



From the Chairman's Desk



Looking back on 365 days of opportunity

As another momentous year for the Muthoot Group draws to a close, retrospection is inevitable. For us, 2012 has been a year of growth driven by a customer-centric approach. Besides emphasizing the need to improve our quality of service and build stronger relationships with customers, we have demonstrated unwavering commitment to our guiding principles.

In this regard, it gives me great pleasure to inform you that Muthoot Finance has applied to the Reserve Bank of India for a license to establish 9000 White Label ATMs across the country, within a period of 3 years. White Label ATMs will extend basic banking services, including cash withdrawals, to debit/credit/prepaid card customers of Indian banks, at convenient locations.

In addition to new business development, Muthoot Finance, the largest gold financing company in India in terms of loan portfolio, registered a growth of 27% in net profit, to the tune of ₹ 514 crore, for the half year ended September 30, 2012. The profit

for the same period in the previous fiscal stood at ₹ 406 crore. For the quarter ended September 30, 2012, the company registered a growth of 25% in net profits, at ₹ 268 crore, against the ₹ 215 crore recorded the previous year for that quarter. The total income for HY1 of FY2013 stood at ₹ 2610 crore, when compared to ₹ 2024 crore in H1 FY12, a growth of 29%.

The half year gone by has been extremely challenging for Gold Loan NBFCs, owing to the unequal playing ground created by the 60% LTV cap made applicable only to NBFCs. As a result of negative perceptions, borrowing cost grew considerably while asset growth decelerated. However, Muthoot Finance has been able to improve its profitability metrics through ingenious funds management and control of costs. We are confident of retaining our profitability and registering handsome portfolio growth in the coming half year through customized portfolio restructuring and geographic expansion.

Also, the Board, in its meeting held on 29 October 2012, has decided to raise public shareholding to 25% from 19.88%, in order to satisfy the SEBI minimum public holding stipulation, by May 2014.

To render valuable service to Indian citizens, Muthoot Finance has tied up with the Pension Fund Regulatory and Development Authority to offer a 'National Pension Scheme'. With a pan India network of nearly over 4000 branches in both urban and rural areas, Muthoot Finance is the only NBFC in Kerala approved by the PFRDA to act as a service provider for the pension plan.

As you have seen, 2012 has been a year of endeavour, characterized by the determination to make the most of every opportunity that has come our way. With the blessings of the Almighty, let us pledge to go one step further in 2013.

I wish you the merriest Christmas and a prosperous New Year!

Chairman

M.G. George Muthoot

Golden Peacock Award for 'Excellence in Corporate Governance'



Muthoot Finance Ltd. has been honoured with the Golden Peacock Award for 'Excellence in Corporate Governance' for the year 2012 in London. This award has added another feather to Muthoot Group's cap by giving the company a global recognition in the field of Corporate Governance. (L-R)- Mr. M.G. George Muthoot, Rt Hon Eric Pickles MP, Mr. Ola Ullsten, Mr. Alexander George Muthoot & Lt Gen J S Ahluwalia.

Asian Sustainability Leadership Award & Asian BFSI Award



Muthoot Finance Ltd. received the 'Asian Sustainability Leadership Award for Best Rural Outreach' and 'Asian BFSI Award for Most Admired Loyalty Program' at a glittering ceremony at Taj Palace Hotel, Dubai. Mr. George Jacob Muthoot, Jt. Managing Director, The Muthoot Group received the Award on behalf of the company. The award was conferred by H. E.

Dr. Chea Chamroeun, Founder & President, Chamroeun University of Poly Technology (Cambodia) and Prof. Chetan Wakalkar, Group Director, Indra Group of Institutes (India).

Muthoot Wealth Management Services North Offsite held at Manesar, Gurgaon, Haryana on 05/10/2012 & 06/10/2012



Muthoot Wealth Management Services North Team with Mr. M.G. George Muthoot - Chairman & Mr. Alexander George Muthoot - Director.



