278	24379	12%	26962	27456	25860
Branches	4307	4275	1%	4307	4275	1%	4308	4327	4294

	FY17	FY16	Q4FY17	Q3FY17	Q2FY17	Q1FY17
Return on Average Retail Loans	4.47%	3.32%	4.75%	4.28%	4.45%	4.30%
Return on Average Equity	19.44%	15.13%	19.80%	18.37%	19.65%	18.78%
Book Value Per Share (Rs.)	162.98	140.72	162.98	162.15	154.97	147.51

	FY17	FY16	Q4FY17	Q3FY17	Q2FY17	Q1FY17
Capital Adequacy Ratio	24.88%	24.48%	24.88%	24.66%	23.67%	24.27%
Share Capital & Reserves (Rs. in Crs)	6516	5619	6516	6482	6189	5892

Business Highlights:

Particular	FY 17	FY 16	Growth (YoY)
Branch Network	4307	4275	1%
Gold Loan Outstanding (Rs Cr)	27220	24335	12%
Credit Losses (Rs. Cr)	16.54	10.72	54%
% of Credit Losses on Gross Retail Loan AUM	0.061%	0.04%	52%
Average Gold Loan per Branch(Rs. Cr)	6.32	5.69	11%
No. of Loan Accounts (in lakh)	73	66	11%
Total Weight of Gold Jewellery pledged (in tonnes)	149	142	5%
Average Loan Ticket Size	37186	36639	1%
No. of employees	24205	22781	6%

Other Highlights:

e-KYC



Company has started using e-KYC to comply with the KYC norms. It is a customer friendly and convenient digital KYC process based on Aadhaar with direct UIDAI link. This paperless and highly secure process enables faster loan processing and ensures 100% integrity in KYC verification. This has been introduced for the first time by a Gold Loan NBFC, with more than 50% adoption rate in the first roll out. Introducing e-Sign by March 2017.

Gold Cash Card (GCC) - DCB VISA



This is a unique concept of cashless loan disbursement introduced for the first time by a Gold Loan NBFC. Loan amount is loaded into a VISA card and given to the customer to be used as per their needs at any merchant outlets, for online/e-commerce shopping and at any VISA enabled PoS. It can also be used to draw cash from ATMs. Bank account is not required for the card issuance.

Direct Credit Facility



Electronic transfer of loan proceeds direct to the Customer's bank account through NEFT/RTGS/IMPS mode of bank transfer. Facilitates instant credit to bank account.

PoS Terminals



Card swiping machines installed at branches to facilitate cashless collection of interest. Accepts debit cards issued by banks and the swiping charges for interest payments is waived off.

ONLINE GOLD LOAN

Muthoot Online



Our online transaction platform – WebPay is available for customers to carry out all their Gold Loan related transactions from the comfort of their Laptop, Desktop, Phone, Tablet. This facility is available on our website online.muthootfinance.com

Mobile App



We have also developed a new **Mobile Application** called **iMuthoot** which allows customers to transact through their smartphones. This is a major step by Muthoot Finance towards a branch-less banking ecosystem for our customers. iMuthoot is available on Google Play for Android Phones & Apple Store for iPhones respectively. Existing customers can view their loan statement and balance before making transactions including Interest and Principal Repayments, Withdrawals, Top-up and Renewal of Loans from the convenience of their smartphones. New Customers can view our latest loan schemes, calculate the loan eligibility, locate branches and fix an appointments with a nearest branch and Apply for a Gold loan - all this from their smart phones. It is available in six languages to choose from.

Our CSR Initiatives:

Muthoot Snehasammanam 2017

Muthoot M George Foundation has launched "Muthoot Snehasammanam 2017" to honor artists, writers and their widows by providing monthly financial assistance. This initiative is a part of the Corporate Social Responsibility activities undertaken by the company. The first edition of Snehasammanam was launched in January 2015. 14 beneficiaries were then honored. In 2016, 12 more artists were honored. Muthoot Snehasammanam 2017 has honored 12 more thus bringing the total number of beneficiaries to 34. These beneficiaries belong to different backgrounds which specialize in their respective work segments namely writers, Music directors, Ganamela Artists, professional painters, etc. The initiative aims to help the upcoming generation of artists and writers who could get inspired and learn from the work of these professionals.



PadmasreeBalachandra Menon, Renowned Cine Artist handed over the Muthoot Snehasammanam 2017 cheque to Shri. SidharthVijayan, Music Director. Also seen in the picture (L-R) Shri. George Jacob Muthoot, Jt. Managing Director, Dr. John V George, Executive Vice President, Mr. John Mundakkayam, Bureau Chief (Trivandrum), MalayalaManorama.

Muthoot Finance YMCA Change Agent Programme

As part of CSR initiative, Muthoot Finance launched "Muthoot Finance YMCA Change Agent Programme" for the students of Government Schools. The project was focused on enhancing essential attributes/skills which will help students to groom into young confident personalities. 10,000 students from 32 schools in Ernakulam was covered under the training programme. From these, 250 students were identified for intensive training. These students will act as "Role Model" and inspire the rest of the students in their schools to become better, ideal and well-disciplined personalities.



