



Muthoot Finance Limited

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Scrip Code: 533398
Symbol: MUTHOOTFIN

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November 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 and half year ended September 30, 2017

The Board of Directors at their meeting held on 08th November, 2017 has announced unaudited financial results for the quarter and half year ended September 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. 27608crs as on Sep 30, 2017

Total Income for Q2 FY18 at Rs. 1670crs

PAT increased y-o-y by 53% for Q2 FY18 at Rs. 454crs

Branch Network of 4287 spread across 29 States including Union Territories

Kochi, November 8, 2017:

Muthoot Finance Ltd, the largest gold financing company in India in terms of loan portfolio, registered an increase in net profit of 53%, at Rs. 454crs for Q2 FY18 as against Rs. 297crs in the previous year. The net profit for H1 FY18 stood at Rs.805crs an increase of 42% as against last year of Rs.567crs. Loan Assets stood at Rs. 27608crs at Sep 30, 2017 as against Rs.27852crs as at June 30 ,2017.

Muthoot Homefin (India) Ltd , the wholly owned subsidiary , increased its loan portfolio by Rs. 234crs at Rs. 830crs during the quarter. For H1 FY18 , loan portfolio grew by Rs.389crs. Total revenue for Q2 FY18 & H1 FY18 stood at Rs. 26crs & Rs. 45crs as against previous year total revenue of Rs.3cr & 5crs respectively. It achieved a net profit of Rs. 5crs & Rs.8crs in Q2 FY18 & H1 FY18 as against previous year quarterly profit of Rs.25lakhs and half year net loss of Rs.19 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 Q2 FY18 & H1 FY18 by 20% & 38% respectively reaching Rs. 797crs. It achieved a profit after tax of Rs.7crs & Rs.12crs during Q2 FY18 & H1 FY18 as against previous year profit after tax of Rs.2crs & Rs.4crs. Its Gross and Net NPA stood at 0.24% and 0.06% respectively as on Sep 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. 22crs & Rs.37crs during Q2 FY18 & H1 FY18 as against Rs. 19crs & Rs.29crs in the previous year respectively.

The Sri Lankan subsidiary - Asia Asset Finance PLC. where Muthoot Finance holds 60% stake , increased its loan portfolio during the quarter by 5% and for the half year by 10% at LKR 949crs. Total revenue for Q2 FY18 & H1 FY18 stood at LKR 64crs & LKR 123crs as against previous year total revenue of LKR 52crs & LKR 97crs. It generated a profit after tax of LKR 4crs & LKR 10crs during Q2 FY18 & H1 FY18 as against previous year profit after tax of LKR 6crs & LKR 11crs.

Commenting on the results M G George Muthoot, Chairman stated, "Another historic record performance with 53% increase in net profits at Rs.454crs. The performance again reiterates the robustness of collection mechanism followed by the Company while protecting customer interest."



Speaking on the occasion George Alexander Muthoot, Managing Director said, "Our subsidiaries have again shown an excellent performance . Muthoot Homefin (India) Limited has grown its loan portfolio by Rs.389crs for the half year reaching Rs.830crs. The micro finance subsidiary which has a strong SHG model increased its loan portfolio by 38% during the half year reaching Rs.797crs. The NBFC in Sri Lanka increased its loan portfolio by 10% during the half year. First Year Premium collections in the Insurance Broking subsidiary increased by 28% at Rs.29crs. The rise in NPA accounts in Muthoot Finance is mainly on account of more time given to customers for repayment on our shorter tenor loans of 6months which became NPA faster than our conventional loan tenor of 12months . Company has also increased standard asset provision to 1.25% higher than the regulatory requirement of 0.35%"

Financial Highlights:

	Q2 FY18 (Rs.in Crs)	Q1 FY18 (Rs.in Crs)	Q2 FY17 (Rs.in Crs)	YoY % Change	QoQ % Change	H1 FY18 (Rs.in Crs)	H1 FY17 (Rs.in Crs)	YoY % Change	FY17 (Rs.in Crs)
Total Income	1670	1399	1386	20%	19%	3068	2687	14%	5747
Profit Before Tax	753	552	462	63%	36%	1304	886	47%	1921
Profit After Tax	454	351	297	53%	29%	805	567	42%	1180
Earnings Per Share(Basic) Rs.	11.36	8.79	7.44	53%	29%	20.15	14.21	42%	29.56
Loan Assets	27608	27852	27456	1%	-1%	27608	27456	1%	27278
Branches	4287	4285	4327	-1%	0%	4287	4327	-1%	4307