Best Team North, Kolkata receiving the Trophy from Mr. M.G. George Muthoot - Chairman & Mr. Alexander George Muthoot - Director.



Mr. M.G. George Muthoot - Chairman, Mr. Alexander George Muthoot - Director, Mr. Balbir Chand Sagar - General Manager (C&O) & Mr. Thomas P Rajan - Senior Vice President addressing the team.

Muthoot Finance applied for White Label ATM License

With a view to enhance the brand image, increase the business volume and diversify our activities we have applied to RBI for license to set up a WLA network. We propose to install 9000 ATMs in next 3 years.

White Label ATMs (WLAs) are those ATMs set up, owned and operated by Non Banking entities as an enterprise. These ATMs do not display logo of any Bank and they will serve the customers of all the banks. These WLAs will be interconnected with the entire ATM network in the country and the customers of all banks can transact permitted business with the cards issued by their bankers through the White Label ATMs.

Branch Anniversary



Branch Anniversary celebration of Cooke Town branch under Bangalore North region

St. George's School Alumni Meet



To celebrate the completion of 50 glorious years in the field of Education, St. George's School hosted an Alumni Meet on the theme of 'Relive The Legacy'. The event, anchored by Monty Singh highlighted the journey of school from inception till date had laser shows, sky lanterns among others.

Gem of India Gold Medal



Dr. Sara George Muthoot, Principal, St. George's School was honoured with the Gem of India Gold Medal for her exemplary contribution in the field of education at the Global Achievers Conclave at House of Lords, UK.

Spark of Excellence Award



His Grace Dr. Youhanon Mar Demetrios, the 3rd Metropolitan of Malankara Orthodox Syrian Church (Delhi Diocese) conferred Dr. Sara George Muthoot, Principal, St. George's School with 'Spark of Excellence Award' for her outstanding contribution in the field of Education at a glittering ceremony at St. Paul's School, Hauz Khas, New Delhi. The award has been instituted by the Orthodox Christian Youth Movement (OCYM), the youth wing of the Malankara Orthodox Church, Delhi Diocese.

Mental Health Day



In association with Indian Psychiatric Society (Kerala), Muthoot Medical Centre, Kozhencherry celebrated Mental Health Day on 17 October 2012. Shri. P.C. Vishnunath, MLA inaugurated the function along with Dr. Roy Abraham Kallivayalil (National President, IPS, Prof. & HOD of Psychiatry Pushpagiri Medical College, Thiruvalla) and Dr. Georgie Kurian Muthoot (Executive Director, Muthoot Health Care Division).

Infection Prevention Week



Infection Prevention Week was conducted at Muthoot Medical Centre Kozhencherry from 22nd to 27th October. The theme was **"Spread Knowledge, Not Infection"** The program was inaugurated by Dr. Samuel Joseph, (Medical Superintendent, Muthoot Medical Centre Kozhencherry) and Mrs. Bobby Ramesh (Chief Nursing Officer, Muthoot Hospital, Pathanamthitta).

World AIDS Day



In association with Poyanil Hospital Kozhencherry and Indian Medical Association, Muthoot Medical Centre Kozhencherry conducted World AIDS Day rally on 1 December 2012. Kozhencherry Circle Inspector Mr. Zacharia Mathew flagged off the rally.

Officials Meet

Investors meet

As part of its ongoing investment awareness programme, The Muthoot Group in association with the National Stock Exchange of India conducted an Investors Meet on 'Equity & Debt Market' at EROS (Hilton Hotels & Resorts), New Delhi.



(L-R): Mr. Tanuj Mishra (Manager-CRM (Delhi), National Stock Exchange), Mr. George M Alexander (Director, Muthoot Group) and Mr. Ragesh G R (Director & CFO, Muthoot Securities Ltd.)

Church Officials visit



H.H Baselios Mar Thoma Paulose – II (The Catholicos and Malankara Metropolitan), His Grace Dr. Youhanon Mar Demetrios (the 3rd Metropolitan of Malankara Orthodox Syrian Church) and senior officials of Malankara Orthodox Syrian Church Diocese – Delhi visited the Corporate Office – North and blessed the organization and all the staffs.

