Prospectus
February 23, 2012

Muthoot Finance

MUTHOOT FINANCE LIMITED

Our Company was originally incorporated as a private limited company on March 14, 1997 under the provisions of the Companies Act, 1956, with the name "The Muthoot Finance Private Limited". Subsequently, by a fresh certificate of incorporation dated May 16, 2007, our name was changed to "Muthoot Finance Private Limited". Our Company was converted into a public limited company on November 18, 2008 with the name "Muthoot Finance Limited" and received a fresh certificate of incorporation consequent to change in status on December 02, 2008 from the Registrar of Companies, Kerala and Lakshadweep.
For further details regarding changes to the name and registered office of our Company, see section titled "History and Main Objects" on page 118.

Registered and Corporate Office: Muthoot Chambers, Opposite Saritha Theatre Complex, 2nd Floor, Banerji Road, Kochi 682 018**,** India.
Tel: (91 484) 239 4712; **Fax**: (91 484) 239 6506; **Website**: www.muthootfinance.com; **Email**: ncd@muthootgroup.com.
Company Secretary and Compliance Officer : Rajesh A.; **Tel**: (91 484) 353 5533; **Fax**: (91 484) 239 6506; **E-mail**: cs@muthootgroup.com

PROMOTERS: M.G. GEORGE MUTHOOT, GEORGE THOMAS MUTHOOT, GEORGE JACOB MUTHOOT AND GEORGE ALEXANDER MUTHOOT

PUBLIC ISSUE BY MUTHOOT FINANCE LIMITED, ("COMPANY" OR "ISSUER") OF SECURED NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF ₹ 1,000 EACH, ("NCDs"), AGGREGATING UPTO ₹ 2,500 MILLION WITH AN OPTION TO RETAIN OVER-SUBSCRIPTION UPTO ₹ 2,500 MILLION FOR ISSUANCE OF ADDITIONAL NCDS AGGREGATING TO A TOTAL OF UPTO ₹ 5,000 MILLION, HEREINAFTER REFERRED TO AS THE "ISSUE".

GENERAL RISKS

Investors are advised to read the Risk Factors carefully before taking an investment decision in the Issue. For taking an investment decision, the investors must rely on their own examination of the Issuer and the Issue including the risks involved. Specific attention of the investors is invited to the Risk Factors on pages 8 to 32.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Prospectus contains all information with regard to the Issuer and the Issue, which is material in the context of the Issue, that the information contained in this Prospectus is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

CREDIT RATING

The NCDs proposed to be issued under this Issue have been rated '[ICRA] AA-/Stable' by ICRA for an amount of upto ₹ 6,000.00 million vide its letter dated February 06, 2012, and 'CRISIL AA-/Stable' by CRISIL for an amount of upto ₹ 6,000.00 million vide its letter dated February 06, 2012. The rating of the NCDs by ICRA indicates high degree of safety regarding timely servicing of financial obligations. The rating of NCDs by CRISIL indicates high degree of safety regarding timely servicing of financial obligations. The ratings provided by ICRA and/or CRISIL may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions. Please refer to page 287 to 293 for rating letter and rationale for the above rating.

LISTING

The NCDs offered through this Prospectus are proposed to be listed on the BSE Limited ("**BSE**"). Our Company has obtained an 'in-principle' approval for the Issue from the BSE vide their letter dated February 22, 2012. For the purposes of the Issue, BSE shall be the Designated Stock Exchange.

LEAD MANAGERS TO THE ISSUE

ICICI Securities

ICICI SECURITIES LIMITED
H.T. Parekh Marg, Churchgate
Mumbai 400 020, India
Tel: (91 22) 2288 2460
Fax: (91 22) 2282 6580
Email: muthootfin.bonds@icicisecurities.com
Investor Grievance
Email: customercare@icicisecurities.com
Website: www.icicisecurities.com
Contact Person: Manvendra Tiwari/
Aashima Mutneja
SEBI Registration No.: INM000011179

HDFC BANK

HDFC BANK LIMITED
Investment Banking Division
Trade World 'A' Wing, 1st Floor
Kamala Mills, Senapati Bapat Marg,
Lower Parel, Mumbai 400 013, India
Tel: (91 22) 4080 4108
Fax: (91 22) 4080 4114
Email: paresh.soni@hdfcbank.com
Investor Grievance
Email: investor.redressal@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Paresh Soni
SEBI Registration No.: INM000011252

JM FINANCIAL

JM FINANCIAL CONSULTANTS PRIVATE LIMITED
141 Maker Chambers III, Nariman Point
Mumbai 400 021, India
Tel : (91 22) 6630 3030
Fax: (91 22) 2204 7185
Email: muthootncdissue.2012@jmfinancial.in
Investor Grievance
Email: grievance.ibd@jmfinancial.in
Website: www.jmfinancial.in
Contact Person : Lakshmi Lakshmanan
SEBI Registration No.: INM000010361

KARVY INVESTMENT BANKING

KARVY INVESTOR SERVICES LIMITED
Hallmark Plaza,
7th Floor, Sant Dyaneshwar Marg
Bandra (E)
Mumbai 400 051, India
Tel : (91 22) 6149 1500
Fax: (91 22) 6149 1515
Email: muthootncdissue2011@karvy.com
Investor Grievance Email: cmg@karvy.com
Website: www.karvy.com
Contact Person : Swapnil Mahajan/Sumit Singh
SEBI Registration No.: INM000008365

LEAD MANAGERS TO THE ISSUE

RR INVESTORS CAPITAL SERVICES (P) LIMITED
133A, Mittal Tower, A- Wing
Nariman Point
Mumbai 400 021, India
Tel : (91 22) 2288 6627/28
Fax: (91 22) 2285 1925
Email: muthootncd@rrfcl.com
Investor Grievance
Email: investors@rrfcl.com
Website: www.rrfcl.com
Contact Person : Brahmdutta Singh
SEBI Registration No.: INM000007508

YES BANK

YES BANK LIMITED
Nehru Centre, 12th Floor, Discovery of India
Dr. A B Road, Worli
Mumbai 400 018, India
Tel : (91 22) 6669 9000
Fax: (91 22) 2497 4158
Email: dlmuthootfinncd@yesbank.in
Investor Grievance
Email: merchantbanking@yesbank.in
Website: www.yesbank.in
Contact Person : Sameer Kakkar
SEBI Registration No.: INM000010874

REGISTRAR TO THE ISSUE

LINK INTIME INDIA PVT LTD

LINK INTIME INDIA PRIVATE LIMITED
C-13, Pannalal Silk Mills Compound
L.B.S. Marg, Bhandup (West)
Mumbai 400 078, India
Tel: (91 22) 2596 0320
Fax: (91 22) 2596 0329
Toll Free: 1-800-22-0320
Email: mfl.ipo@linkintime.co.in
Investor Grievance
Email: mfl.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Sachin Achar
SEBI Registration No.: INR000004058

ISSUE PROGRAMME*

ISSUE OPENS ON : MARCH 02, 2012	ISSUE CLOSES ON : MARCH 17, 2012

*The subscription list shall remain open at the commencement of banking hours and close at the close of banking hours for the period as indicated, with an option for early closure or extension by such period, as may be decided by the duly authorised committee of the Board constituted by resolution of the Board dated July 25, 2011. In the event of such early closure of subscription list of the Issue, our Company shall ensure that notice of such early closure is given on or before the day of such early date of closure through advertisement/s in a leading national daily newspaper.

IDBI Trusteeship Services Limited has by its letter dated February 08, 2012 given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in this Prospectus and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to this Issue.

A copy of the Prospectus has been filed with the Registrar of Companies, Kerala and Lakshadweep, in terms of section 56 and section 60 of the Act, along with the endorsed/certified copies of all requisite documents. For further details please refer to the section titled "*Material Contracts and Documents for Inspection*" beginning on page 284.

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SECTION I: GENERAL

DEFINITIONS / ABBREVIATIONS

Company related terms

Term	Description
"We", "us", "our", "the Company", and "Issuer"	Muthoot Finance Limited, a public limited company incorporated under the Act, and having its registered office at Muthoot Chambers, Opposite Saritha Theatre Complex, 2nd Floor, Banerji Road, Kochi 682 018, Kerala, India.
AOA/Articles / Articles of Association	Articles of Association of our Company.
Board / Board of Directors	The Board of Directors of our Company and includes any Committee thereof from time to time.
CRISIL	CRISIL Limited
Equity Shares	Equity shares of face value of ₹ 10 each of our Company.
ICRA	ICRA Limited
Memorandum / MOA	Memorandum of Association of our Company.
NBFC	Non-Banking Financial Company as defined under Section 45-IA of the RBI Act, 1934.
NPA	Non Performing Asset.
Promoters	M.G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot.
₹/ Rs./ INR/ Rupees	The lawful currency of the Republic of India.
Statutory Auditors	The auditors of the Company, M/s. Rangamani & Co, Chartered Accountants, 17/598, 2nd Floor, Card Bank Building, West of YMCA, VCSB Road, Alleppey 688 001, Kerala, India.

Issue related terms

Term	Description
Allotment / Allotted	Unless the context otherwise requires, the allotment of the NCDs pursuant to the Issue to the Allottees.
Allottee	The successful applicant to whom the NCDs are being/have been allotted.
Application Amount	The aggregate value of the NCDs applied for, as indicated in the Application Form.
Application Form	An Application Form-R or Application Form-NRI.
Application Form-NRI	The form used by an NRI applicant to apply for NCDs being issued through the Prospectus.
Application Form-R	The form used by an applicant other than an NRI to apply for NCDs being issued through the Prospectus.
Bankers to the Issue/Escrow Collection Banks	The bank(s) with whom Escrow Accounts will be opened as specified on page 36.
Base Issue	Public Issue of NCDs by our Company aggregating upto ₹ 2,500 million.
Basis of Allotment	The basis on which NCDs will be allotted to applicants under the Issue and which is described in "*Issue Procedure – Basis of Allotment*" on page 219.
Coupon Rate	The rate of interest payable in connection with the NCDs in accordance with this Prospectus.
Debentures / NCDs	Secured, Redeemable, Non-Convertible Debentures offered through this Prospectus aggregating upto ₹ 2,500 million with an option to retain over-subscription upto ₹ 2,500 million for issuance of additional NCDs aggregating to a total of upto ₹ 5,000 million.
Debenture Holder (s)	The holders of the NCDs.
Debt Listing Agreement	The listing agreement entered into between our Company and the relevant stock exchange(s) in connection with the listing of debt securities of our Company.
Debt Regulations	SEBI (Issue and Listing of Debt Securities) Regulations, 2008, issued by SEBI, effective from June 6, 2008 as amended from time to time
Deemed Date of Allotment	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.
Demographic Details	Details of the investor such as address, bank account details for printing on refund orders and occupation, which are based on the details provided by the Applicant in the Application Form.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository(ies)	National Securities Depository Limited (NSDL) and /or Central Depository Services (India) Limited (CDSL).
DP / Depository Participant	A depository participant as defined under the Depositories Act.
Designated Stock Exchange	BSE Limited.
Draft Prospectus / Draft Offer Document	The draft prospectus dated February 13, 2012 filed with the BSE for receiving public comments in accordance with the provisions of the Act and the Debt Regulations.
Escrow Agreement	Agreement dated February 23, 2012 entered into amongst our Company, the Registrar, the Escrow Collection Bank(s), the Lead Managers, for collection of the application amounts and for remitting refunds, if any, of the amounts collected, to the applicants on the terms and conditions contained therein.
Escrow Account	Accounts opened in connection with the Issue with the Escrow Collection Banks and in whose favour the applicant will

Term	Description
	issue cheques or bank drafts in respect of the application amount while submitting the application.
Issue	Public Issue by our Company of NCDs aggregating upto ₹ 2,500 million with an option to retain over-subscription upto ₹ 2,500 million for issuance of additional NCDs aggregating to a total of upto ₹ 5,000 million.
Issue Opening Date	March 02, 2012.
Issue Closing Date	March 17, 2012 or such early or extended date as may be decided by the duly authorised committee of the Board constituted by resolution of the Board dated July 25, 2011
Lead Brokers	Anand Rathi Shares & Stock Brokers Limited, Bajaj Capital Investor Services Limited, Edelweiss Broking Limited, Enam Securities Private Limited, Geojit BNP Paribas Financial Services Limited, HDFC Securities Limited, ICICI Securities Limited, Integrated Enterprises (India) Limited, JM Financial Consultants Private Limtied, Karvy Stock Broking Limited, Kotak Securities Limited, Motilal Oswal Securities Limited, Muthoot Securities Limited, Religare Securities Limited, R.R Equity Brokers Private Limited, Sharekhan Limited, SHCIL Services Limited, SMC Global Securities Limited and SPA Securities Limited.
Lead Managers	ICICI Securities Limited, HDFC Bank Limited, JM Financial Consultants Private Limited, Karvy Investor Services Limited, RR Investors Capital Services (P) Limited and YES Bank Limited.
Market Lot	One NCD.
NII(s)	Non-Institutional Investor(s)
Prospectus / Offer Document	This Prospectus dated February 23, 2012, filed with the ROC in accordance with the Debt Regulations containing inter alia the Coupon Rate for the NCDs and certain other information.
Record Date	The date for payment of interest in connection with the NCDs or repayment of principal in connection therewith which shall be 15 (fifteen) days prior to the date on which interest is due and payable, and/or the date of redemption.
Refund Bank	Axis Bank Limited.
Registrar to the Issue	Link Intime India Private Limited.
Retail Investor(s)	Individual Applicants who have applied for the NCDs for an aggregate amount not more than ₹ 500,000 in the Issue (including HUFs applying through their Karta)
Senior Citizen	A person who on the date of the Issue of the Prospectus has attained the age of 65 years or more.
Tenor	Tenor shall mean the tenor of the NCDs
Trustees / Debenture Trustee	Trustees for the Debenture Holders in this case being IDBI Trusteeship Services Limited..
Working Day	All days except Sunday and any public holiday.

