



Press Release

Muthoot Fincorp announces its 1st public issue of Secured, Redeemable Non-Convertible Debentures (NCDs)

- *Issue opens on July 3, 2014 and closes on Aug 4, 2014*

Kochi, July 1, 2014: Muthoot Fincorp Limited, the flagship company of the Muthoot Pappachan Group announcing the launch of its first public issue of Secured, Redeemable Non-Convertible Debentures (NCD), made an entry into debt capital market. The maiden NCD issue would have a face value of INR 1,000/- each aggregating up to INR 100 crores, with the option to retain oversubscription up to INR 100 crores thus aggregating to a total issue size of up to INR 200 crores.

Muthoot Fincorp Ltd., is one of the largest NBFCs in India, registered with the Reserve Bank of India. Muthoot Fincorp is a provider of mass finance in the form of gold loans. Decades of dedicated research and experience in rural strongholds have enabled the Company to provide quick and customized finance options and investment schemes for millions of customers who do not have access to mainstream commercial banks. Muthoot Fincorp is amongst the largest Gold Loan companies in India and has an average of 50,000 walk in customers per day. The company has a diverse mix of retail offerings catering to the various needs of its customers including Loan products, Money Transfer, Foreign Exchange, Insurance Services and Wealth Management Services.

In the recent past the Company has entered into a new business vertical with launch of its housing finance subsidiary – Muthoot Housing Finance Company Ltd (MHFL). MHFL caters mainly to the housing finance requirements of customers in the middle and lower income category. The Company offers housing loan, primarily to the people in the unorganised sector to make their dream of owning a home come true. Loan amounts range from Rs 3 lakhs to Rs 15 lakhs, with a loan repayment period upto 15 years and a loan to property value of upto 80%. MHFL offers loans for the purchase of ready property, house/flats under-construction, self-construction on own plot and home extension.

The Net worth of Muthoot Fincorp as on 31st March 2014 is Rs. 1249.85 crores and the Capital Adequacy Ratio of the company is 21.01%. The NCDs offer investors an opportunity to lock in at an attractive interest rate of between 10.75% to 12.00% p.a. depending on the monthly, annual and cumulative options, chosen by the investors. The NCD Issue which offers ten investment options and effective yield of up to 12.00% (per annum) closes August 4, 2014.

The face value of each NCD is INR 1,000/- and the minimum investment amount per application for all options of NCDs is INR 10,000/-. The NCDs are issued in both Physical and Demat formats (except for



cumulative interest option), with TDS not applicable on Demat formats. The funds raised through this Issue will be utilised by the Company for building up of loan portfolio.

Speaking on the occasion, **Mr. Thomas John Muthoot, Chairman and Managing Director, Muthoot Fincorp** said, “Given the government focus on the economy, which would now be growth oriented, we expect interest rates to come down over a period of next few quarters. Given this scenario, our NCD, with its attractive returns of up to 12%, offers a very attractive investment proposition for our retail investor base. Although we are a nation of savers, typical saving destination ends up in low return bank FDs or volatile Gold asset class and it is here that Muthoot Fincorp NCD issue offers value to investors looking for safety and attractive returns as well.”

The NCDs will be made available to the investors through the 3,831 Muthoot Fincorp Ltd branches across the country and at BSE. The NCDs proposed to be issued under this Issue have been rated ‘CRISIL A’ by CRISIL. The Lead Manager to the Issue is SMC Capitals Ltd.

There are ten investment options for secured NCDs:

Option I: Available in both Physical and Demat format, the maturity date is 24 months from the deemed date of allotment and the interest is payable monthly. The coupon rate and effective yield is 11.25% p.a.

Option II: Available in both Physical and Demat format, the maturity date is 36 months from the deemed date of allotment and the interest is payable monthly. The coupon rate and effective yield is 11.75% p.a.

Option III: Available in both Physical and Demat format, the maturity date is 60 months from the deemed date of allotment and the interest is payable monthly. The coupon rate and effective yield is 11.25 % p.a.