Meeting with the President of India



H.H Baselios Mar Thoma Paulose – II, The Catholicos and Malankara Metropolitan and senior officials of Malankara Orthodox Syrian Church Diocese – Delhi centre met & presented President Shri. Pranab Mukherjee with a memento at Rashtrapati Bhavan, New Delhi.

Staff Meet- Ascension 2012



'Ascension-2012', an internal get-together of Muthoot Vehicle Finance Ltd. (MVFL) staff was held on 11 November 2012 at The Fern, Hotel Bluemonde, Cochin. Mr. George Alexander Muthoot (Managing Director), Mr. K.P. Padmakumar (Executive Director) and Mr. Eapen Alexander (Director) were present on the occasion. Staff members presented musical and entertainment programme.



Team Tripunithura receiving best performance award for resource mobilization from the Managing Director.

Muthoot Travelsmart launches its website

Muthoot Travelsmart proudly launches www.muthoottravelsmart.in website. Designed exclusively for the services of Travelsmart, the website enables to search, inquire and book the travel preferences with ease. The application being user friendly is simple and easy to understand. It provides detailed list of the Products & Services of Muthoot Travelsmart.

CSR Initiatives

Paul George Memorial Tournament



As part of its vision to constantly give back to the community by identifying talent and facilitating growth in many fields, The Muthoot Group presented Paul George Memorial Tournament, a sports platform for the government school students who have been unable to get an opportunity to showcase their cricket talent.

Constituted in the memoriam of our beloved Executive Director, Late Shri Paul M George, the 11 day Under-16 Twenty-Two cricket tournament was held from October 17, 2012 to October 27, 2012 at St. George's School, Alaknanda, New Delhi.

Dr. Smt. Kiran Walia, Hon'ble Minister for Education, Social Welfare, Women and Child Development & Languages was the Chief Guest on the Grande Finale of the tournament held on October 27, 2012. Present on the occasion were Shri.

Shammi Narang (renowned voice over artist and former Doordarshan anchor), Shri. M.G. George Muthoot (Chairman, Muthoot Group), Mr. Alexander George Muthoot (Director-Muthoot Group), Dr. Sara George Muthoot (Principal, St. George's School), Mrs. Mihika Mathew Alexander (VP-Operations, St. George's School), renowned cricket coach Udey Gupte, Ms. Ritu Sidana (Administrator – Sports Academy) and other dignitaries. Shri. Yashpal Sharma (renowned former cricketer and former national selector) was the Chief Guest on the inaugural day of the tournament.

Highlights of Paul George Memorial Tournament:

- 128 students from 8 Delhi Government schools participated in the tournament.
- 8 Most Valued Players selected from the 8 teams during the Tournament are being trained at the St. George's Sports Academy for a year without any fee.
- Winning prize of ₹ 50,000 to the winning team and ₹ 25,000 to the runner's up team was given.
- Educational Scholarship of ₹ 10,000 to the best player from each team was given.
- Two other best players from each team were selected as the ball boy for the Delhi Daredevils home matches in the IPL season VI.
- Original Delhi Daredevils key players autographed cricket bat was given to the winning team.
- Trophies were given to Man of the Match in each game, All Rounder, Best Batsman & Best Bowler.



Muthoot M George Foundation (MMGF) distributed Sewing Machine to Mr. Benny A.J., Chugathara.



Perala Branch Manager handed over the MMGF financial help to Mr. G Narendra for his Educational Expenses.



Chinnarayapatna Branch Manager handed over the MMGF financial help to the beneficiaries.



MMGF distributed bed sheets to the poor patients of Palliative Care Unit, Vellamunda on 2 October 2012.



Mr. Babu John Malayil, Asst. General Manager, Corporate Communications distributed piggy banks to St. Francis UP School, Amballoor to encourage students to learn the habit of savings.