** The subscription list shall remain open for at the commencement of banking hours and close at the close of banking hours for a the period as indicated, with an option for early closure or extension by such period, as may be decided by the duly authorised committee of the Board constituted by resolution of the Board dated July 25, 2011. In the event of such early closure of subscription list of the Issue, our Company shall ensure that notice of such early closure is given on or before the day of such early date of closure through advertisement/s in a leading national daily newspaper.*

Industry related terms

Term	Description
ALCO	Asset Liability Committee.
ALM	Asset Liability Management.
CRAR	Capital to Risk Adjusted Ratio.
Gold Loans	Personal and business loans secured by gold jewellery and ornaments.
IBPC	Inter Bank Participation Certificate.
IMaCS Industry Report 2009	IMaCS Research & Analytics Industry Reports, Gold Loans Market in India, 2009.
IMaCS Industry Report (2010 Update)	2010 update to the IMaCS Industry Report 2009.
KYC	Know Your Customer.
NBFC	Non Banking Financial Company.
NBFC-ND	Non Banking Financial Company- Non Deposit Taking.
NBFC-ND-SI	Non Banking Financial Company- Non Deposit Taking-Systemically Important.
NPA	Non Performing Asset.
NSSO	National Sample Survey Organisation.
PPP	Purchasing Power Parity.
RRB	Regional Rural Bank.
SCB	Scheduled Commercial Banks.

Conventional and general terms

Term	Description
AGM	Annual General Meeting.
AS	Accounting Standard.
Act	The Companies Act, 1956, as amended from time to time including renactment thereof.
BSE	BSE Limited.
CAGR	Compounded Annual Growth Rate.
CDSL	Central Depository Services (India) Limited.
DRR	Debenture Redemption Reserve.
EGM	Extraordinary General Meeting.
EPS	Earnings Per Share.
FDI Policy	The Government policy and the regulations (including the applicable provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000) issued by the Government of India prevailing on that date in relation to foreign investments in the Company's sector of business as amended from time to time.
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time.
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended from time to time.
FII/FIIs	Foreign Institutional Investor(s).
Financial Year / FY	Financial Year ending March 31.
GDP	Gross Domestic Product.
GoI	Government of India.
HUF	Hindu Undivided Family.
IFRS	International Financial Reporting Standards.
IFSC	Indian Financial System Code.
Indian GAAP	Generally Accepted Accounting Principles in India.
IRDA	Insurance Regulatory and Development Authority.
IT Act	The Income Tax Act, 1961, as amended from time to time.
MCA	Ministry of Corporate Affairs, Government of India.
MICR	Magnetic Ink Character Recognition.
NECS	National Electronic Clearing Services.
NEFT	National Electronic Funds Transfer.
NRE Account	The Non-Resident (External) Rupee Account opened and held by a NRI with a bank authorised to deal in foreign exchange in India and the balances in such accounts held by the NRI being freely repatriable.
NRI	Non Resident Indian.
NRO Account	The Non-Resident Ordinary Rupee Account opened and held by a NRI with a bank authorised to deal in foreign exchange in India.
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited.
PAN	Permanent Account Number.
RBI	The Reserve Bank of India.
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time.
ROC	Registrar of Companies, Kerala and Lakshadweep.
RTGS	Real Time Gross Settlement.
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time.
SCRR	The Securities Contracts (Regulation) Rules, 1957, as amended from time to time.
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992.
SEBI Act	The Securities and Exchange Board of India Act, 1992 as amended from time to time.
TDS	Tax Deducted at Source.
WDM	Wholesale Debt Market.

FORWARD-LOOKING STATEMENTS

This Prospectus contains certain "forward-looking statements". These forward looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "future", "goal", "plan", "contemplate", "propose" "seek to" "project", "should", "will", "will continue", "will pursue", "will likely result" or other words or phrases of similar import. All forward-looking statements are based on our current plans and expectations and are subject to a number of uncertainties and risks and assumptions that could significantly and materially affect our current plans and expectations and our future financial condition and results of operations. Important factors that could cause actual results, including our financial conditions and results of operations to differ from our expectations include, but are not limited to, the following:

- General economic and business conditions in India and globally;
- Our ability to successfully sustain our growth strategy;
- Our ability to compete effectively and access funds at competitive cost;
- Unanticipated turbulence in interest rates, equity prices or other rates or prices; the performance of the financial and capital markets in India and globally;
- The outcome of any legal or regulatory proceedings we are or may become a party to;
- Any disruption or downturn in the economy of southern India;
- Our ability to control or reduce the level of non-performing assets in our portfolio;
- general political and economic conditions in India;
- Change in government regulations;
- Competition from our existing as well as new competitors; and
- Our ability to compete with and adapt to technological advances.
- Occurrence of natural calamities or natural disasters affecting the areas in which our Company has operations;

For further discussion of factors that could cause our actual results to differ, see the section titled "*Risk Factors*" on page 8.

All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results and valuations to differ materially from those contemplated by the relevant statement. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under the sections titled "*Industry*" and "*Our Business*". The forward-looking statements contained in this Prospectus are based on the beliefs of management, as well as the assumptions made by and information currently available to management. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct or will hold good at all times. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, our Company's actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

Neither the Company, its Directors and officers, nor any of their respective affiliates or associates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, the Company, the Lead Managers will ensure that investors in India are informed of material developments between the date of filing the Prospectus with the ROC and the date of allotment of the Non Convertible Debentures.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

General

In this Prospectus, unless the context otherwise indicates or implies, references to "you," "offeree," "purchaser," "subscriber," "recipient," "investors" and "potential investor" are to the prospective investors in this Offering, references to our "Company", the "Company" or the "Issuer" are to Muthoot Finance Limited.

In this Prospectus, references to "US$" is to the legal currency of the United States and references to "Rs.", "₹" and "Rupees" are to the legal currency of India. All references herein to the "U.S." or the "UnitedStates" are to the United States of America and its territories and possessions and all references to "India" are to the Republic of India and its territories and possessions, and the "Government", the "Central Government" or the "State Government" are to the Government of India, central or state, as applicable.

Unless otherwise stated, references in this Prospectus to a particular year are to the calendar year ended on December 31 and to a particular "fiscal" or "fiscal year" are to the fiscal year ended on March 31.

Unless otherwise stated all figures pertaining to the financial information in connection with our Company are on an unconsolidated basis.

Presentation of Financial Information

Our Company publishes its financial statements in Rupees. Our Company's financial statements are prepared in accordance with Indian GAAP and the Companies Act.

The Reformatted Summary Financial Statements are included in this Prospectus. The examination reports on the Reformatted Summary Financial Statements, as issued by our Company's Statutory Auditors, Rangamani & Co., are included in this Prospectus in the section titled "*Financial Information*" beginning at page 142.

Any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding off.

Unless stated otherwise, all industry and market data used throughout this Prospectus have been obtained from industry publications and certain public sources. Industry publications generally state that the information contained in those publications have been obtained from sources believed to be reliable, but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although the Company believes that the industry and market data used in this Prospectus is reliable, it has not been verified by us or any independent sources. Further, the extent to which the market and industry data presented in this Prospectus is meaningful depends on the readers' familiarity with and understanding of methodologies used in compiling such data.

SECTION II: RISK FACTORS

Prospective investors should carefully consider the risks and uncertainties described below, in addition to the other information contained in this Prospectus before making any investment decision relating to the NCDs. If any of the following risks or other risks that are not currently known or are now deemed immaterial, actually occur, our business, financial condition and result of operation could suffer, the trading price of the NCDs could decline and you may lose all or part of your interest and / or redemption amounts. Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. The ordering of the risk factors is intended to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.

This Prospectus contains forward looking statements that involve risk and uncertainties. Our Company's actual results could differ materially from those anticipated in these forward looking statements as a result of several factors, including the considerations described below and elsewhere in this Prospectus.

Investors are advised to read the following risk factors carefully before making an investment in the NCDs offered in this Issue. You must rely on your own examination of our Company and this Issue, including the risks and uncertainties involved.

INTERNAL RISK FACTORS

Risks relating to our Business & Company

1. ***We and our Directors are involved in certain legal and other proceedings that if determined against us, could have a material adverse effect on our financial condition and results of operations.***

   Our Company and our Directors are defendants in legal proceedings. These legal proceedings are pending at different levels of adjudication before various levels of adjudication before various courts and tribunals. The amounts claimed in these proceedings have been disclosed to the extent ascertainable, excluding contingent liabilities and include amounts claimed jointly and severally from us and other parties. Should any new developments arise, such as any change in applicable Indian law or any rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase expenses and current liabilities. Any adverse decision may have an adverse effect on our business, results of operations and financial condition.

   For further details, see section titled "*Pending proceedings and statutory defaults*" on page 223.

2. ***The "Muthoot" logo and other combination marks are proposed to be registered in the name of our Promoters. If we are unable to use the trademarks and logos, our results of operations may be adversely affected.***

   The brand and trademark "Muthoot", as also related marks and associated logos ("**Muthoot Trademarks**") are currently registered in the name of our Company. We believe that the Muthoot Trademarks are important for our business.

   Our Company proposes to register the Muthoot Trademarks jointly in the name of our Promoters through a rectification process or irrevocably grant ownership rights by alternate, legally compliant means. Pursuant to applications filed on September 20, 2010 by our Company and our Promoters before the Trade Marks Registry, Chennai, our Promoters have stated that their father, Late Mr. M. George Muthoot, had adopted and had been using the Muthoot Trademarks since 1939 and that our Promoters had, since the demise of Late Mr. M. George Muthoot, been continuing his business and using the Muthoot Trademarks as its joint proprietors. Our Company has confirmed that our Company has, since incorporation, been using the Muthoot Trademarks as per an implied user permission granted by our Promoters and that the application for registration of the Muthoot Trademarks in the name of our Company was filed through inadvertence. Consequently, an application has been made to Trade Marks Registry, Chennai, to effect a rectification in the Register of Trademarks. Since a rectification process (by application before the Trade Marks Registry, Chennai as mentioned above) is underway, and not an assignment of the Muthoot Trademarks, no independent valuation of the Muthoot Trademarks has been conducted.

It is proposed that consequent to such rectification, the Promoters will grant our Company a non-exclusive licence to use the Muthoot Trademarks for an annual royalty equivalent to 1% of the gross income of our Company, subject to a maximum of 3% of profit before tax (after charging the royalty) and managerial remuneration payable by our Company each financial year. Subject to certain other conditions, it is proposed that this licence would continue until such time that our Promoters, together with the Promoter Group, jointly cease to hold at least 50.01% of the paid-up equity share capital of our Company.

Since the rectification is yet to be effected and consequently, no licence has been granted to us as of date, we cannot assure you that we will be able to obtain a licence to use the Muthoot Trademarks, when registered, from our Promoters on commercially acceptable terms, or at all. In addition, loss of the rights to use the Muthoot Trademarks may affect our reputation, goodwill, business and our results of operations.

3. ***Our business requires substantial capital, and any disruption in funding sources would have a material adverse effect on our liquidity and financial condition.***

Our liquidity and ongoing profitability are, in large part, dependent upon our timely access to, and the costs associated with, raising capital. Our funding requirements historically have been met from a combination of borrowings such as working capital limits from banks and selling of our loan portfolio to other lenders such as banks, and issuance of commercial paper, non-convertible debentures and equity. Thus, our business depends and will continue to depend on our ability to access diversified low-cost funding sources.

The crisis in the global credit market that began in mid 2007 destabilised the prevailing lending model by banks and financial institutions. These adverse conditions reached unprecedented levels through 2008. The capital and lending markets remained highly volatile and access to liquidity had been significantly reduced. These conditions had resulted in increased borrowing costs and difficulty in accessing debt in a cost-effective manner. In addition, it became more difficult to renew loans and facilities as many potential lenders and counterparties also faced liquidity and capital concerns as a result of the stress in the financial markets. Moreover, we are a "systemically important non-deposit accepting" NBFC, and do not have access to deposits. We are also restricted from inviting interest in our secured non-convertible debentures which are issued on a private placement basis, by advertising to the public.

We also face significant maturities of unsecured debt each year. ₹ 24,015.8 million of our outstanding unsecured debt as on September 30, 2011 matures during the current fiscal year ending March 31, 2012. In order to retire these instruments, we either will need to refinance this debt, which could be difficult in the event of case of volatility in the credit markets, or raise equity capital or generate sufficient cash to retire the debt.

4. ***Our financial performance is particularly vulnerable to interest rate risk.***

Over the last several years, the Government of India has substantially deregulated the financial sector. As a result, interest rates are now primarily determined by the market, which has increased the interest rate risk exposure of all banks and financial intermediaries in India, including us.

Our results of operations are substantially dependent upon the level of our net interest margins. Interest rates are sensitive to many factors beyond our control, including the RBI's monetary policies, domestic and international economic and political conditions and other factors.

