

16 December, 2011
Public Issue of Secured Non-Convertible Debentures by Muthoot Finance Ltd
Issue details:

Issuer/ Borrower	Muthoot Finance Ltd.
Issue Open	December 22, 2011
Issue Close	January 07, 2012
Issue Size	Rs 3000 Million with an option to retain over subscription up to Rs 3000 Million
Nature of Instrument	Secured, Redeemable, Non-Convertible Debentures
Credit Rating	'AA- /Stable' by CRISIL 'AA-/Stable' by ICRA
Security	First pari passu charge on the identified immovable property and a first pari passu charge on current assets, book debts, loans and advances, and receivables including gold loan receivables, both present and future.
Allocation	Institutional- Up to 20% Non- Institutional- Up to 40% Retail- Up to 40%
Instrument Form	Only Demat
Face Value	Rs. 1,000
Market Lot	One NCD
Listing	BSE
Registrar	Link In Time India Pvt Ltd
Lead Managers	ICICI Securities Ltd, A.K Capital Services Ltd, HDFC Bank Ltd, Karvy Investor Services Ltd
Co-Lead Managers	RR Investors Capital Services Limited, SMC Capitals Ltd
Bankers to The Issue	HDFC Bank, IDBI Bank, ICICI Bank, IndusInd Bank, Axis Bank, Dhanlakshmi Bank
Depositories	NSDL & CDSL
Trustees	IDBI Trusteeship Services Ltd

Brief Introduction of the company:

- With a rich Heritage of over 72 years Muthoot finance has since then broadened the scale and geographic scope of retail lending to become the largest provider of Gold Loan as on March 2010.
- Revenues from gold loans contribute 99% of the total income. Average Gold loan amount outstanding is around Rs. 37000, with total Gold loans under management of Rs. 20766 Crores as of 30th Sep 2011. Approximately 129.5 tons of gold jewellery is held as security for gold loans for the same period.
- Total income as on 31st march 2011 was Rs. 2315 Crores exhibiting growth of 112.59% over previous year. Profit after tax of Rs. 494 Crores exhibited growth of 116.25% over previous year.
- Apart from Gold loan Muthoot finance also provides money transfer services & collection agency services and are currently operating three windmills in the state of Tamil Nadu.

**Double your Investment
in 5 ½ Years***

*Refer Option IV of NCD

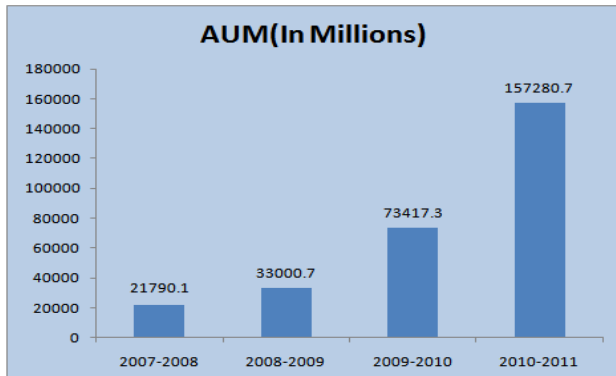
Comparison between NCD and Bank FD:

Parameters	NCD	Bank FD
Tenure	3 and 5 Years	1 Years - 5 Years
Safety	Secured rated paper AA- with cover on the assets of the company	Unsecured with no charge on the assets of the company. Up to 1 Lakh is guaranteed in case of default.
Yield/ Interest Rate	12.75%	9.00% -10.50%
Credit Ratings	"AA-" by CRISIL & ICRA	Un rated
Tax Deducted at Source	No	Yes
Post Tax (30.9% bracket)	8.92%	6.21 - 7.25%
Liquidity	Listed on the NSE and can be exited out anytime	Possibility of withdrawal with premature penalty of 1% - 2%

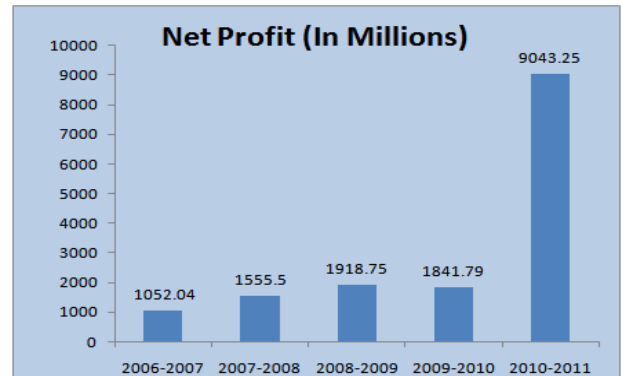
Cheque/DD's to be drawn in favour of "Escrow Account Muthoot Finance NCD Public Issue" and crossed A/C Payee.



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Financial Analysis:


Total AUM of the company increased from Rs.21790.1 Millions in 2008 to Rs.157280.7 Millions in 2011



Net Profit of the company increased from 1052.04 Millions in 2007 to 9043.25 Millions in 2011

The issue

Options	I	II	III	IV
Tenor	24 months	36 months	60 months	66 months
Frequency of Interest Payment	Annual	Annual	Annual	Cumulative
Minimum Application	5,000 (5 NCDs) (for all options of NCDs, namely Options I, Option II, Option III, and Option IV either taken individually or collectively)			
In Multiples of	Rs. 1000(1NCD)	Rs. 1000(1NCD)	Rs. 1000(1NCD)	Rs. 1000(1NCD)
Face Value of NCDs	Rs. 1,000	Rs. 1,000	Rs. 1,000	Rs. 1,000
Issue Price (Rs./ NCD)	Rs. 1,000	Rs. 1,000	Rs. 1,000	Rs. 1,000
	Coupon Rate (%)			
Institutional	13.00%	13.25%	13.25%	NA
Non Institutional	13.00%	13.25%	13.25%	NA
Retail	13.00%	13.25%	13.25%	NA
	Effective Yield % (pa)			
Institutional	13.00%	13.25%	13.25%	13.43%
Non Institutional	13.00%	13.25%	13.25%	13.43%
Retail	13.00%	13.25%	13.25%	13.43%
Redemption amount (per NCD)	Face Value plus accrued interest at redemption date	Face Value plus accrued interest at redemption date	Face Value plus accrued interest at redemption date	Rs. 2,000
Deemed Date of Allotment	Deemed date of allotment shall be the date as decided by the duly authorised committee of the Board constituted by resolution of the Board dated July 25, 2011, and as mentioned on the Allotment Advice / regret.			

Who Cannot Apply?

Public Financial Institutions, Banks, Provident / Pension funds & QIB's
Resident Individuals, HUF's through its Karta

IMPORTANT: Please read the Prospectus of this issue carefully before investing in the same.

Disclaimer

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