Events

Delhi Dental Show



Muthoot Group participated and organized a treasure hunt activity at the three-day dental exhibition. We received active participation from the dental fraternity and apprised them on the varied Muthoot Group products. Winners of the treasure hunt were awarded with Muthoot Gold Coins.

Bumper Tambola Contest @ Arun Vihar Club



A nouveau initiative by The Muthoot Group, this event was held for the Army & Air Force officials at Arun Vihar Club, New Delhi. The participants were introduced to the varied products offered by Muthoot Group. To further motivate the participants, a lucky draw contest was held where the winner was awarded with a Muthoot gift hamper.

Treasure Hunt Activity @ Mandakini



A Treasure Hunt Activity was also organised for the residents of Mandakini Enclave, New Delhi. Through this activity, the participants were introduced to the varied products offered by The Muthoot Group. Mr. Sachdeva, President of Mandakini Enclave won 20 gm silver coin which he presented to the youngest girl present in the activity. The second winner was Mrs. Somya Gupta who gave her 0.5 gm Gold coin to her son.

Diwali Celebration at Corporate office North



Mr. M.G. George Muthoot (Chairman, The Muthoot Group) lighting a firecracker with the support of Mr. Avinav Chaubey (AGM- Marketing).

Muthoot Daredevils wins NCL KERALA – 2012



NCL KERALA – 2012, the first ever 'NSE Champions League T 10 Cricket Tournament' was conducted by the National Stock Exchange of India Ltd. All the twelve prominent broking companies from Kerala participated in this tournament that was held at Sacred Heart College Ground, Thevara from 3rd to 4th November 2012. Muthoot Securities Cricket team christened as 'MUTHOOT DAREDEVILS' won the tournament and will now be seen playing for the South Zone Tournament at Chennai. Mr. P. Balachandran, eminent cricket personality of Kerala was the Chief Guest for the final match of the tournament and distributed Trophy and medals to the players.



Mr. Venu R., Captain of MUTHOOT DAREDEVILS receiving 'WINNER NCL KERALA -2012' Trophy from Mr. P. Balachandran.

CO (N) Marketing Team Initiative



A friendly staff cricket match was played between Muthoot Group and St. George's School at the school grounds. St. George's School staff team won by 7 wickets.

Sr. Management Interaction with employees

All staff Meeting conducted at



Hubli



Goa



Hyderabad & Secunderabad

Forging Ahead



Half yearly review meeting of Senior Officials of Corporate Office was conducted at Hotel Crown Plaza, Cochin on 17 November 2012.

MPMC ANNUAL MEET IGNITE - 2013

It only takes a SPARK to Ignite

Muthoot Precious Metals Corporation conducted their annual Meet - Ignite 2013 at Pride Emerald Island Resort, Cherthala, Kerala.



Mr. George Alexander Muthoot, Managing Director, The Muthoot Group & Mr. P.E. Mathai, CEO, MPMC along with MPMC team members.

Q2 Result 2012-2013

Muthoot Finance Directors announcing the Q2 result for the year 2012-2013.



(L-R): Mr. Oommen K Mammen (CFO), Mr. George Jacob Muthoot (Jt. Managing Director), Mr. K.P. Padmakumar (Executive Director), Mr. M.G. George Muthoot (Chairman), Mr. George Alexander Muthoot (Managing Director), Mr. George Joseph (Director), Mr. George Varghese (Director), Mr. George Thomas Muthoot (Jt. Managing Director) and Justice K. John Mathew (Director).

- Retail Loan Assets under Management ₹ 23743 crores (YoY increase of 13%).
- Profit after tax ₹ 514 crores (YoY increase of 27%).
- Earnings per share ₹ 13.83 (YoY increase of 23%)
- Income from Operations ₹ 2610 crores (YoY increase of 29%).

Muthoot Finance to offer 'National Pension Scheme'

Muthoot Finance Ltd. has entered into a tie up with Pension Fund Regulatory and Development Authority (PFRDA) a Government of India autonomous body. With this tie up Muthoot Finance would be offering a pension scheme to the citizens of India. The scheme, which is titled 'National Pension Scheme' (NPS), makes Muthoot Finance the only NBFC in Kerala to be approved by the PFRDA to act as a service provider for the pension plan.

