

Independent Auditors' Review Report

To:
The Board of Directors
Muthoot Finance Limited
Cochin - 682 108

We have reviewed the accompanying statement of unaudited financial results of **Muthoot Finance Limited** ('the Company') for the quarter and half year ended 30th September, 2014 ('the Statement'), being submitted by the Company pursuant to Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with the Accounting Standards issued under Companies (Accounting standard) Rules, 2006 which continue to apply as per Section 133 of the Companies Act 2013 read with rule 7 of the Companies (Accounts) Rules, 2014, and other recognised accounting practices and policies generally accepted in India has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement with the Stock Exchanges including the manner in which it is to be disclosed, or that it contains any material misstatement.



Place: **Kochi**
Date: **November 5, 2014**

For M/s Rangamani & Co
Chartered Accountants
(FRN: 003050 S)

R. Sreenivasan

R. Sreenivasan
Partner (M. No. 020566)

**Part I: Statement of Unaudited Financial Results for the Quarter & Six months ended
30th September 2014**

Particulars	Quarter ended			Year to date		Rs. in Lakhs
	30.09.2014 (Unaudited)	30.06.2014 (Unaudited)	30.09.2013 (Unaudited)	30.09.2014 (Unaudited)	30.09.2013 (Unaudited)	31.03.2014 (Audited)
Income from Operations	1,04,680.96	1,07,617.59	1,28,757.59	2,12,298.55	2,56,455.65	4,89,341.19
Other Operating Income	1,147.71	1,138.08	792.92	2,285.79	1,487.73	3,447.01
Total Income from Operations	1,05,828.67	1,08,755.67	1,29,550.51	2,14,584.34	2,57,943.38	4,92,788.20
Expenses						
Employee Benefits Expenses	15,763.37	15,232.90	14,414.31	30,996.27	28,498.85	59,171.22
Rent	4,121.97	4,021.37	3,828.41	8,143.34	7,392.47	15,417.04
Advertisement	1,441.61	1,531.25	1,947.53	2,972.86	3,649.13	7,021.58
Provisions & Write offs	405.07	798.49	809.80	1,203.56	1,657.33	4,380.87
Other Expenditure	5,465.87	4,740.91	5,445.04	10,206.78	10,456.10	22,052.44
Depreciation and Amortisation	2,114.73	2,032.87	1,165.02	4,147.60	2,233.94	4,746.15
Total Expenses	29,312.62	28,357.79	27,610.11	57,670.41	53,887.82	1,12,789.30
Profit from Operations before Other Income, Finance cost & Exceptional Items	76,516.05	80,397.88	1,01,940.40	1,56,913.93	2,04,055.56	3,79,998.90
Other Income	323.62	446.42	630.25	770.04	817.15	1,955.45
Profit from ordinary activities before Finance cost & Exceptional Items	76,839.67	80,844.30	1,02,570.65	1,57,683.97	2,04,872.71	3,81,954.35
Finance Cost	50,844.23	53,544.16	70,213.51	1,04,388.39	1,43,172.07	2,62,598.80
Profit from ordinary activities after Finance cost but before Exceptional Items	25,995.44	27,300.14	32,357.14	53,295.58	61,700.64	1,19,355.55
Exceptional Items	-	-	-	-	-	-
Profit from Ordinary Activities before tax	25,995.44	27,300.14	32,357.14	53,295.58	61,700.64	1,19,355.55
Tax expense (including deferred tax)	8,924.30	9,281.82	11,258.06	18,206.12	21,212.84	41,348.66
Net Profit from Ordinary Activities after tax	17,071.14	18,018.32	21,099.08	35,089.46	40,487.80	78,006.89
Extraordinary Items	-	-	-	-	-	-
Net Profit for the period	17,071.14	18,018.32	21,099.08	35,089.46	40,487.80	78,006.89
Equity share capital (Face value Rs.10 each)	39,706.38	39,706.38	37,171.28	39,706.38	37,171.28	37,171.28
Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year						3,89,286.34
a)Earnings Per Share(not annualised)(before extraordinary Items)						
Basic	4.30	4.63	5.67	8.93	10.89	20.99
Diluted	4.25	4.60	5.67	8.85	10.89	20.99
b)Earnings Per Share(not annualised)(after extraordinary Items)						
Basic	4.30	4.63	5.67	8.93	10.89	20.99
Diluted	4.25	4.60	5.67	8.85	10.89	20.99