The valedictory function of "Muthoot Finance YMCA Change Agent Programme" was inaugurated by Dr. J Latha, Vice Chancellor, Cusat along with Mr. George M Jacob, Director, The Muthoot Group. Mr. C A John Lukose, Former President & Chairman, Social Service Committee, Mr. K P Paulson, Vice President & Treasurer, Mr. Babu John Malayil, Deputy General Manager, Muthoot Finance Ltd., Mr. P. J Kuriachan, President, YMCA Ernakulam, Mr. N V Eldo, General Secretary, YMCA Ernakulam, were present on this occasion

Scholarship Launch – Kerala



The Muthoot M George Excellence award for 10th Standard toppers of all government schools (1066 schools) in Kerala was inaugurated and distributed by Mr. Hibi Eden, MLA along with Mr. George Alexander Muthoot, Managing Director, The Muthoot Group. The other officials present during this occasion include Mr. N. K Mohandas, BJP Ernakulam District President, Mr. George M Jacob, Director, The Muthoot Group, Mr. RajendranPuthiyedath, Asst. Editor, Mathrubhumi (Retd.), Ms. Lathika, DEO, Ernakulam, Ms. Nirmala Devi, DEO Aluva, Mr. K R Bijimon, Chief General Manager, Muthoot Finance Ltd., Mr Babu John Malayil, DGM Corporate Communications Muthoot Finance Ltd.

Scholarship Launch – Karnataka



The Muthoot M George Excellence award 2016 for 10th standard toppers of 400 Government schools in Karnataka was inaugurated and distributed by Mr. Srinivas Murthy A, MLA along with Mr. George M Alexander, Director, The Muthoot Group. The other officials present during this occasion include Mr Babu John Malayil, DGM Corporate Communications, Muthoot Finance Ltd, Mr. SobhitBhaskaran, Zonal Head, Muthoot Finance Ltd, Bangalore.

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 77 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

	FY17	FY16	Q4 FY 2017	Q3 FY 2017	Q2 FY17	Q1 FY17
First Year Premium Collection (Rs. In crs)	70	49	26	15	19	10
No. of Policies	566,282	458,652	176,929	114,133	139,008	136,212

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 March 31, 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 .

Recently ICRA assigned long term debt rating of ICRA AA- (Stable) for its bank limits which indicates "High degree of safety with regard to timely servicing of financial obligations and carry very low credit risk"

Key Financial Parameters

Particulars	(Rs. in millions)					
	FY 2017	FY 2016	Q4 FY 2017	Q3 FY 2017	Q2 FY 2017	Q1 FY 2017
No. of branches	9	2	9	8	8	2
No. of Sales Offices	110	0	110	110	39	39
No. of Employees	111	30	111	105	77	49
Loan Portfolio	4408	315	4408	2040	946	441
Capital Adequacy Ratio	36%	226%	36%	64%	115%	177%
Total Revenue	242	19	135	62	31	14
Total Expense	189	19	96	46	28	19
Profit Before Tax	53	-	39	16	3	(5)
Profit After Tax	29	-	21	9	3	(4)
Shareholder's Funds	882	569	882	860	851	564
Total Outside Liabilities	3,624	3	3,624	1,232	341	3
Total Assets	4,506	572	4,506	2,092	1,192	567

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 six 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 March 31, 2017, BIFPL operations are spread over five states and 1 UT (Tamil Nadu, Karnataka, Madhya Pradesh, Maharashtra, Kerala and Pondicherry). It has 155 branches, with 28 controlling regional offices and employing 1093 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	FY 2017	FY 2016	Q4 FY 2017	Q3 FY 2017	Q2 FY 2017	Q1 FY 2017
No. of branches	155	76	155	148	103	94
No. of Employees	1,093	561	1,093	1,008	828	705
Loan Portfolio	5,668	2,643	5,668	4,537	3,986	2,872
Capital Adequacy Ratio	17%	17%	17%	21%	21%	16%
Total Revenue	1,034	581	332	295	229	178
Total Expense	874	489	275	259	195	145
Profit Before Tax	160	92	57	36	34	33
Profit After Tax	104	61	37	23	22	22
Shareholder's Funds	903	399	903	866	843	421
Total Outside Liabilities	6,726	2,881	6,726	4,520	3,836	3,120
Total Assets	7,629	3,280	7,629	5,386	4,679	3,541

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

As on March 31, 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 15 branches across Sri Lanka. It has total staff strength of 448 currently. In 2015, it entered the space of Gold Loans with assistance of Muthoot Finance.

Key Financial Parameters

(LKR in millions)

	FY17	FY16	Q4 FY17	Q3 FY17	Q2 FY17	Q1 FY17
INR/LKR	0.42113	0.43691	0.42113	0.44929	0.44498	0.44908
No. of Branches	15	15	15	15	15	15
No. of Employees	448	358	448	433	410	393
Loan Portfolio	8,662	6,854	8,662	8,560	8,053	7,421
Capital Adequacy Ratio	19%	22%	19%	19%	20%	21%
Total Revenue	2,131	1,383	585	572	519	454
Total Expenses	1,815	1,174	493	482	452	387
Profit Before Tax	316	209	92	90	67	67
Profit After Tax	278	175	86	79	57	56
Shareholder's Funds	1,737	1,462	1,737	1,654	1,575	1,518
Total Outside Liabilities	8,290	6,653	8,290	8,205	8,147	7,477
Total Assets	10,027	8,115	10,027	9,859	9,722	8,995