The scheme extends on voluntary basis to all citizens of India and would also include workers of unorganized sectors as well. The core aim of the National Pension Scheme (NPS) is to promote the old age income security of the people.

The salient features of this scheme are that it is open to the Indian citizens between the ages of 18 – 60 years. The minimum amount of subscription is ₹ 500/- per month with an option for the investors to choose any growth scheme (i.e. active and auto choice).

This scheme assures regular monthly pension on attaining

the age of sixty and tax benefits up to 10% of individual's salary (basic + DA) under section 80CCD(2) over and above the present limit of ₹ 1,00,000. The scheme also has lumpsum repayment of funds upto 60% of the balance outstanding in the a/c on attaining the age of 60.

Mega Gold Loan winner



Muthoot Finance conducted Mega Gold Loan festival for its Gold Loan Customers. The Monthly bumper prize was won by Mr. Kalesha from Kancheepuram, TN. Muthoot Finance Managing Director Mr. George Alexander Muthoot handed over

the key to the winner. Muthoot Finance Chief General Manager Mr. K.R. Bijimon, Chief Marketing Officer Mr. Cherian Peter, General Manager Credit & Operations Mr. C.V. Balasankar and CFO Mr. Oommen K Mammen were present on this occasion.

Meeting with Business Associates in Dubai

Muthoot Group, Dubai branch hosted a business meet on September 22, 2012 at Atlantis Hotel, Dubai.



(Left to right): Mr. N.I. Thomas, Mr. Abdulla Hamdan Al Shamsi (Business Associate - Muthoot Exchange), Mr. Esa Saif Esa Ahmed (Business Associate - Muthoot Travels), Mr. Rashed Al Mail (proposed Business Associate - Muthoot Exchange), Mr. George Jacob Muthoot (Joint Managing Director, The Muthoot Group), Mr. Salem Al Maddfa (Lawyer - Abu Dhabi), Mr. Juma Obaid Juma Alleem (Business Associate - Muthoot Marketing Services), Mr. Obaid Juma Al Ali & Mr. Juma Alleem Obaid (Sons of Mr. Juma Obaid), Mr. & Mrs. Royal Patel (Director - Royal Exchange).

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- Money Transfer • Wealth Management
- Precious Metals • Power Generation
- Travel Services • Securities Trading
- Commodities & Currency Trading
- Plantations • Vehicle & Assets Finance Ltd.



Muthoot Group

INTEREST RATES OF GOLD BONDS

Fixed Income Gold Bond (w.e.f: 26.11.2012)

Monthly Interest Scheme		
Period	General	Special Category*
12 months & 1 day	10.50%	11.00%
18 months	11.50%	12.00%
24 months	11.50%	12.00%
30 months	11.50%	12.00%
36 months	11.50%	12.00%
60 months	10.50%	11.00%

Annual Interest Scheme		
Period	General	Special Category*
12 months & 1 day	11.00%	11.50%
18 months	12.00%	12.50%
24 months	12.00%	12.50%
30 months	12.00%	12.50%
36 months	12.00%	12.50%
60 months	11.00%	11.50%

Multiplier Bond (w.e.f: 26.11.2012)

Period	General		Special Category*	
	Maturity value	Effective Yield (p.a.)	Maturity value	Effective Yield (p.a.)
36 months	1405	13.50	1426	14.20
60 months	1679	13.58	1720	14.40

* Interest rate for Special Category is applicable to (a) Senior Citizens, (b) State / Central Government Pensioners, (c) Ex-Servicemen and their widows, (d) Central / State Award Winners and (e) Single investment of ₹ 25 lakhs and above.

Muthoot Doubling Bond (w.e.f: 26.11.2012)*

Period	Maturity value of ₹ 1000	Effective Yield (p.a.)
66 months	2000	18.18%

*Minimum investment ₹ 25,000/-

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