PART II: Select information for the Quarter & Six months ended 30th September 2014

A. Particulars of Shareholding	Quarter ended			Year to date		Year Ended
	30.09.2014	30.06.2014	30.09.2013	30.09.2014	30.09.2013	31.03.2014
Public shareholding						
Number of shares	9,92,65,958	9,92,65,958	7,39,14,896	9,92,65,958	7,39,14,896	7,39,14,896
Percentage of shareholding	25.00%	25.00%	19.88%	25.00%	19.88%	19.88%
Promoters and Promoter Group Shareholding						
a) Pledged / Encumbered						
Number of shares						
Percentage of shares (as a % of the total shareholding of promoter and promoter group)						
Percentage of shares (as a % of the total share capital of the company)			Nil			
b) Non - encumbered						
Number of shares	29,77,97,872	29,77,97,872	29,77,97,872	29,77,97,872	29,77,97,872	29,77,97,872
Percentage of shares (as a % of the total shareholding of the Promoter and Promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Percentage of shares (as a % of the total share capital of the company)	75.00%	75.00%	80.12%	75.00%	80.12%	80.12%

B. Investor Complaints	3 months ended 30.09.2014
Pending at the beginning of the quarter	
Received during the quarter	Nil
Disposed off during the quarter	5
Remaining unresolved at the end of the quarter	5
	Nil



MUTHOOT FINANCE LIMITED

Registered and Corporate Office: Muthoot Chambers,
Opposite Saritha Theatre Complex, 2nd Floor, Banerji Road, Kochi 682 018, India.

CIN No. L65910KL1997PLC011300

Ph .No. 0484 2396478, Fax No. 0484 2396506, Website : www.muthootfinance.com, Email id: cs@muthootgroup.com

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SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

	Quarter ended			Year to date		Rs. in Lakhs
	30.09.2014	30.06.2014	30.09.2013	30.09.2014	30.09.2013	Year Ended
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1 Segment Revenue:						
Financing	1,05,733.58	1,08,719.43	1,29,490.87	2,14,453.01	2,57,827.64	4,92,651.16
Power Generation	95.09	36.24	59.64	131.33	115.74	137.04
Total Revenue	1,05,828.67	1,08,755.67	1,29,550.51	2,14,584.34	2,57,943.38	4,92,788.20
2 Segment Result:						
Financing	26,081.97	27,315.99	32,192.37	53,397.96	61,798.82	1,19,325.48
Power Generation	73.78	22.47	22.63	96.25	56.30	29.10
Unallocated corporate income	323.62	446.42	630.25	770.04	817.15	1,955.45
Unallocated corporate expenses	(483.93)	(484.74)	(488.11)	(968.67)	(971.63)	(1,954.48)
Profit Before Tax	25,995.44	27,300.14	32,357.14	53,295.58	61,700.64	1,19,355.55
Tax expense (including deferred tax)	8,924.30	9,281.82	11,258.06	18,206.12	21,212.84	41,348.66
Profit after Tax	17,071.14	18,018.32	21,099.08	35,089.46	40,487.80	78,006.89
3 Capital Employed						
Financing	5,00,470.82	4,54,372.16	4,14,953.32	5,00,470.82	4,14,953.32	4,27,656.38
Power Generation	505.31	393.93	457.86	505.31	457.86	381.80
Unallocated Corporate Assets/(Liabilities)	(15,957.96)	31,421.56	(14,413.41)	(15,957.96)	(14,413.41)	(1,580.56)
Total	4,85,018.17	4,86,187.65	4,00,997.77	4,85,018.17	4,00,997.77	4,26,457.62