	Q2 FY18	Q1 FY18	Q2 FY17	H1FY18	H1FY17	FY17
Return on Average Loan assets	6.54%	5.12%	4.45%	5.84%	4.38%	4.47%
Return on Average Equity	25.60%	20.98%	19.65%	23.27%	19.21%	19.44%
Book Value Per Share (Rs.)	183.16	171.76	154.97	183.16	154.97	162.98

	Q2 FY18	Q1 FY18	Q2 FY17	FY17
Capital Adequacy Ratio	26.49%	25.61%	23.67%	24.88%
Share Capital & Reserves (Rs. in Crs)	7324	6868	6189	6516

**Business Highlights:**

Particular	H1 FY 18	H1 FY 17	Growth (YoY)
Branch Network	4287	4327	-1%
Gold Loan Outstanding (Rs. in Cr)	27534	27398	0.5%
Credit Losses (Rs. in Cr)	7	3	133%
% of Credit Losses on Gross Loan Asset Under Management	0.026%	0.009%	189%
Average Gold Loan per Branch(Rs. In Cr)	6.42	6.33	1%
No. of Loan Accounts (in lakh)	75	72	4%
Total Weight of Gold Jewellery pledged (in tonnes)	152	149	2%
Average Loan Ticket Size	36777	38188	-4%
No. of employees	22756	23961	-5%



Our CSR Initiatives:

Muthoot Vivaha Sammanam Project

Muthoot M. George Foundation, the CSR arm of Muthoot Finance has provided financial assistance of Rs. 2 lakhs each to girls of widowed mothers selected from the districts of Alleppey & Pathanamthitta.



Muthoot Vivaha Sammanam project 2017 was inaugurated by Mr. Mathew T Thomas, Water Resources Minister, Kerala in the presence of His Grace Abraham Mar Epiphany Metropolitan, Mr. George Alexander Muthoot, Managing Director, The Muthoot Group, Mr. George Thomas Muthoot, Jt. Managing Director, The Muthoot Group, Dr. Georgie Kurien, Managing Director, Muthoot Healthcare, Mr. Benjamin, Novelist and Ms. Mini Shyam Mohan, President, Kozhencherry Grama Panchayath.

Muthoot Finance along with The Bombay YMCA organised Brainwaves 2017 competition

Muthoot Finance Ltd, along with The Bombay YMCA organised 'Brainwaves 2017' competition. The exclusive programme was conceived and conceptualized to bring out the best in students and to create a platform to enhance their personalities. 474 students from 16 schools participated in the competition that included Short Story Writing, Poster Painting, General Knowledge Contest, Elocution and Story Telling.

The winners were awarded with Rolling Trophies, cash prizes and a certificate. Maneckji Cooper Education Trust School won the Over All Trophy and Most Participation Trophy.



Brainwaves 2017 prize distribution ceremony took place in Smt. Jyotsna Harshad Valia Conference Hall, Valia College in the august presence of Mr. Ameet Bhaskar Satam, MLA of Andheri West, Mumbai, Mr. Eapen Alexander, Executive Director, The Muthoot Group, Mr. B. Venkat Ramana, Zonal Manager, Muthoot Finance Ltd., and Ms. Sudha Singh, Municipal Corporate, K-West Ward.

Muthoot M George Foundation felicitates 10th standard toppers of 400 government schools across Karnataka

Muthoot M George Foundation, the CSR wing of Muthoot Finance Ltd, felicitated 10th class topper students of 400 government-run schools in the State of Karnataka.

Each toppers received a cash prize of Rs. 3,000/- along with a certificate duly signed by State Education Officer along with Mr. George Alexander Muthoot, Chairman of Muthoot M George Foundation.



'Muthoot M George Excellence Awards 2017' for Karnataka was inaugurated by Mr. George Muthoot Alexander, Executive Director, The Muthoot Group. Mr Babu John Malayil, DGM, Corporate Communications, The Muthoot Group, Mr. Sobith Bhaskaran, Zonal Manager, Muthoot Finance Ltd, Bengaluru were present during the award function.



Muthoot Finance associated with Rally for Rivers, a campaign launched by Isha Foundation to create awareness on protecting rivers. Sadhguru, the founder of Isha Foundation, plans to create popular support and awareness for this urgent need and the Rally reached Kerala on 5th September, 2017.

MUTHOOT SKILL INDIA INITIATIVE

Muthoot Skill India project was launched on 17th July, 2017 in association with Centum Foundation, the CSR arm of Centum Learning, a Bharti Group company, to impart free of cost employability linked skill development training to the underprivileged youth in Haryana.

The first Muthoot Skill India Centre was also inaugurated on the same day in Tigaon Village of Faridabad. The center has been built in an area of over 4000 sq. ft. and is equipped with all state-of-the-art equipment required for conducting trainings.