Our policy is to attempt to balance the proportion of our interest-earning assets, which bear fixed interest rates, with interest-bearing liabilities. A majority of our liabilities, such as our secured non-convertible debentures, subordinated debt and short term loans carry fixed rates of interest and the remaining are linked to the respective banks' benchmark prime lending rate/base rate. As of September 30, 2011, 55.76% of our borrowings were at fixed rates of interest, comprising primarily our privately placed secured non-convertible redeemable debentures, which constituted 29.21% of our total indebtedness as of September 30, 2011. However, there can be no assurance that we will be able to adequately manage our interest rate risk in the future and be able to effectively balance the proportion of our fixed rate loan assets and liabilities in the future. Further, despite this balancing, changes in interest rates could affect the interest rates charged on interest-earning assets and the interest rates paid on interest-bearing liabilities in different ways. Thus, our results of operations could be affected by changes in interest rates and the timing of any repricing of our liabilities compared with the re-pricing of our assets.

Furthermore, we are exposed to greater interest rate risk than banks or deposit-taking NBFCs. In a rising interest rate environment, if the yield on our interest-earning assets does not increase at the same time or to the same extent as our cost of funds, or, in a declining interest rate environment, if our cost of funds does not decline at the same time or to the same extent as the yield on our interest-earning assets, our net interest income and net interest margin would be adversely impacted.

Additional risks arising from increasing interest rates include:

- reductions in the volume of loans as a result of customers inability to service high interest rate payments; and

- reductions in the value of fixed income securities held in our investment portfolio.

There can be no assurance that we will be able to adequately manage our interest rate risk in the future and, if we are unable to do so, this would have an adverse effect on our net interest margin.

5. ***We may not be able to recover the full loan amount, and the value of the collateral may not be sufficient to cover the outstanding amounts due under defaulted loans.***

We extend loans secured by gold jewellery provided as collateral by the customer. An economic downturn or sharp downward movement in the price of gold could result in a fall in collateral values. In the event of any decrease in the price of gold, customers may not repay their loans and the collateral gold jewellery securing the loans may have decreased significantly in value, resulting in losses which we may not be able to support. Although we use a technology-based risk management system and follow strict internal risk management guidelines on portfolio monitoring, which include periodic assessment of loan to security value on the basis of conservative market price levels, limits on the amount of margin, ageing analysis and pre-determined loan closure call thresholds, no assurance can be given that if the price of gold decreased significantly, our financial condition and results of operations would not be adversely affected. The impact on our financial position and results of operations of a hypothetical decrease in gold values cannot be reasonably estimated because the market and competitive response to changes in gold values is not pre-determinable.

Additionally, we may not be able to realise the full value of our collateral, due to, among other things, defects in the quality of gold or wastage on melting gold jewellery into gold bars. In the case of a default, we typically sell the gold jewellery collateral through auctions primarily to local jewellers and there can be no assurance that we will be able to sell such gold jewellery provided as collateral at prices sufficient to cover the amounts under default. In addition, failure by our employees to properly appraise the value of the collateral provides us with no recourse against the borrower. Moreover, there may be delays associated with such auction process. A failure to recover the expected value of collateral security could expose us to a potential loss. Any such losses could adversely affect our financial condition and results of operations.

6. ***We face increasing competition in our business which may result in declining margins if we are unable to compete effectively.***

Our principal business is the provision of personal loans to retail customers in India secured by gold jewellery as collateral. Historically, the Gold Loan industry in India has been largely unorganised and dominated by local jewellery pawn shops and money lenders, with very few public sector and old generation private sector banks focusing on this sector. Attractive interest rates relative to risk together with increased demand for access to capital from middle income group, previously availed predominantly by lower income group customers with limited access to other forms of borrowings, have increased our exposure to competition. The demand for Gold Loans has also increased due to relatively lower and affordable interest rates, increased need for urgent borrowing or bridge financing requirements and the need for liquidity for assets held in gold and also due to increased awareness among customers of Gold Loans as a source of quick access to funds.

All of these factors have resulted in us facing increased competition from other lenders in the Gold Loan industry, including commercial banks and other NBFCs. Unlike commercial banks or deposit-taking NBFCs, we do not have access to funding from savings and current deposits of customers. Instead, we are reliant on higher-cost term loans and debentures for our funding requirements, which may reduce our margins compared to competitors. Our ability to compete effectively with commercial banks or deposit-taking NBFCs will depend, to some extent, on our ability to raise low-cost funding in the future. If we are unable to compete effectively with other participants in the Gold Loan industry, our business, future financial performance and the trading price of the NCDs and Equity Shares may be adversely affected.

Furthermore, as a result of increased competition in the Gold Loan industry, Gold Loans are becoming increasingly standardised and variable interest rate and payment terms and waiver of processing fees are becoming increasingly common in the Gold Loan industry in India. There can be no assurance that we will be able to react effectively to these or other market developments or compete effectively with new and existing players in the increasingly competitive Gold Loans industry. Increasing competition may have an adverse effect on our net interest margin and other income, and, if we are unable to compete successfully, our market share may decline as the origination of new loans declines.

7. ***We have certain contingent liabilities which may adversely affect our financial condition.***

As per the audited financial statements of the Company for the period ended September 30, 2011 we had certain contingent liabilities not provided for, amounting to ₹ 3,229.38 million. The contingent liability amounts disclosed in our audited financial statements represent estimates and assumptions of our management based on advice received.

The following are the details of the contingent liabilities of the Company as at March 31, for the last five fiscal years, and as at September 30, 2011:

(₹ in millions)

Particulars	Period ended September 30, 2011	Year ended March 31,2011	Year ended March 31, 2010	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007
Claims against the Company, not acknowledged as debts						
i)Service Tax demand for the period-2003-2008, pending in appeal with CESTAT *Commissioner of Central Excise, Customs and Service Tax, Cochin has raised a demand of ₹ 22.12 million (Previous year ₹ 22.12 million) as Service tax liability and equal amount as penalty. During the course of the proceedings Company paid ₹ 2.09 million. The Appellate Authority admitted the Appeal preferred by the*	15.73	15.73	15.73	9.19	Nil	Nil

company and granted stay of recovery, on pre-deposit of₹ 4.30 million. Pending disposal of appeal, no provision has been made by the company during the year.						
ii) Income tax demand for Assessment Year 2004-05, pending in appeal with ITAT						
Assistant Commissioner of Income Tax, Circle 1(3), Ernakulam has filed an appeal before ITAT against the order of Commissioner of Income Tax (Appeals) – II, Cochin demanding ₹ 5.24 million (Previous year ₹ 5.24 million). Pending disposal of appeal, no provision has been made by the company during the year.	Nil	Nil	Nil	Nil	Nil	Nil
*iii)*Income tax demand for *Assessment Year 2006-07, pending in appeal with ITAT*						
Company has filed an appeal before ITAT against the order of Commissioner of Income Tax (Appeals) – II, Cochin demanding ₹ 1.52 million (Previous year Nil). Pending disposal of appeal, no provision has been made by the company during the year.	Nil	Nil	Nil	Nil	Nil	Nil
Estimated amount of contracts remaining to be executed on capital accounts and not provided for	61.06	24.73	26.90	Nil	Nil	Nil
<u>Other money for which company is contingently liable:</u>						
i)Counter Guarantee provided to Banks	163.42	32.54	30.30	33.37	3.07	Nil
ii) Cash collateral provided as credit enhancement for bilateral assignment of	2,464.70	2743.16	1037.11	1313.94	813.87	Nil

receivables						
iii) Over collateral provided as credit enhancement for bilateral assignment of receivables	Nil	63.57	80.12	77.51	141.18	Nil
iv) Corporate guarantee provided as credit enhancement for bilateral assignment of receivables	524.47	751.55	1500.01	Nil	Nil	Nil

In the event that any of these contingent liabilities materialise, our financial condition may be adversely affected.

8. ***We may not be able to successfully sustain our growth strategy.***

In recent periods, we have experienced substantial growth. Our net profit as per the audited financial statements of the Company, in fiscals 2008, 2009, 2010 and 2011 and for the period ended September 30, 2011 was ₹ 630.7 million ₹ 978.7 million, ₹ 2,285.2 million, ₹ 4,941.76 million, and ₹ 4,060.1 million respectively. Our gross retail loans outstanding grew year on year by 120.78% to ₹ 74,381.5 million as of March 31, 2010, and by 113.34% to ₹ 158,684.5 million as of March 31, 2011 from ₹ 74,381.5 million as of March 31, 2010. Our gross retail loans outstanding grew by 31.96% to ₹ 209,404.9 million during the six months ended September 30, 2011 from ₹ 158,684.5 million as of March 31, 2011. Our growth strategy includes growing our loan book and expanding the range of products and services offered to our customers and expanding our branch network. There can be no assurance that we will be able to sustain our growth strategy successfully, or continue to achieve or grow the levels of net profit earned in recent years, or that we will be able to expand further or diversify our loan book. Furthermore, there may not be sufficient demand for such products, or they may not generate sufficient revenues relative to the costs associated with offering such products and services. Even if we were able to introduce new products and services successfully, there can be no assurance that we will be able to achieve our intended return on such investments. If we grow our loan book too rapidly or fail to make proper assessments of credit risks associated with borrowers, a higher percentage of our loans may become non-performing, which would have a negative impact on the quality of our assets and our financial condition.

We also face a number of operational risks in executing our growth strategy. We have experienced rapid growth in our Gold Loan business and our branch network also has expanded significantly, and it is entering into new, smaller towns and cities within India as part of our growth strategy. Our rapid growth exposes us to a wide range of increased risks within India, including business risks, such as the possibility that our number of impaired loans may grow faster than anticipated, and operational risks, fraud risks and regulatory and legal risks. Moreover, our ability to sustain our rate of growth depends significantly upon our ability to manage key issues such as selecting and retaining key managerial personnel, maintaining effective risk management policies, continuing to offer products which are relevant to our target base of customers, developing managerial experience to address emerging challenges and ensuring a high standard of customer service. We will need to recruit, train and integrate new employees, as well as provide continuing training to existing employees on internal controls and risk management procedures. Failure to train and integrate employees may increase employee attrition rates, require additional hiring, erode the quality of customer service, divert management resources, increase our exposure to high-risk credit and impose significant costs on us.

We also plan to expand our Gold Loan business in new geographies outside India. We have limited or no operating experience in these new geographies, and we may encounter difficulties in entering into these new geographies. This will require significant capital investments and commitment of time from our senior management, and there often is limited or no prospect of earnings in the initial years. Moreover, there is no assurance that we will be able to commence operations in accordance with our timelines, if at all, which could result in additional costs and time commitments from our senior management. There also can be no assurance that our management will be able to develop the skills necessary to successfully manage this geographical expansion. Our inability to effectively manage any of the above issues could materially and adversely affect our business and impact our future financial performance.

Furthermore, we are entering new businesses as part of our growth strategy. For example, we recently have entered into the business of distributing pension schemes as part of the New Pension Scheme of Pension Fund Regulatory & Development Authority. We have little or no operating experience with these businesses, and you should consider the risks and difficulties we may encounter by entering into new lines of business. New businesses will require significant capital investments and commitments of time from our senior management, and there often is little or no prospect of earnings in a new business for several years. Moreover, there is no assurance any new business we develop or enter will commence in accordance with our timelines, if at all, which could result in additional costs and time commitments from our senior management. There also can be no assurance that our management will be able to develop the skills necessary to successfully manage these new business areas. Our inability to effectively manage any of the above issues could materially and adversely affect our business and impact our future financial performance.

9. ***We may not be in compliance with relevant state money lending laws, which could adversely affect our business.***

There is ambiguity on whether or not NBFCs are required to comply with the provisions of state money lending laws that establish ceilings on interest rates. As of September 20, 2009, our Company has been specifically exempted from the provisions of the Money Lenders Act in Karnataka, Andhra Pradesh and there is a blanket exemption for all NBFCs in Rajasthan. Further, we have also received show cause notices from certain Government authorities in relation to compliance with relevant money lending statutes in relation to our operations in the states of Gujarat, Kerala, Karnataka and Andhra Pradesh. We also carry out operations in other states such as Tamil Nadu, Madhya Pradesh, and Maharashtra, where there are money lending statutes in operation. In addition, in the event the provisions of any state specific regulations are extended to NBFCs in the gold loan business such as our Company, we could have increased costs of compliance and our business and operations could be adversely affected. For further details, see "*Pending proceedings and Statutory Defaults*" beginning on page 223. There are severe civil and criminal penalties for non-compliance with the relevant money lending statutes. In the event that the government of any state in India requires us to comply with the provisions of their respective state money lending laws, or imposes any penalty against us, our Directors or our officers, including for prior non-compliance, our business, results of operations and financial condition may be adversely affected.

10. ***A major part of our branch network is concentrated in southern India and any disruption or downturn in the economy of the region would adversely affect our operations.***

As of December 31, 2011, 2,242 out of our 3,480 branches are located in the southern states of Tamil Nadu (744 branches), Kerala (683 branches), Andhra Pradesh (483 branches), Karnataka (324 branches) and Union Territory of Pondicherry (8 branches). Any disruption, disturbance or breakdown in the economy of southern India could adversely affect the result of our business and operations. As of September 30, 2011, the southern Indian states of Tamil Nadu, Kerala, Andhra Pradesh, Karnataka and the Union Territory of Pondicherry constituted 71.4% of our total Gold Loan portfolio. Our concentration in southern India exposes us to adverse economic or political circumstances that may arise in that region as compared to other NBFCs and commercial banks that have diversified national presence. If there is a sustained downturn in the economy of south India, our financial position may be adversely affected.