Option IV: Available in both Physical and Demat format, the maturity date is 24 months from the deemed date of allotment and the interest is payable annually. The coupon rate and effective yield is 11.75% p.a

Option V: Available in both Physical and Demat format, the maturity date is 36 months from the deemed date of allotment and the interest is payable annually. The coupon rate and effective yield is 12.00% p.a.

Option VI: Available in both Physical and Demat format, the maturity date is 60 months from the deemed date of allotment and the interest is payable annually. The coupon rate and effective yield is 11.75% p.a.

Option VII: Available in only Demat format, the maturity date is 400days from the deemed date of allotment and the effective yield is 10.75% p.a.

Option VIII: Available in only Demat format, the maturity date is 24 months from the deemed date of allotment and the effective yield is 11.75% p.a.

Option IX: Available in only Demat format, the maturity date is 36 months from the deemed date of allotment and the effective yield is 12.00% p.a.

Option X: Available in only Demat format, the maturity date is 60 months from the deemed date of allotment and effective yield is 11.75% p.a.



For the last 127 years, Muthoot Pappachan Group (MPG) has been providing solutions, services and expertise to lakhs of customers across the country in various domains like financial services, automotive, property, hospitality, and alternative energy.

Over the years Muthoot Pappachan Group has grown to become a significant entity in the Indian business landscape. Currently it has more than 20000 employees, serving over a million customers. MPG's customer-centric approach and innovation in terms of new products that cater to changing customer needs have helped in winning the loyalty of innumerable customers, as well as attracting new ones. Adapting the latest technology and new ways to serve the customers without compromising on basic principles and ethics, (practices it has been following since its inception), is the backbone of Muthoot Pappachan Group.

The Muthoot Pappachan Group firmly believes that financial inclusion of the economically weaker section of society is important for the socio-economic growth of the country. With that belief MPG launched Muthoot Mahila Mitra (MMM), a micro-finance offering that focuses on empowering women through financial literacy training. Muthoot Mahila Mitra follows the Joint Liability Group (JLG) model of micro-finance. Clients are organised in groups of five to ten women from economically weaker sections of society, living in rural, semi-urban areas or urban slums. Target clients are economically active women with regular cash flow through lawful, sustainable and stable economic activity. Under this program, each individual in a JLG is offered a loan between Rs 10,000 to Rs 15,000 depending on her repayment capacity, for a tenure of 52 weeks. MMM also fosters entrepreneurship skills among women and gives them basic financial literacy.

Muthoot Capital Services Ltd. (MCSL) is the first listed entity of Muthoot Pappachan Group. A Non Banking Financial Company (NBFC) listed on the Bombay Stock Exchange, MCSL offers loans for the purchase of vehicles with cost-effective, value-added services for the benefit of its customers. The Company is licensed by RBI to accept deposits and offers deposit products at attractive rates of interest for the domestic saver. MCSL is presently active in retail financing and caters to the requirements of borrowers both in rural and semi-urban areas. The Company's direct approach helps arrive at solutions that best suit the financial requirements of the applicants. The total number of two wheeler and three wheeler loans disbursed by the company so far in the last six years crossed 3,60,000 by 31.03.2014. The company is currently servicing more than 1,300 plus dealerships in seven states with a strong presence in Hero and Honda which together contribute 80% of the total business.

Armed with a commitment to society, the group set up the Muthoot Pappachan Foundation (MPF), a Public Charitable Trust – the CSR arm of the Muthoot Pappachan Group that has touched thousands of



lives through its diverse programmes. The CSR initiatives of Muthoot Pappachan Group revolve around the theme HEEL, covering Health, Education, Environment and Livelihood.

For further information please contact:

Ketchum Sampark

Tayyab Imadi | +91 99672 12492 | tayyab.imadi@ketchumsampark.com

Shruti Muddup | +91 98206 51056 | shruti.muddup@ketchumsampark.com