Under the project, close to 400 youth and women in Tigaon will be imparted skill training across a variety of skills such as Call Centre Executives, Sewing Machine Operators, Beauticians, etc. On completion of training, they will also be offered employment opportunities as well as assistance in setting up their own businesses, thereby completing the cycle of sustainable development.

Situated in Faridabad, the industrial and commercial hub of Haryana, Tigaon is a small village having a population that dreams and aspires for a better tomorrow. Through the Muthoot Skill India Initiative, The Muthoot Group aims to help the youth in Tigaon fulfil their dreams and create successful realities.

Muthoot Skill India aims to make these individuals self-reliant as it will not only impart employable skills to them but also facilitate wage employment as well as self-employment. Those opting for self-employment will be assisted in starting their own businesses. The project also aims at encouraging entrepreneurship and thereby contributing in the national cause of make in India.



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

	Q2 FY18	Q1 FY18	Q2 FY17	H1 FY18	H1 FY17	FY17	FY16
First Year Premium Collection (Rs. In crs)	22	16	19	37	29	70	49
No. of Policies	216,428	216,301	139,008	432,729	275,220	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 wholly owned subsidiary of Muthoot Finance Limited.

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 which indicates "High degree of safety with regard to timely servicing of financial obligations and carry very low credit risk" and 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" from ICRA Ltd .

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

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

Particulars	Q2 FY 2018	Q1 FY 2018	Q2 FY 2017	H1 FY 2018	H1 FY 2017	FY 2017	FY 2016
No. of branches	14	11	8	14	8	9	2
No. of Sales Offices	110	110	39	110	39	110	0
No. of Employees	167	135	77	167	77	111	30
Loan Portfolio	8,296	5957	946	8,296	946	4408	315
Capital Adequacy Ratio	44%	27%	115%	44%	115%	36%	226%
Total Revenue	256	192	31	448	45	242	19
Total Expense	180	131	28	311	47	189	19
Profit Before Tax	76	61	3	137	(2)	53	-
Profit After Tax	45	37	2	82	(2)	29	-
Shareholder's Funds	1,963	918	851	1,963	851	882	569
Total Outside Liabilities	7,594	5,954	341	7,594	341	3,624	3
Total Assets	9,557	6,872	1,192	9,557	1,192	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 nine 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 September 30, 2017, BIFPL operations are spread over seven states and 1 UT (Tamil Nadu, Karnataka, Madhya Pradesh, Maharashtra, Kerala, Odisha, Chattisgarh and Pondicherry). It has 198 branches, with 32 controlling regional offices and employing 1383 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	Q2 FY 2018	Q1 FY 2018	Q2 FY 2017	H1 FY18	H1 FY17	FY 2017	FY 2016
No. of branches	198	172	103	198	103	155	76
No. of Employees	1,383	1,240	828	1,383	828	1,093	561
Loan Portfolio	7,733	6,285	3,986	7,733	3,986	5,668	2,643
Capital Adequacy Ratio	17%	20%	21%	17%	21%	17%	17%
Total Revenue	482	419	230	901	408	1,034	581
Total Expense	381	339	196	721	341	874	489
Profit Before Tax	101	80	34	180	67	160	92
Profit After Tax	66	52	22	118	44	104	61
Shareholder's Funds	1,009	956	843	1,009	843	903	399
Total Outside	8,147		3,836	8,147	3,836		2,881

Liabilities		6,982				6,726	
Total Assets	9,156	7,938	4,679	9,156	4,679	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 September 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 481 currently. In 2015, it entered the space of Gold Loans with assistance of Muthoot Finance.

Key Financial Parameters

(LKR in millions)

	Q2 FY18	Q1 FY18	Q2 FY17	H1 FY18	H1 FY17	FY17	FY16
INR/LKR	0.42313	0.41706	0.44498	0.42313	0.44498	0.42113	0.43691
No. of Branches	17	17	15	17	15	15	15
No. of Employees	481	449	410	481	410	448	358
Loan Portfolio	9,494	9,082	8,053	9,494	8,053	8,662	6,854
Capital Adequacy Ratio	20%	21%	20%	20%	20%	19%	22%
Total Revenue	638	593	519	1,231	973	2,131	1,383
Total Expenses	582	520	452	1,101	839	1,815	1,174
Profit Before Tax	57	73	67	130	134	316	209
Profit After Tax	40	57	57	96	113	278	175
Shareholder's Funds	1,775	1,735	1,575	1,775	1,575	1,737	1,462
Total Outside Liabilities	9,396	8,828	8,147	9,396	8,147	8,290	6,653
Total Assets	11,170	10,563	9,722	11,170	9,722	10,027	8,115