11. ***Our indebtedness and the conditions and restrictions imposed by our financing agreements could restrict our ability to conduct our business and operations in the manner we desire.***

As per our audited financial statements for the period ended September 30, 2011, we had outstanding debt of ₹ 172,567.9 million. We may incur additional indebtedness in the future. Our indebtedness could have several important consequences, including but not limited to the following:

- a portion of our cash flow may be used towards repayment of our existing debt, which will reduce the availability of our cash flow to fund our capital adequacy requirements, working capital, capital expenditures, acquisitions and other general corporate requirements;

- our ability to obtain additional financing in the future at reasonable terms may be restricted or our cost of borrowings may increase due to sudden adverse market conditions, including decreased availability of credit or fluctuations in interest rates, particularly because a significant proportion of our financing arrangements are in the form of borrowings from banks.;

- fluctuations in market interest rates may affect the cost of our borrowings, as some of our indebtedness are at variable interest rates;

- there could be a material adverse effect on our business, financial condition and results of operations if we are unable to service our indebtedness or otherwise comply with financial and other covenants specified in the financing agreements; and

- we may be more vulnerable to economic downturns, may be limited in our ability to withstand competitive pressures and may have reduced flexibility in responding to changing business, regulatory and economic conditions.

Some of our financing agreements also include various conditions and covenants that require us to obtain lender consents prior to carrying out certain activities and entering into certain transactions. Failure to meet these conditions or obtain these consents could have significant consequences on our business and operations. Specifically, we may require, and may be unable to obtain, lender consents to incur additional debt, issue equity, change our capital structure, declare dividend, increase or modify our capital expenditure plans, undertake any expansion, provide additional guarantees, change our management structure, merge with or acquire other companies, or amend its charter documents, whether or not there is any failure by us to comply with the other terms of such agreements.

Any failure to comply with the requirement to obtain a consent, or other condition or covenant under our financing agreements that is not waived by our lenders or is not otherwise cured by us, may lead to a termination of our credit facilities, acceleration of all amounts due under such facilities and trigger cross default provisions under certain of our other financing agreements, and may adversely affect our ability to conduct our business and operations or implement our business plans.

Moreover, certain of our loans may be recalled by our lenders at any time. If any of these lenders recall its loans, our cash position, business and operations may be negatively affected.

12. ***Our loan agreements contain restrictive covenants that may affect our business and operations, some of which we are currently in breach of or have breached in the past.***

The loan agreements that we have entered into with certain banks and financial institutions contain restrictive covenants, which among other things require us to obtain prior permission of such banks or financial institutions or to inform them with respect to various activities, including, alteration of our capital structure, changes in management, raising of fresh capital or debt, payment of dividend, undertaking new projects, or undertaking any merger or amalgamation, invest by way of share capital or lend to other companies, undertaking guarantee obligations on behalf of other companies, and creation of further charge on fixed assets. Additionally, certain loan agreements require us to meet and maintain prescribed financial ratios. Further, under these loan agreements during the subsistence of the facility, the lender has a right to appoint a nominee director on our Board from time to time. Furthermore, some of our financing arrangements contain cross default provisions which could automatically trigger defaults under other financing arrangements, in turn magnifying the effect of an individual default. Although we attempt to maintain compliance with our covenants or obtain prospective waivers where possible, we cannot assure you that we will be continuously compliant.

We have breached in the past, and are currently in breach of, certain covenants under these loan agreements and other financing arrangements. For example, with respect to the execution of the Baring Investment Agreement, Kotak Investment Agreement, Matrix Investment Agreement and Wellcome Investment Agreement and the consequent alteration of our capital structure, we did not obtain a prior written permission from certain banks and financial institutions. Although no bank or financial institution has issued a notice of default to us, if we are held to be in breach of any financial or other covenants contained in any of our financing arrangements, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs, and because of such defaults we may be unable to find additional sources of financing. If any of these events were to occur, it would likely result in a material adverse effect on our financial condition and results of operations or even our ability to continue as a going concern.

13. ***All of the Gold Loans we offer are due within one year of disbursement, and a failure to disburse new loans may result in a reduction of our loan portfolio and a corresponding decrease in our interest income.***

All of the Gold Loans we offer are due within one year of disbursement. The relatively short-term nature of our loans means that our long-term interest income stream is less certain than if a portion of our loans were for a longer term. In addition, our existing customers may not obtain new loans from us upon maturity of their existing loans, particularly if competition increases. The potential instability of our interest income could materially and adversely affect our results of operations and financial position.

14. ***We have entered into assignment agreements to sell certain loans from our outstanding loan portfolio. If such assignment of loans is held to be unenforceable under applicable law, it could have a material adverse effect on our business, financial condition and results of operations.***

From time to time we sell and assign a group of similar loans from our outstanding loan portfolio to financial institutions in return for an upfront fixed consideration. As per our audited financial statements for the period ended September 30, 2011 the outstanding portfolio of assigned loans was ₹ 25,875.0 million constituting 12.36% of the gross retail loan portfolio. As a part of such transactions, we provide credit enhancement through fixed deposits with banks or issue corporate guarantees to the purchaser for an amount equal to a negotiated percentage of the value of the loans being assigned. The loan assignment agreements contain certain representations and warranties made by us regarding the assigned loans, which, if breached could result in additional costs and expenses to us. In the event that one or more of the asset assignment agreements entered into by us are held by a court of law or declared by a statute as unenforceable, we may be required to terminate these assignment agreements and may suffer losses. In addition, if such assignments of loans are sought to be regulated, it could adversely affect our ability to raise resources through the loan assignment route. Such events may adversely affect our business, financial condition and results of our operations and our ability to assign our loans.

15. ***Our business could be adversely affected if we are not able to control or reduce the level of non-performing assets in our portfolio.***

We may not be successful in our efforts to improve collections and/or enforce the security interest on the gold collateral on existing as well as future non-performing assets. Moreover, as our loan portfolio matures, we may experience greater defaults in principal and/or interest repayments. Thus, if we are not able to control or reduce our level of non-performing assets, the overall quality of our loan portfolio may deteriorate and our results of operations may be adversely affected. As per our audited financial statements, our gross NPAs as of year ended March 31, 2008, 2009, 2010, 2011 and the period ended September 30, 2011 were ₹ 92.6 million, ₹ 161.1 million ₹ 343.6 million, ₹ 460.1 million, and ₹ 1,233.2 million respectively. For further details on our non-performing assets please refer page 110 to the sub-section titled '*Non-performing Assets*'. The following table discloses the quantum of our non-performing assets in the preceding three financial years:

(In ₹ million except for Net NPAs/Net Retail loans and Gross NPAs/Gross Retail Loans; as per our audited financial statements)

	As of March 31,			As of September 30, 2011
	2009	2010	2011	
Gross NPAs	161.1	343.6	460.1	1,233.2
Provisions	16.1	37.1	69.6	174.3
Net NPAs	145.0	306.4	390.5	1,058.9
Net Retail loans	25,559.8	54,298.3	116,820.6	183,529.9
Net NPAs/Net Retail loans (%)	0.57%	0.56%	0.33%	0.58%
Gross Retail Loans	33,690.1	74,381.5	158,684.5	209,404.9
Gross NPAs/Gross Retail Loans (%)	0.48%	0.46%	0.29%	0.59%
Amounts Written-off	-	6.2	18.3	26.2

The Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 prescribe the provisioning required in respect of our outstanding loan portfolio. Should the overall credit quality of our loan portfolio deteriorate, the current level of our provisions may not be adequate to cover further increases in the amount of our non-performing assets. Furthermore, although we believe that our total provision will be adequate to cover all known losses in our asset portfolio, our current provisions may not be adequate when compared to the loan portfolios of other financial institutions. Moreover, there also can be no assurance that there will be no further deterioration in our provisioning coverage as a percentage of gross non-performing assets or otherwise, or that the percentage of non-performing assets that we will be able to recover will be similar to our past experience of recoveries of non-performing assets. In the event of any further increase in our non-performing asset portfolio, there could be an even greater, adverse impact on our results of operations.

16. ***We face difficulties in carrying out credit risk analyses on our customers, most of whom are individual borrowers***

Unlike several developed economies, a nationwide credit bureau has only recently become operational in India, so there is less financial information available about individuals, particularly our focus customer segment from the low to middle income group who typically have limited access to other financing sources. It is therefore difficult to carry out precise credit risk analyses on our customers. Although we follow certain know-your-customer procedures at the time of sanctioning a loan, we generally rely on the quality of the gold jewellery provided as collateral rather than on a stringent analysis of the credit profile of our customers. Although we believe that our risk management controls are sufficient, we cannot be certain that they will continue to be sufficient or that additional risk management policies for individual borrowers will not be required. Failure to maintain sufficient credit assessment policies, particularly for individual borrowers, could adversely affect our credit portfolio which could have a material and adverse effect on our results of operations and financial condition.

17. ***Our customer base comprises mostly individual borrowers, who generally are more likely to be affected by declining economic conditions than large corporate borrowers.***

Individual borrowers generally are less financially resilient than large corporate borrowers, and, as a result, they can be more adversely affected by declining economic conditions. In addition, a significant majority of our customer base belongs to the low to middle income group, who may be more likely to be affected by declining economic conditions than large corporate borrowers.

18. ***Because we handle high volume of cash and gold jewellery in a dispersed network of branches, we are exposed to operational risks, including employee negligence, fraud, petty theft, burglary and embezzlement, which could harm our results of operations and financial position.***

As per our audited financial statements, as of September 30, 2011, we held cash balance of ₹ 1,134.5 million and gold jewellery of 129.5 tons. Our business involves carrying out cash and gold jewellery transactions that expose us to the risk of fraud by employees, agents, customers or third parties, theft, burglary, and misappropriation or unauthorised transactions by our employees. Our insurance policies, security systems and measures undertaken to detect and prevent these risks may not be sufficient to prevent or detect such activities in all cases, which may adversely affect our operations and profitability. Further, we may be subject to regulatory or other proceedings in connection with any unauthorised transaction, fraud or misappropriation by our representatives and employees, which could adversely affect our goodwill. The nature and size of the items provided as collateral allow these items to be misplaced or mis-delivered, which may have a negative impact on our operations and result in losses. For example, (i) in 2008 and 2009, we encountered two instances of staff fraud at our Millerganj, Punjab and Sakthikulangara, Kerala branches, where 497 packets of gold (pledged against a loan amount of ₹ 16,127,480) and ₹ 500,000 in cash were stolen by our employees, (ii) in 2009, gold ornaments pledged by two of our customers at our branches at Pettah, Trivandrum, and Thenkassi Old Bus Stand, Tamil Nadu, against loan amounts of ₹ 144,000 and ₹ 27,000, respectively, were reported to be stolen goods and seized by the police, and (iii) in 2009, in two separate cases, 87 grams of spurious gold and 604 grams of spurious gold were pledged, against loan amounts of ₹ 93,500 and ₹ 578,500, respectively, with our branches at Trichur West Fort, Kerala and Lajpat Nagar, New Delhi, respectively.

19. ***A decline in our capital adequacy ratio could restrict our future business growth.***

As per the revised norms of RBI, from March 31, 2011, we are required to maintain a capital adequacy ratio of at least 15% of our risk-weighted assets. Our capital adequacy ratio was 18.24% as of September 30, 2011, with Tier I capital comprising 13.48%. If we continue to grow our loan portfolio and asset base, we will be required to raise additional Tier I and Tier II capital in order to continue to meet applicable capital adequacy ratios with respect to our business of Gold Loans. There can be no assurance that we will be able to raise adequate additional capital in the future on terms favourable to us, or at all, and this may adversely affect the growth of our business.

20. ***If we fail to maintain effective internal control over financial reporting in the future, the accuracy and timing of our financial reporting may be adversely affected.***

We have taken steps intended to enhance our internal controls commensurate to the size of our business, primarily through the formation of a designated internal audit team with additional technical accounting and financial reporting experience. However, certain matters such as fraud and embezzlement cannot be eliminated entirely given the cash nature of our business. While we expect to remedy any such issues, we cannot assure you that we will be able to do so in a timely manner, which could impair our ability to accurately and timely report our financial position, results of operations or cash flows.

21. ***We may experience difficulties in expanding our business into additional geographical markets in India.***

While the Gold Loans markets in the South Indian States of Kerala Tamil Nadu, Andhra Pradesh and Karnataka remains and is expected to remain our primary strategic focus, we also evaluate attractive growth opportunities in other regions in India and have expanded our operations in the northern, western and eastern states of India. We may not be able to leverage our experience in southern India to expand our operations in other regions, should we decide to further expand our operations. Factors such as competition, culture, regulatory regimes, business practices and customs, customer tastes, behavior and preferences in these cities where we may plan to expand our operations may differ from those in south Indian states of Kerala, Tamil Nadu, Andhra Pradesh and Karnataka and our experience in the States of Kerala, Tamil Nadu, Andhra Pradesh and Karnataka may not be applicable to these geographies. In addition, as we enter new markets and geographical areas, we are likely to compete not only with other large banks and financial institutions in the Gold Loan business, but also the local unorganised or semi-organised lenders, who are more familiar with local conditions, business practices and customs, have stronger relationships with customers and may have a more established brand name.

If we plan to expand our geographical footprint, our business may be exposed to various additional challenges, including obtaining necessary governmental approvals, identifying and collaborating with local business partners with whom we may have no previous working relationship; successfully gauging market conditions in local markets with which we have no previous familiarity; attracting potential customers in a market in which we do not have significant experience or visibility; being susceptible to local taxation in additional geographical areas of India; and adapting our marketing strategy and operations to different regions of India in which other languages are spoken. Our inability to expand our current operations may adversely affect our business prospects, financial conditions and results of operations.