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STATEMENT OF ASSETS AND LIABILITIES AS AT 30TH SEPTEMBER 2014

Particulars	Rs. in Lakhs	
	As at September 30, 2014 (Unaudited)	As at March 31, 2014 (Audited)
A EQUITY AND LIABILITIES		
1 Shareholders' funds		
(a) Share capital	39,706.38	37,171.28
(b) Reserves and surplus	4,45,311.79	3,89,286.34
Sub Total Shareholders' Funds	4,85,018.17	4,26,457.62
2 Non-current liabilities		
(a) Long-term borrowings	7,52,822.93	6,90,460.32
(b) Other Long term liabilities	1,04,918.87	89,750.81
(c) Long term Provisions	214.94	187.33
Sub Total Non-current Liabilities	8,57,956.74	7,80,398.46
3 Current liabilities		
(a) Short-term borrowings	6,72,558.18	6,06,428.67
(b) Trade Payables & Other current liabilities	6,07,839.39	7,24,318.71
(c) Short-term provisions	19,055.30	21,783.94
Sub Total Current Liabilities	12,99,452.87	13,52,531.32
TOTAL -EQUITIES AND LIABILITIES	26,42,427.78	25,59,387.40
B ASSETS		
1 Non-current assets		
(a) Fixed assets		
(i) Tangible assets	28,458.73	31,197.48
(ii) Intangible assets	593.23	60.66
(iii) Capital work-in-progress	660.68	837.85
(iv) Intangible assets under development	-	602.67
(b) Non-current investments	1,895.01	467.50
(c) Deferred tax assets (net)	2,853.72	2,104.71
(d) Long-term loans and advances	10,261.02	10,194.52
Sub Total Non-current Assets	44,722.39	45,465.39
2 Current assets		
(a) Current investments	-	3,070.00
(b) Trade receivables	1,25,540.08	1,16,396.80
(c) Cash and Bank Balances	2,88,485.08	2,04,892.68
(d) Short-term loans and advances	21,83,404.26	21,89,448.96
(e) Other current assets	275.97	113.57
Sub Total Current Assets	25,97,705.39	25,13,922.01
TOTAL - ASSETS	26,42,427.78	25,59,387.40



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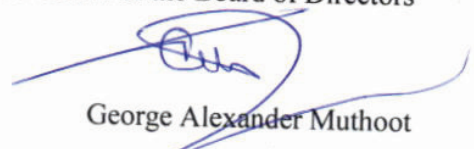


Notes:

1. The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on 5th November, 2014. The above results have been subject to a Limited Review by the Statutory Auditors of the Company.
2. The Board has declared first interim dividend for the year 2014-15 at the rate of Rs.4/- per share (40% of face value of Rs.10 each per share) at their meeting held on September 30th 2014.
3. During the quarter, the company acquired 167,785,600 existing equity shares of Asia Asset Finance PLC Colombo (AAF), for a consideration of Rs 1,427.51 lakhs (including related costs) representing 29.98 % of the total capital of AAF. Subsequent to September 30, 2014 , the company further acquired 204,167,027 equity shares taking the total holdings to 44.32% of the total number of equity shares of AAF.
4. During the quarter, in accordance with the "Muthoot ESOP 2013" scheme, the Company has granted 8,43,000 options to the employees as approved by the ESOP Committee of Board of Directors in their meeting held on 8th July 2014.
5. The Company has recomputed depreciation based on the useful life of the assets as prescribed in Schedule II of the Companies Act, 2013. This has resulted in additional charge of depreciation of Rs 1,771.18 lakhs for the half year ended September 30 2014. Further as per the transitional provisions, the Company has adjusted Rs.240.75 lakhs (net of deferred tax) in the opening balance of Reserves and Surplus.
6. The working results have been arrived at after considering provisions for standard assets and non-performing assets as per RBI guidelines, depreciation on fixed assets and other usual and necessary provisions.
7. The Company operates in two segments – Financing and Power Generation. These segments have been identified in line with the Accounting Standard on Segment Reporting (AS 17).
8. Previous period/year figures have been regrouped / reclassified wherever necessary to conform to current period/year presentation.

For and on behalf of the Board of Directors




George Alexander Muthoot
Managing Director

Kochi
05.11.2014