22. ***System failures or inadequacy and security breaches in computer systems may adversely affect our business.***

Our business is increasingly dependent on our ability to process, on a daily basis, a large number of transactions. Our financial, accounting or other data processing systems may fail to operate adequately or become disabled as a result of events that are wholly or partially beyond our control, including a disruption of electrical or communications services.

If any of these systems do not operate properly or are disabled or if there are other shortcomings or failures in our internal processes or systems, it could affect our operations or result in financial loss, disruption of our businesses, regulatory intervention or damage to our reputation. In addition, our ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports our businesses and the localities in which we are located.

Our operations also rely on the secure processing, storage and transmission of confidential and other information in our computer systems and networks. Our computer systems, software and networks may be vulnerable to unauthorised access, computer viruses or other malicious code and other events that could compromise data integrity and security.

23. ***We may not be able to maintain our current levels of profitability due to increased costs or reduced spreads.***

Our business involves a large volume of small-ticket size loans and requires manual operational support. Hence, we require dedicated staff or providing our services. In order to grow our portfolio, our expanded operations will also increase our manpower requirements and push up operational costs. Our growth will also require a relatively higher gross spread, or margin, on the consumer lending products we offer in order to maintain profitability. There can be no assurance that we will be able to maintain our current levels of profitability if the gross spreads on our consumer lending products were to reduce substantially, which could adversely affect our results of operations.

24. ***Our ability to access capital also depends on our credit ratings.***

The cost and availability of capital is also dependent on our short-term and long-term credit ratings. We have been assigned an "[ICRA] A1+" rating by ICRA for commercial paper and for short-term non-convertible debentures of ₹ 2,000.0 million, and a "CRISIL A1+" rating by CRISIL for short term debt instruments of ₹ 40,000.0 million. We have been assigned a "CRISIL AA-/Stable" rating by CRISIL for our ₹ 5,000.0 million non-convertible debentures and our ₹ 1,000.0 million subordinated debt. ICRA has assigned an "[ICRA] AA-/Stable" rating for our ₹ 2,000.0 million non-convertible debentures and our ₹ 1,000.0 million subordinated debt. We have been assigned a long-term rating of "[ICRA] AA-/Stable" and a short-term rating of "[ICRA] A1+" by ICRA for our ₹ 93,530 million line of credit. Ratings reflect a rating agency's opinion of our financial strength, operating performance, strategic position, and ability to meet our obligations. While our recent credit ratings have been positive, any downgrade of our credit ratings would increase borrowing costs and constrain our access to capital and lending markets and, as a result, would negatively affect our business. In addition, downgrades of our credit ratings could increase the possibility of additional terms and conditions being added to any new or replacement financing arrangements.

25. ***We may be subject to regulations in respect of provisioning for non-performing assets that are less stringent than in some other countries.***

RBI guidelines prescribe the provisioning required in respect of our outstanding loan portfolio. These provisioning requirements may require us to reserve lower amounts than the provisioning requirements applicable to financial institutions and banks in other countries. The provisioning requirements may also require the exercise of subjective judgments of management.

The level of our provisions may not be adequate to cover further increases in the amount of our non-performing assets or a decrease in the value of the underlying gold collateral. If such provisions are not sufficient to provide adequate cover for loan losses that may occur, or if we are required to increase our provisions, this could have an adverse effect on our financial condition, liquidity and results of operations and may require us to raise additional capital. For further details, see "Our Business - Non-performing Assets (NPAs) - Provisioning policy" on page 110, as also in the section "*Regulations and Policies in India - Systemically Important ND-NBFCs - Prudential Norms - Provisioning Requirements*" on page 245.

26. ***We may have to comply with stricter regulations and guidelines issued by regulatory authorities in India.***

We are regulated principally by and have reporting obligations to the RBI. We are also subject to the corporate, taxation and other laws in effect in India. The regulatory and legal framework governing us differs in certain material respects from that in effect in other countries and may continue to change as India's economy and commercial and financial markets evolve. In recent years, existing rules and regulations have been modified, new rules and regulations have been enacted and reforms have been implemented which are intended to provide tighter control and more transparency in India's Gold Loan industry. Moreover, new regulations may be passed that restrict our ability to do business. For example, regulatory restrictions on securitisation may be extended to bilateral assignment transactions, resulting in loss of arbitrage options.

We cannot assure you that we will not be subject to any adverse regulatory action in the future. Further, these regulations are subject to frequent amendments and depend upon government policy. Our present operations may not meet all regulatory requirements or subsequent regulatory amendments. The costs of compliance may be high, which may affect our profitability. If we are unable to comply with any such regulatory requirements, our business and results of operations may be materially and adversely affected.

27. ***Our loan portfolio is not classified as priority sector advances by the RBI.***

The RBI currently mandates domestic commercial banks operating in India to maintain an aggregate 40.0% (32.0% for foreign banks) of their adjusted net bank credit or credit equivalent amount of off-balance sheet exposure, whichever is higher as "priority sector advances". These include advances to agriculture, small enterprises, exports and similar sectors where the Government seeks to encourage flow of credit for developmental reasons. Banks in India that have traditionally been constrained or unable to meet these requirements organically, have relied on specialised institutions like our Company that are better positioned to or focus on originating such assets through on-lending or purchase of assets or securitised pools to comply with these targets.

As per our audited financial statements, our outstanding amounts of sold portfolio under bilateral assignments were ₹ 8,130.2 million, ₹ 20,083.2 million, ₹ 41,863.9 million and ₹ 25,875.0 million for the years ended March 31, 2009, 2010, 2011 and as per the audited financial statements for the period ended September 30, 2011, respectively. The entire portfolio sold under bilateral assignments were categorised as a priority sector advance for the years ended March 31, 2009, 2010, partly of ₹ 33,737.0 million for the year ended March 31, 2011 and partly of ₹ 18,970.40 million for the period ended September 30, 2011. Notification issued by the RBI in February 2011, has stipulated that loans sanctioned to NBFCs for on lending to individuals or other entities against gold jewellery would not be eligible for classification as agriculture sector advances in the context of priority sector lending guidelines issued by RBI. Accordingly, our ability to raise capital by selling down our gold loan portfolio under bilateral assignments will be hampered in the future and impact our ability to raise funds through loans from banks, which may adversely affect our financial condition and results of operations.

28. ***Our ability to assess, monitor and manage risks inherent in our business differs from the standards of some of our counterparts in India and in some developed countries.***

We are exposed to a variety of risks, including liquidity risk, interest rate risk, credit risk, operational risk and legal risk. The effectiveness of our risk management is limited by the quality and timeliness of available data.

Our hedging strategies and other risk management techniques may not be fully effective in mitigating our risks in all market environments or against all types of risk, including risks that are unidentified or unanticipated. Some methods of managing risks are based upon observed historical market behaviour. As a result, these methods may not predict future risk exposures, which could be greater than the historical measures indicated. Other risk management methods depend upon an evaluation of information regarding markets, customers or other matters. This information may not in all cases be accurate, complete, up-to-date or properly evaluated. Management of operational, legal or regulatory risk requires, among other things, policies and procedures to properly record and verify a number of transactions and events. Although we have established these policies and procedures, they may not be fully effective. Our future success will depend, in part, on our ability to respond to new technological advances and emerging financing institution and Gold Loan industry standards and practices on a cost-effective and timely basis. The development and implementation of such technology entails significant technical and business risks. There can be no assurance that we will successfully implement new technologies or adapt our transaction-processing systems to customer requirements or emerging market standards.

29. ***Any failure by us to identify, manage, complete and integrate acquisitions, divestitures and other significant transactions successfully could adversely affect our results of operations, business and prospects.***

As part of our business strategy, we may acquire complementary companies or businesses, divest non-core businesses or assets, enter into strategic alliances and joint ventures and make investments to further expand our business. In order to pursue this strategy successfully, we must identify suitable candidates for and successfully complete such transactions, some of which may be large and complex, and manage the integration of acquired companies or employees. We may not fully realise all of the anticipated benefits of any such transaction within the anticipated timeframe or at all. Any increased or unexpected costs, unanticipated delays or failure to achieve contractual obligations could make such transactions less profitable or unprofitable. Managing business combination and investment transactions requires varying levels of management resources, which may divert our attention from other business operations, may result in significant costs and expenses and charges to earnings. The challenges involved in integration include:

- combining product offerings and entering into new markets in which we are not experienced;
- consolidating and maintaining relationships with customers;
- consolidating and rationalising transaction processes and corporate and IT infrastructure;
- integrating employees and managing employee issues;
- coordinating and combining administrative and other operations and relationships with third parties in accordance with applicable laws and other obligations while maintaining adequate standards, controls and procedures;
- achieving savings from infrastructure integration; and
- managing other business, infrastructure and operational integration issues.

Any such acquisition may also result in earnings dilution, the amortisation of goodwill and other intangible assets or other charges to operations, any of which could have a material adverse effect on our business, financial condition or results of operations. These acquisitions may give rise to unforeseen contingent risks or latent liabilities relating to these businesses that may only become apparent after the merger or the acquisition is finalised. Such acquisitions could involve numerous additional risks, including, without limitation, difficulties in the assimilation of the operations, products, services and personnel of any acquired company and could disrupt our ongoing business, distract our management and employees and increase our expenses.

In addition, in order to finance an acquisition, we may be required to make additional borrowings or may issue additional Equity Shares, potentially leading to dilution of existing shareholders.

30. ***In order to be successful, we must attract, retain and motivate key employees, and failure to do so could adversely affect our business.***

In order to be successful, we must attract, train, motivate and retain highly skilled employees, especially branch managers and gold assessment technical personnel. If we cannot hire additional personnel or retain existing qualified personnel, our ability to expand our business will be impaired and our revenue could decline. Hiring and retaining qualified and skilled managers and sales representatives are critical to our future, and competition for experienced employees in the Gold Loan industry can be intense. In addition, we may not be able to hire and retain enough skilled and experienced employees to replace those who leave, or may not be able to re-deploy and retain our employees to keep pace with continuing changes in technology, evolving standards and changing customer preferences. The failure to hire key executives or employees or the loss of executives and key employees could have a significant impact on our operations.

31. ***Our insurance coverage may not be adequate to protect us against all potential losses to which we may be subject.***

We maintain insurance cover for our free hold real estate and tangible properties and infrastructure at all owned and leased premises which provides insurance cover against loss or damage by fire, earthquake, lightning, riot, strike, storm, flood, explosion, aircraft damage, rock slide and missile testing. Further we maintain insurance cover for employee fidelity, cash and gold in the office premises and in transit which provides insurance cover against loss or damage by employee theft, burglary, house breaking and hold up. The aggregate insured value covered by the various insurance policies we have subscribed may be less than the replacement cost of all covered property and may not be sufficient to cover all financial losses that we may suffer should a risk materialise. Further, there are many events that could significantly impact our operations, or expose us to third-party liabilities, for which we may not be adequately insured. If we were to incur a significant liability for which we were not fully insured, it could have a material adverse effect on our results of operations and financial position.

32. ***Our results of operations could be adversely affected by any disputes with our employees.***

As of December 31, 2011, we employed 23,219 persons in our operations. Currently our employees do not belong to any labour union. We do not engage any long term contract employees. While we believe that we maintain good relationships with our employees, there can be no assurance that we will not experience future disruptions to our operations due to disputes or other problems with our work force, which may adversely affect our business and results of operations.

33. ***Our inability to obtain, renew or maintain our statutory and regulatory permits and approvals required to operate our business may have a material adverse effect on our business.***

NBFCs in India are subject to strict regulations and supervision by the RBI. In addition to the numerous conditions required for the registration as a NBFC with the RBI, we are required to maintain certain statutory and regulatory permits and approvals for our business. In the future, we will be required to renew such permits and approvals and obtain new permits and approvals for any proposed operations. There can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all. Failure by us to renew, maintain or obtain the required permits or approvals may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations.

In addition, our branches are required to be registered under the relevant shops and establishments laws of the states in which they are located. The shops and establishment laws regulate various employment conditions, including working hours, holidays and leave and overtime compensation. Some of our branches have not applied for such registration while other branches still have applications for registration pending. If we fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, our business may be adversely affected. If we fail to comply, or a regulator claims we have not complied, with any of these conditions, our certificate of registration may be suspended or cancelled and we shall not be able to carry on such activities.

34. ***We are subject to legal and regulatory risk which may adversely affect our business.***

As a non-deposit taking NBFC, we are subject to a wide variety of financial services laws and regulations and are supervised by a large number of regulatory and enforcement authorities in India, including the RBI. The laws and regulations governing the banking and financial services industry in India have become increasingly complex and cover a wide variety of issues, such as capital adequacy, exposure and other prudential norms, interest rates, liquidity, securitisation, investments, ethical issues, know-your-customer guidelines, money laundering and privacy, with sometimes overlapping enforcement authorities. For instance, a number of states in India have enacted laws to regulate money lending transactions. These state laws establish maximum rates of interest that can be charged by a person lending money. The RBI, however, has not established a ceiling on the rate of interest that can be charged by a NBFC in our sector of operations. Currently, the RBI requires that the board of all NBFCs adopt an interest rate policy taking into account relevant factors such as the cost of funds, margin and risk premium. The rate of interest and the approach for gradation of risk and the rationale for charging different rates of interest for different categories of borrowers are required to be disclosed to the borrowers in the application form and expressly communicated in the sanction letter.

Additionally, we are required to make various filings with the RBI, the ROC and other relevant authorities pursuant to the provisions of RBI regulations, Companies Act and other regulations. If we fail to comply with these requirements, or a regulator claims we have not complied, in meeting these requirements, we may be subject to penalties and compounding proceedings. For instance, in the past, we had to approach the Company Law Board for condoning offences and had to pay certain penalties.

In addition, there may be changes in the regulatory system or in the enforcement of the laws and regulations which may require us to restructure our activities and incur additional expenses in complying with such laws and regulations, which could materially and adversely affect our business. Failure to comply with applicable Indian regulations, including unauthorised actions by employees, representatives, agents and third parties, suspected or perceived failures and media reports, and ensuing inquiries or investigations by regulatory and enforcement authorities, could result in regulatory action, including financial penalties and restrictions on or suspension of our business operations.

35. ***Major lapses of control, system failures or calamities could adversely impact our business.***

We are vulnerable to risks arising from the failure of employees to adhere to approved procedures, failures of security system, information system disruptions, communication systems failure and data interception during transmission through external communication channels and networks. Failure to detect these breaches in security may adversely affect our operations.

36. ***Our ability to borrow from various banks may be restricted on account of guidelines issued by the RBI imposing restrictions on banks in relation to their exposure to NBFCs.***

Under RBI Master Circular No. RBI/2010-11/68 DBOD No.Dir.BC.14/13.03.00/ 2010-11 issued on July 1, 2010, the exposure (both lending and investment, including off balance sheet exposures) of a bank to a single NBFC should not exceed 10%, of the bank's capital funds as per its last audited balance sheet. Banks may, however, assume exposures on a single NBFC up to 15%, of their capital funds provided the exposure in excess of 10% is on account of funds on-lent by the NBFC to the infrastructure sector. Further, banks may also consider fixing internal limits for their aggregate exposure to all NBFCs put together.

This limits the exposure that banks may have on NBFCs such as us, which may restrict our ability to borrow from such banks and may increase our cost of borrowing, which could adversely impact our growth, margins and business operations.

37. ***We have entered into certain transactions with related parties.***

We have entered into transactions with several related parties, including our Promoters, Directors and Group Entities. We can give no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations. The transactions we have entered into and any future transactions with our related parties have involved or could potentially involve conflicts of interest.

The following is a list of the various related party transactions entered into by us as on September 30, 2011:

(₹ in Million; as per our audited financial statements)

Nature of Transaction	Entities in which we have significant influence	Key Managerial Personnel	Relative of Key Managerial Personal
	As on September 30, 2011		
Purchase of Travel Tickets for Company Executives/Directors/Customers	5.21	N/A	N/A
Travel Arrangements for Company Executives/Customers	1.70	N/A	N/A
Accommodation facilities for Company Executives/Clients/Customers	0.19	N/A	N/A
Complementary Medical Health Check Ups for Customers/ Employees	0.86	N/A	N/A
Release of Advertisements in Outdoor, Print and Electronic Media	38.29	N/A	N/A
Interest to Directors/relatives	N/A	58.09	26.93
Interest on Inter Corporate Deposits	0.63	N/A	N/A
Remuneration to Directors	N/A	96.00	1.12
Transaction Charges received	1.29	N/A	N/A
Loans accepted	N/A	379.48	N/A
Loans Repaid	N/A	268.90	N/A
Inter Corporate Deposits accepted	12.65	N/A	N/A
Inter Corporate Deposits repaid	3.15	N/A	N/A
Rent paid	1.47	1.53	0.28
Loans availed by the Company for which guarantee is provided by related parties	400.00	81,030.00	23,100.00
Loans availed by the Company for which collateral security is provided by related parties	400.00	135.00	N/A

For further details regarding our related party transactions, see "*Financial Information*" on page 142.

38. ***We have not entered into any definitive agreements to utilise a substantial portion of the net proceeds of the Issue.***

We intend to use the Net Proceeds for the purposes described in the "*Objects of the Issue*" on page 87. We currently intend to use the Net Proceeds from the Issue to fund our growth. Our management will have broad discretion to use the Net Proceeds and you will be relying on the judgment of our management regarding the application of these Net Proceeds. Our funding requirements are based on current conditions and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy. Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time. Any such change in our plans may require rescheduling of our current plans or discontinuing existing plans and an increase or decrease in the fund requirements for the objects, at the discretion of the management. Pending utilisation for the purposes described above, we intend to temporarily invest the funds in interest bearing liquid instruments including deposits with banks and investments in liquid (not equity) mutual funds. Such investments would be in accordance with the investment policies approved by our Board from time to time.

39. ***We continue to be controlled by our Promoters and they will continue to have the ability to exercise significant control over us.***

Our Promoters along with relatives hold, 80.12% of our outstanding Equity Shares as on December 31, 2011. As a result, our Promoters will continue to exercise significant control over us, including being able to control the composition of our Board and determine matters requiring shareholder approval or approval of our Board. Our Promoters may take or block actions with respect to our business, which may conflict with our interests or the interests of our minority shareholders. By exercising their control, our Promoters could delay, defer or cause a change of our control or a change in our capital structure, delay, defer or cause a merger, consolidation, takeover or other business combination involving us, discourage or encourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us.

40. ***Our business strategy may change in the future and may be different from that which is contained herein.***

Our current business strategy is to expand our branch network and increase our Gold Loan portfolio. We cannot assure you that we will continue to follow these business strategies. In the future, we may decide to diversify into other businesses. We may also explore opportunities for expansion into new geographic markets outside India. We have stated our objectives for raising funds through the Issue and have set forth our strategy for our future business herein. However, depending on prevailing market conditions and other commercial considerations, our business model in the future may change from what is described herein.

41. ***Our Promoters, Directors and related entities have interests in a number of entities, which are in businesses similar to ours and this may result in potential conflicts of interest with us.***

Certain decisions concerning our operations or financial structure may present conflicts of interest among our Promoters, other shareholders, Directors, executive officers and the holders of the NCDs. Our Promoters, Directors and related entities have interests in the following entities that are engaged in businesses similar to ours:

Companies:

1. Muthoot Vehicle & Asset Finance Limited
2. Geo Bros Muthoot Funds (India) Limited
3. Emgee Muthoot Benefit Fund (India) Limited
4. Muthoot M George Permanent Fund Limited
5. Muthoot Gold Funds Limited
6. Muthoot Synergy Fund Limited
7. Muthoot M George Chits (India) Limited
8. Muthoot Finance UK Limited

Partnership firms:

1. Muthoot General Finance
2. Muthoot Insurance Advisory Services
3. Emgee Insurance Services
4. Geo Financial Services
5. Muthoot Bankers (Kottayam)
6. Muthoot Bankers (Quilon)
7. Muthoot Bankers (Edapally)
8. Muthoot Investments
9. Muthoot Bankers (Alleppey)
10. Muthoot M George Chitty Fund
11. Muthoot M George Bankers (Trivandrum)

12. Muthoot M George Chits (Bangalore)
13. Muthoot Bankers (Pathanapuram)
14. Muthoot Financiers (Pathanapuram)
15. Muthoot M George Financiers (Faridabad)
16. Muthoot Bankers (Faridabad)
17. Muthoot Bankers (Pathanamthitta)
18. Muthoot Bankers (Cochin)
19. Muthoot Bankers (Bangalore)

Commercial transactions in the future between us and related parties could result in conflicting interests. A conflict of interest may occur between our business and the business of our Promoter group companies which could have an adverse affect on our operations. Conflicts of interest may also arise out of common business objectives shared by us, our Promoters, directors and their related entities. Our Promoters, directors and their related entities may compete with us and have no obligation to direct any opportunities to us. There can be no assurance that these or other conflicts of interest will be resolved in an impartial manner.

42. ***We are significantly dependent on our management team and our ability to attract and retain talent.***

We are significantly dependent upon a core management team who oversee the day-to-day operations, strategy and growth of our businesses. Many of the key management personnel have been with us since our inception and have been integral to our development. Our success is largely dependent on the management team who ensure the implementation of our strategy. If one or more members of our core management team were unable or unwilling to continue in their present positions, such persons may be difficult to replace, and our business could be adversely affected.

43. ***Our employees may be the target of theft, burglary and other crimes which may adversely affect our business, operations, and ability to recruit and retain employees.***

We handle large amount of cash and gold jewellery items in our daily operation and are exposed to risks of theft, burglary and other crimes. Our employees may therefore become targets of violence if they are present when these crimes are committed, and may sustain physical and psychological injuries as a result. We may encounter difficulties recruiting and retaining qualified employees due to this risk and our business and operations may be adversely affected.

44. ***Our internal procedures, on which we rely for obtaining information on our customers and loan collateral, may be deficient and result in business losses.***

We rely on our internal procedures for obtaining information on our customers and loan collateral provided. In the event of lapses or deficiencies in our procedures or in their implementation, we may be subject to business or operational risk. For example, in the event that we unknowingly receive stolen goods as collateral from a customer, the goods can be seized by authorities. Once seized by the authorities, gold items will be stored in court storage facilities without a surety arrangement. No recourse will generally be available to Company in the event of such seizure, except the recovery of the loss from the customer.

45. ***We do not own our branches of operation.***

Except for 14 branch offices, which are owned by us, all our branches are located on leased premises. If any of the owners of these premises does not renew an agreement under which we occupy the premises, or if any of the owners seeks to renew an agreement on terms and conditions unfavorable to us, we may suffer a disruption in our operations or increased costs, or both, which may adversely affect our business and results of operations.

46. ***Some of the lease agreements entered into by our Company with respect to our immovable properties may not be duly registered or adequately stamped, which may adversely affect our operations.***

Some of our lease agreements with respect to our immovable properties may not be adequately stamped or duly registered. Unless such documents are adequately stamped or duly registered, such documents may be rendered as inadmissible as evidence in a court in India or attract penalty as prescribed under applicable law, which may result in a material adverse effect on the continuance of the operations and business of our Company.

47. ***NRIs subscribing to the NCDs are subject to risks in connection with (i) exchange control regulations, and, (ii) fluctuations in foreign exchange rates.***

The NCDs will be denominated in Indian rupees. Various statutory and regulatory requirements and restrictions apply in connection with the NCDs held by NRIs. Amounts payable to NRIs holding the NCDs, on redemption of the NCDs and/or the interest paid/payable in connection with such NCDs would accordingly be subject to prevailing exchange control regulations. Any change in the exchange control regulations may adversely affect the ability of such NRIs to convert such amounts into other currencies, in a timely manner or at all. Further, fluctuations in the exchange rates between the Indian rupee and other currencies could adversely affect the amounts realised by NRIs on redemption or payment of interest on the NCDs by our Company.

EXTERNAL RISK FACTORS

Risk factors related to India

48. ***Political instability or changes in the Government of India could adversely affect economic conditions in India and consequently our business.***

Our Company is incorporated in India, derive its revenues in India and all of our assets are located in India. Consequently, our performance and the market price and liquidity of the NCDs may be affected by changes in exchange rates and controls, interest rates, Government policies, taxation, social and ethnic instability and other political and economic developments affecting India. The Government has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. Our business and the market price and liquidity of the NCDs may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and political, economic or other developments in or affecting India. Since 1991, successive governments have pursued policies of economic and financial sector liberalisation and deregulation and encouraged infrastructure projects. The new Government, which has come to power in May 2009 has announced policies and taken initiatives that support the economic liberalisation program pursued by previous governments. The policies of the new Government may change the rate of economic liberalisation, specific laws and policies affecting banks and financial institutions and the Gold Loan industry, foreign investment and other matters affecting investment in the NCDs. While the new Government is expected to continue the liberalisation of India's economic and financial sectors and deregulation policies, there can be no assurance that such policies will be continued. A significant change in the Government's policies in the future, in particular, those relating to NBFCs and the Gold Loan industry in India, could affect business and economic conditions in India, and could also adversely affect our financial condition and results of operations.

49. ***If communal disturbances or riots erupt in India, or if regional hostilities increase, this would adversely affect the Indian economy, and our business, financial condition and results of operations.***

India has experienced communal disturbances, terrorist attacks and riots during recent years. If such events recur, our operational and marketing activities may be adversely affected, resulting in a decline in our income.

The Asian region has from time to time experienced instances of civil unrest and hostilities among neighbouring countries, including those between India and Pakistan. The hostilities between India and Pakistan are particularly threatening because both India and Pakistan are nuclear powers. Hostilities and tensions may occur in the future and on a wider scale. Military activity or terrorist attacks in India, such as the recent attacks in Mumbai in November 2008, as well as other acts of violence or war could influence the Indian economy by creating a greater perception that investments in India involve higher degrees of risk. Events of this nature in the future, as well as social and civil unrest within other countries in Asia, could influence the Indian economy and could have a material adverse effect on the market for securities of Indian companies, including the NCDs.

50. ***A slowdown in the economic growth in India could cause our business to suffer.***

We derive all of our revenues from operations in India and consequently, our performance and growth is dependent on the state of the Indian economy. The Annual Policy Statement of the RBI released in May 2011 and amended in January 2012 placed real GDP growth for the fiscal year 2012 at approximately 7.00% as compared to 8.40% in fiscal year 2011 following the downturn precipitated by the global financial crisis. Any slowdown in the Indian economy, and in particular in the financing requirements of our customers could adversely affect our business.

51. ***A downgrade of India's sovereign debt rating may adversely affect our ability to raise additional debt financing.***

India's sovereign debt rating could be downgraded due to various factors, including changes in tax or fiscal policy, which are outside our control. Such downgrading could cause a change in interest rates or other commercial terms and could adversely affect our ability to raise additional financing as well as our capital expenditure plans, business and financial performance. A decline in this reserve could impact the valuation of the Indian Rupee and could result in reduced liquidity and higher interest rates, which could adversely affect the availability of financing to us for our future projects.

52. ***India is vulnerable to natural disasters that could severely disrupt the normal operation of our Business***

India, Bangladesh, Pakistan, Indonesia, Japan and other Asian countries have experienced natural calamities such as earthquakes, floods, droughts and a tsunami in recent years. Some of these countries have also experienced pandemics, including the outbreak of avian flu. These economies could be affected by the extent and severity of such natural disasters and pandemics which could, in turn affect the financial services sector of which our Company is a part. Prolonged spells of abnormal rainfall, draught and other natural calamities could have an adverse impact on the economy, which could in turn adversely affect our business and the price of our NCDs.

53. ***A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition.***

According to the weekly statistical supplement released by the RBI, India's foreign exchange reserves totaled USD 293,753 million as of Febaruary 03, 2012 (*Source: RBI Website as on February 10, 2012*). A decline in India's foreign exchange reserves could impact the valuation of the Rupee and could result in reduced liquidity and higher interest rates which could adversely affect our future financial performance.

54. ***Companies operating in India are subject to a variety of central and state government taxes and surcharges.***

Tax and other levies imposed by the central and state governments in India that affect our tax liability include central and state taxes and other levies, income tax, value added tax, turnover tax, service tax, stamp duty and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time. For example, a new direct tax code has been introduced in the monsoon session of the Indian Parliament, and is expected to be effective from April 1, 2012. In addition, a new goods and services tax regime is expected to be introduced in fiscal year 2012, and the scope of the service tax is proposed to be enlarged. The statutory corporate income tax in India, which includes a surcharge on the tax and an education cess on the tax and the surcharge, is currently 32.445%. The central or state government may in the future increase the corporate income tax it imposes. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Additional tax exposure could adversely affect our business and results of operations.

Risks relating to the Issue

55. ***We cannot guarantee the accuracy or completeness of facts and other statistics with respect to India, the Indian economy and the NBFC and Gold Loan industries contained in this Prospectus.***

While facts and other statistics in this Prospectus relating to India, the Indian economy as well as the Gold Loan industry has been based on various publications and reports from agencies that we believe are reliable, we cannot guarantee the quality or reliability of such materials, particularly since there is limited publicly available information specific to the Gold Loan industry. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisers and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the section titled "*About the Issuer and Industry Overview*" on page 94. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

56. ***There are other lenders and debenture trustees who have pari passu charge over the Security provided***

There are other lenders and debenture trustees of the Company who have pari passu charge over the Security provided for the Issue. While the Company is required to maintain an asset cover of 1 time the outstanding amount of the NCDs, upon the Company's bankruptcy, winding-up or liquidation, the other lenders and debenture trustees will rank pari passu with the NCD holders and to that extent, may reduce the amounts recoverable by the NCD holders. As per Regulation 17(2) read with Schedule I of the SEBI Debt Regulations, the Company is required to obtain permissions / consents from the prior creditors in favour of the debenture trustee for creation of such pari passu charge and the same is required to be disclosed. Accodingly, the Company has applied for and obtained consent from all other lenders and debenture trustees for creation of a first pari passu charge over the Security.

57. ***Changes in interest rate may affect the price of our NCD***

All securities where a fixed rate of interest is offered, such as our NCDs, are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, i.e. when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the price of our NCDs.

58. ***You may not be able to recover, on a timely basis or at all, the full value of the outstanding amounts and/or the interest accrued thereon in connection with the NCDs.***

Our ability to pay interest accrued on the NCDs and/or the principal amount outstanding from time to time in connection therewith would be subject to various factors inter-alia including our financial condition, profitability and the general economic conditions in India and in the global financial markets. We cannot assure you that we would be able to repay the principal amount outstanding from time to time on the NCDs and/or the interest accrued thereon in a timely manner or at all. Although our Company will create appropriate security in favour of the Debenture Trustee for the NCD holders on the assets adequate to ensure 100% asset cover for the NCDs, which shall be free from any encumbrances, the realisable value of the assets charged as security, when liquidated, may be lower than the outstanding principal and/or interest accrued thereon in connection with the NCDs.

A failure or delay to recover the expected value from a sale or disposition of the assets charged as security in connection with the NCDs could expose you to a potential loss.

59. ***If we do not generate adequate profits, we may not be able to maintain an adequate DRR for the NCDs issued pursuant to this Prospectus.***

Section 117C of the Act states that any company that intends to issue debentures must create a DRR to which adequate amounts shall be credited out of the profits of the company until the debentures are redeemed. The Ministry of Corporate Affairs has, through its circular dated April 18, 2002, ("**Circular**"), specified that the quantum of DRR to be created before the redemption liability actually arises in normal circumstances should be 'adequate' to pay the value of the debentures plus accrued interest, (if not already paid), till the debentures are redeemed and cancelled. The Circular however further specifies that, for NBFCs like our Company, (NBFCs which are registered with the RBI under Section 45-IA of the RBI Act), the adequacy of the DRR will be 50% of the value of debentures issued through the public issue. Accordingly our Company is required to create a DRR of 50% of the value of debentures issued through the public issue. As further clarified by the Circular, the amount to be credited as DRR will be carved out of the profits of the company only and there is no obligation on the part of the company to create DRR if there is no profit for the particular year. Accordingly, if we are unable to generate adequate profits, the DRR created by us may not be adequate to meet the 50% of the value of the NCDs. This may have a bearing on the timely redemption of the NCDs by our Company.

60. ***There may be no active market for the NCDs on the retail debt market/capital market segment of the BSE Limited. As a result the liquidity and market prices of the NCDs may fail to develop and may accordingly be adversely affected.***

There can be no assurance that an active market for the NCDs will develop. If an active market for the NCDs fails to develop or be sustained, the liquidity and market prices of the NCDs may be adversely affected. The market price of the NCDs would depend on various factors inter alia including (i) the interest rate on similar securities available in the market and the general interest rate scenario in the country, (ii) the market price of our Equity Shares, (iii) the market for listed debt securities, (iv) general economic conditions, and, (v) our financial performance, growth prospects and results of operations. The aforementioned factors may adversely affect the liquidity and market price of the NCDs, which may trade at a discount to the price at which you purchase the NCDs and/or be relatively illiquid.

61. ***There may be a delay in making refund to applicants***

We cannot assure you that the monies refundable to you, on account of (i) withdrawal of your applications, (ii) our failure to receive minimum subscription in connection with the Base Issue, (ii) withdrawal of the Issue, or (iii) failure to obtain the final approval from the BSE for listing of the NCDs, will be refunded to you in a timely manner. We however, shall refund such monies, with the interest due and payable thereon as prescribed under applicable statutory and/or regulatory provisions.

62. ***Any downgrading in credit rating of our NCDs may affect the value of NCDs and thus our ability to raise further debts.***

The NCDs proposed to be issued under this Issue have been rated '[ICRA] AA-/Stable' by ICRA for an amount of upto ₹ 6,000.00 million vide its letter dated February 06, 2012 and 'CRISIL AA-/Stable' by CRISIL for an amount of upto ₹ 6,000.00 million vide its letter dated February 06, 2012. The rating of the NCDs by ICRA and CRISIL indicates a high degree of safety regarding timely servicing of financial obligations. The ratings provided by ICRA and CRISIL may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions. Please refer to page 287 to 293 for rating letter and rationale for the above rating.

63. ***Securities on our NCDs rank as pari passu with our Company's secured indebtedness***

Substantially all of our Company's current assets represented mainly by Gold Loan receivables are being used to secure our Company's debt. As at December 31, 2011 our Company's secured debt was ₹ 151,310.45 million. Securities on our NCDs will rank pari passu with any of our Company's secured obligations with respect to the assets that secure such obligations. The terms of the NCDs do not prevent our Company from incurring additional debt. In addition, the NCDs will rank pari passu to the existing and future indebtedness and other secured liabilities and obligations of our Company.

64. ***Security provided for the Issue may not be enforceable***

We have certain proceedings pending under the IT Act before the Income Tax Appellate Tribunal. Under Section 281 of the IT Act and circular bearing number 04/2011 dated July 19, 2011, our Company is required to obtain prior consent of the assessing officer to create the Security provided for the Issue to the extent classified as assets under Section 281 of the IT Act, during the pendency of such proceedings. We have made an application to the relevant assessing officer seeking such prior consent on February 06, 2012. In the event that such consent is not granted, the Security provided for the Issue to the extent classified as 'Assets' under Section 281 of the IT Act will be void as against any claim in respect of any tax or any other sum payable by the Company, including as a result of the completion of these proceedings.

Risks relating to the NCDs

65. ***The fund requirement and deployment mentioned in the Objects of the Issue have not been appraised by any bank or financial institution***

We intend to use the proceeds of the Issue, after meeting the expenditures of and related to the Issue, for our various financing activities including lending and investments, subject to applicable statutory and/or regulatory requirements, to repay our existing loans and our business operations including for our capital expenditure and working capital requirements. For further details, see section titled "*Objects of the Issue*" beginning on page 87. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution. The management will have significant flexibility in applying the proceeds received by us from the Issue. Further, as per the provisions of the Debt Regulations, we are not required to appoint a monitoring agency and therefore no monitoring agency has been appointed for this Issue.

Prominent Notes:

- This is a public issue of NCDs aggregating upto ₹ 2,500 million with an option to retain over-subscription upto ₹ 2,500 million for issuance of additional NCDs aggregating to a total of upto ₹ 5,000 million.

- For details on the interest of our Company's Directors, please refer to the sections titled "*Our Management*" and "*Capital Structure*" beginning on pages 121 and 51, respectively.

- Our Company has entered into certain related party transactions, within the meaning of AS 18 as notified by the Companies (Accounting Standards) Rules, 2006, as disclosed in the section titled "*Financial Information*" beginning on page 142.

- Any clarification or information relating to the Issue shall be made available by the Lead Managers and our Company to the investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever.

- Investors may contact the Registrar to the Issue, Compliance Officer, the Lead Managers for any complaints pertaining to the Issue. In case of any specific queries on allotment/refund, Investor may contact the Registrar to the Issue.

- In the event of oversubscription to the Issue, allocation of NCDs will be as per the "*Basis of Allotment*" set out on page 219.

- Our Equity Shares are listed on the NSE and BSE.

- As of September 30, 2011, we had certain contingent liabilities not provided for, amounting to ₹ 3,229.35 million. For further information on such contingent liabilities, see "*Financial Information*" on page 142.

- For further information relating to certain significant legal proceedings that we are involved in, see "*Pending Proceedings and Statutory Defaults*" beginning on page 223.

SECTION III: INTRODUCTION

GENERAL INFORMATION

Our Company was originally incorporated as a private limited company on March 14, 1997 under the provisions of the Companies Act, 1956, with the name "The Muthoot Finance Private Limited". Subsequently, by a fresh certificate of incorporation dated May 16, 2007, our name was changed to "Muthoot Finance Private Limited". Our Company was converted into a public limited company on November 18, 2008 with the name "Muthoot Finance Limited" and received a fresh certificate of incorporation consequent to change in status on December 02, 2008 from the Registrar of Companies, Kerala and Lakshadweep.

Registered Office

Muthoot Finance Limited
Muthoot Chambers
Opposite Saritha Theatre Complex
2nd Floor, Banerji Road
Kochi 682 018
Kerala, India
Tel: (91 484) 239 4712
Fax: (91 484) 239 6506
Website: www.muthootfinance.com
Email: cs@muthootgroup.com

For details of change in registered office, refer to the section titled "*History and Main Objects*" on page 118.

Registration

Registration Number: 011300

Corporate Identity Number: L65910KL1997PLC011300 issued by the Registrar of Companies, Kerala and Lakshadweep.

Certificate of registration bearing number N. 16.00167 under Section 45IA of the RBI Act, 1934 from the RBI dated December 12, 2008 from the RBI to carry on the business of a non-banking financial institution without accepting public deposits

Compliance Officer and Company Secretary

Rajesh A.
Muthoot Chambers
Opposite Saritha Theatre Complex
2nd Floor, Banerji Road
Kochi 682 018
Kerala, India
Tel: (91 484) 353 5533
Fax: (91 484) 2396506
E-mail: cs@muthootgroup.com

Investors may contact the Registrar to the Issue or the Compliance Officer in case of any pre-issue or post Issue related issues such as non-receipt of Allotment Advice, demat credit, refund orders or interest on application money.

Lead Managers

Lead Managers	
ICICI Securities Limited ICICI Centre, H.T. Parekh Marg, Churchgate Mumbai 400 020, India Tel: (91 22) 2288 2460 Fax: (91 22) 2282 6580 Email: muthootfin.bonds@icicisecurities.com Investor Grievance Email: customercare@icicisecurities.com Website: www.icicisecurities.com Contact Person: Manvendra Tiwari/Aashima Mutneja Compliance Officer: Subir Saha SEBI Registration No. :INM000011179	***HDFC Bank Limited*** Investment Banking Division Trade World 'A' Wing, First Floor Kamala Mills, Senapati Bapat Marg, Lower Parel Mumbai 400 013, India Tel: (91 22) 4080 4108 Fax: (91 22) 4080 4114 Email: paresh.soni@hdfcbank.com Investor Grievance Email: investor.redressal@hdfcbank.com Website: www.hdfcbank.com Contact Person: Paresh Soni Compliance Officer: Manoj Nadkarni SEBI Registration No. :INM000011252
JM Financial Consultants Private Limited 141, Maker Chambers III, Nariman Point Mumbai 400 021, India Tel: (91 22) 6630 3030 Fax: (91 22) 2204 7185 Email: muthootncdissue.2012@jmfinancial.in Investor Grievance Email: grievance.ibd@jmfinancial.in Website: www.jmfinancial.in Contact Person: Lakshmi Lakshmanan Compliance Officer: Chintal Sakaria SEBI Registration No. : INM000010361	***Karvy Investor Services Limited*** Hallmark Plaza, 7th Floor, Sant Dyaneshwar Marg, Mumbai 400 051, India Tel: (91 22) 6149 1500 Fax: (91 22) 6149 1515 Email: muthootncd2011@karvy.com Investor Grievance Email: cmg@karvy.com Website: www.karvy.com Contact Person: Swapnil Mahajan/Sumit Singh Compliance Officer: V Madhusudhan Rao SEBI Registration No. : INM000008365
RR Investors Capital Services (Private) Limited 133A, Mittal Tower, A- Wing, Nariman Point Mumbai-400 021, India Tel: (91 22) 2288 6627/28 Fax: (91 22) 2285 1925 Email:muthootncd@rrfcl.com Investors Grievance Email: investors@rrfcl.com Website: www.rrfcl.com Contact Person: Brahmdutta Singh Compliance Officer: Sandeep Mahajan SEBI Registration No.: INM000007508	***YES Bank Limited*** Nehru Centre, 12th Floor, Discovery of India Dr. A B Road, Worli Mumbai 400 018, India Tel : (91 22) 6669 9000 Fax: (91 22) 2497 4158 Email: dlmuthootfinncd@yesbank.in Investor Grievance Email: merchantbanking@yesbank.in Website: www.yesbank.in Contact Person : Sameer Kakkar Compliance Officer: Dhanraj Uchil SEBI Registration No.: INM000010874

Debenture Trustee

IDBI Trusteeship Services Limited
Asian Building, Ground Floor,
17 R. Kamani Marg, Ballard Estate,
Mumbai 400 001, India
Tel: (91 22) 4080 7000
Fax: (91 477) 6631 1776
Email: sarita.iyer@idbitrustee.co.in
Website: www.idbitrustee.co.in
Contact Person: Sarita Iyer
SEBI Registration No. : IND000000460

Registrar to the Issue

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound
L.B.S. Marg, Bhandup (West)
Mumbai 400 078, India
Tel: (91 22) 2596 0320
Fax: (91 22) 2596 0329
Toll Free: 1-800-22-0320
Email: mfl.ipo@linkintime.co.in
Investor Grievance Email: mfl.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Sachin Achar
SEBI Registration No.: INR000004058

Statutory Auditors

Rangamani & Co
Chartered Accountants
17/598, 2nd Floor
Card Bank Building
West of YMCA
VCSB Road
Allepey 688 011
Kerala, India
Tel: (91 477) 226 1542
Fax: (91 477) 226 1542
Email: sreenivasan2121@gmail.com

Credit Rating Agencies

ICRA Limited
1105, Kailash Building, 11th Floor
26, Kasturba Gandhi Marg
New Delhi 110001, India
Tel: (9111) 23357940-50
Fax: (9111) 23357014

CRISIL Limited
CRISIL House, Central Avenue
Hiranandani Business Park, Powai
Mumbai 400 076, India
Tel: (91 22) 3342 3000/1952
Fax: (91 22) 3342 3050

Disclaimer clause of ICRA

"ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. The ICRA ratings are subject to a process of surveillance which may lead to a revision in ratings. Please visit our website (www.icra.in) or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable. Although reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. All information contained herein must be construed solely as statements of opinion and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents"

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Bankers to the Issue	
Axis Bank Limited 41/419, Ground Floor, Chicago Plaza Rajaji Road, Ernakulam Kochi 682 035, India Tel: (91 484) 4411 008/ 4411 039 Fax: (91 484) 2384 273 Email: venkitachalam.anand@axisbank.com, suraj.das@axisbank.com Website: www.axisbank.com Contact Person: Venkitachalam Anand/Suraj Das SEBI Registration No.: INBI00000017	***HDFC Bank Limited*** Corporate Banking 115, Radhakrishnan Salai, Mylapore Chennai 600 004, India Tel: (91 44) 2847 7243 Fax: (91 44) 2847 7250 Email: rajesh.kumarm@hdfcbank.com Website: www.hdfcbank.com Contact Person: Rajesh Kumar SEBI Registration No.: INBI00000063
ICICI Bank Limited Capital Markets Division Rajbahadur Mansion, 30, Mumbai Samachar Marg Fort Mumbai 400 001, India Tel: (91 22) 6631 0322 Fax: (91 22) 6631 0350 Email: anil.gadoo@icicibank.com Website: www.icicibank.com Contact Person: Anil Gadoo SEBI Registration No.: INBI00000004	***IDBI Bank Limited*** Unit No.2, Corporate Park, Near Swastik Chambers Sion –Trombay Road, Chembur Mumbai 400 071, India Tel: (91 22) 6690 8402 Fax: (91 22) 6690 8424 Email: ipoteam@idbi.co.in Website: www.idbibank.com Contact Person: V. Jayananthan SEBI Registration No.: INBI00000076
IndusInd Bank Limited Cash Management services, IBL House, 1st Floor, Cross "B" Road MIDC, J.B. Nagar, Off Andheri Kurla Road, Andheri (E) Mumbai 400 059, India Tel: (91 22) 6772 8721 Fax: (91 22) 6641 2349 Email: suresh.esaki@indusind.com, singh.harpal@indusind.com Website: www.indusind.com Contact Person: Suresh Esaki / Mr. Harpal Singh SEBI Registration No.: INBI00000002	***YES Bank Limited*** India Bulls Finance Center Tower II, 23rd Floor Senapati Bapat Marg, Elphinstone Road Mumbai 400 013, India Tel : (91 22) 6669 9000 Fax: (91 22) 2497 4158 Email: dlbtiservices@yesbank.in Website: www.yesbank.in Contact Person : Mahesh Shirali SEBI Registration No.: INBI00000935

Bankers to the Company	
Axis Bank Limited 41/419, Ground Floor Chicago Plaza, Rajaji Road Ernakulam 682 035 Tel: (91 484) 441 1008/441 1039 Fax: (91 484) 238 4273 Email: venkitachalam.anand@axisbank.com/Suraj.das@axisbank.com Website www.axisbank.com Contact Person: Venkitachalam Anand/Suraj Das	***HDFC Bank Limited*** 115, Radhakrishnan Salai Mylapore Chennai 600 004, India Tel: (91 44) 2847 7243 Fax: (91 44) 2847 7250 Email: rajesh.kumarm@hdfcbank.com Website: www.hdfcbank.com Contact Person: Rajesh Kumar M.
ICICI Bank Limited 2nd Floor, Andonai Towers Kadavanthra, Kochi 682 016, India Tel: (91 484) 401 1352 Fax (91 484) 401 1359 Email: letha.nair@icicibank.com Website: www.icicibank.com Contact Person: Letha T. Nair	***IDBI Bank Limited*** Specialised Corporate Branch Panampilly Nagar, P.B. No. 4253 Kochi 682 036, India Tel: (91 484) 231 8889 Fax: (91 484) 231 9042 Email: pm.suresh@idbi.co.in Website: www.idbi.com Contact Person: P.M. Suresh

Lead Brokers to the Issue	
Anand Rathi Shares & Stock Brokers Limited 4th Floor, Silver Metropolis Jai Coach Compound Opposite Bimbisar Nagar Goregaon (East) Mumbai 400 063, India Tel: (91 22) 4001 3773 Fax: (91 22)4001 3770 Email: vinaymahajan@rathi.com Website: www.rathi.com Contact Person: Vinay Mahajan SEBI Registration No.: NSE: INB230676935, BSE: INB011371557	***Bajaj Capital Investor Services Limited*** 5th Floor Bajaj House 97, Nehru Place New Delhi 110 019, India Tel: (91 11) 6616 1111 Fax: (91 11) 6660 8888 Email: surajitm@bajajcapital.com Website: www.justtrade.in Contact Person: Surajit Misra SEBI Registration No.: INB232169334, BSE: INB011269330
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ICICI Securities Limited ICICI Centre H T Parekh Marg Churchgate Mumbai 400 020, India Tel: (91 22) 2288 2460 Fax: (91 22) 2282 6580 Email: muthootfin.bonds@icicisecurities.com Website: www.icicisecurities.com Contact Person: Mitesh Shah SEBI Registration No.: NSE: INB237077037, BSE: INB011286854	***Integrated Enterprises (India) Limited*** 15, 1st Floor, Modern House Dr V.B.Gandhi Marg, Forbes Street Fort Mumbai 400 023, India Tel: (91 22) 4066 1800 Fax: (91 22) 2287 4676 Email: Krishnan_v@iepindia.com Contact Person: V. Krishnan SEBI Registration No.: INB231271835
J.M. Financial Consultants Private Limited	***Karvy Stock Broking Limited***

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Fax: (91 22) 6654 1511
Email: rohit.singh@jmfinancial.in/deepak.vaidya@jmfinancial.in
Website: www.jmfinancialservices.in
Contact Person: Rohit Singh/Deepak Vaidya
SEBI Registration No: NSE: INB/F/E231054835, BSE: INB/F011054831

Karvy House, 46, Avenue 4
Street No.1, Banjara Hills
Hyderabad 500 034, India
Tel: (91 22) 2289 5000
Fax: (91 40) 6662 1474
Email: ksblredressal@karvy.com
Website: www.karvy.com
Contact Person: Ramapriyan P.B.
SEBI Registration No.: INM000008365

Kotak Securities Limited
3rd Floor, Nirlon House
Dr Annie Besant Road, Worli
Mumbai 400 025, India
Tel: (91 22) 6652 9191
Fax: (91 22) 6661 7041
Email: sanjeeb.das@kotak.com
Wesbite: www.kotak.com
Contact Person: Sanjeeb Kumar Das
SEBI Registration No.: NSE: INB230808130, BSE: INB010808153

Motilal Oswal Securities Limited
Address:3rd Floor, Hoechst House, Nariman Point,
Mumbai 400 021, India
Tel: (91 22) 398 0424
Email: vinithpoojari@motilaloswal.com
Website: www.motilaloswal.com
Contact Person: Vinith Poojari
SEBI Registration No.: NSE: INB231041238, BSE: INB011041257

Muthoot Securities Limited
Address: Alpha Plaza K.P.Vallon Road
Kadavanthra
Cochin 682 020, India
Tel: (91 484) 393 7555
Fax: (91 484) 231 0332
Email: compliance@muthootsecurities.com
Website: www.muthootsecurities.com
Contact Person: Ragesh G.R
SEBI Registration No: INB/INF-011294338/INE011294332

Religare Securities Limited
Address: GYS Global, A 3/4/5,
Sector 125,
Noida 201 301, India
Tel: (91 120) 339 4178
Fax: (91 120) 339 4144
Email: chand.subhash@religare.com
Website: www.religaresecurities.com
Contact Person: Subhash Bhardwaj
SEBI Registration No: INB230653732 / INB010653732

R.R Equity Brokers Private Limited
47 MM Road, Rani Jhansi Marg
Jhandewalan
New Delhi 110 055, India
Tel: (91 11) 2363 6363
Fax: (91 11) 2363 6743
Email: manishagrawal@rrfcl.com
Website: www.rrfinance.com
Contact Person: Manish Agrawal
SEBI Registration No.: NSE: INB231219636

Sharekhan Limited
10th Floor, Beta Building, Lodha iThink Techno Campus
Off JVLR, opposite Kanjurmarg railway station, Kanjurmarg (East)
Mumbai 400 042, India
Tel: (91 22) 6616 9179
Fax: (91 22) 6748 1891
Email: pravin@sharekhan.com/pankajp@sharekhan.com
Website: www.sharekhan.com
Contact Person: Pravin Darji/Pankaj Patel
SEBI Registration No.: NSE: INB231073330, BSE: INB011073351

SHCIL Services Limited
'SHCIL HOUSE', Plot No. P-51,
T.T.C. Industrial Area, MIDC,MAHAPE,
Navi Mumbai 400 710, India
Tel: (91 22) 2262 2713
Fax: (91 22) 6177 8648
Email: raviranjan@stockholding.com
Website: www.shcilservices.com
Contact Person: Ravi Ranjan
SEBI Registration No.: NSE: INB/INF 231253833, BSE: INB011253839

SMC Global Securities Limited
17 Netaji Subhash Marg
opposite Golcha Cinema, Daryaganj
New Delhi 110 002, India
Tel: (91 6607 0400)/ (91) 9818 62 0470
Fax: (91 11) 2326 3297
Email: mkg@smcindiaonline.com / neerajkhanna@smcindiaonline.com
Website: www.smctradeonline.com
Contact Person: Mahesh Gupta
SEBI Registration No.: 23/07714-31

SPA Securities Limited
25, C Block Community Centre
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SEBI Registration No.: NSE: INB/E/F213378238, BSE: INB/E011178234

* The SEBI registration of Enam Securities Private Limited was valid upto October 15, 2011. Enam Securities Private Limited has made an application to SEBI for renewal of their certificate of registration in the prescribed manner on August 22, 2011. The approval of SEBI in this regard is awaited.

Impersonation

As a matter of abundant precaution, attention of the investors is specifically drawn to the provisions of sub-

section (1) of section 68A of the Act, relating to punishment for fictitious applications.

Minimum Subscription

Under the Debt Regulations, our Company is required to stipulate a minimum subscription amount which it seeks to raise. The consequence of minimum subscription amount not being raised is that the Issue shall not proceed and the entire application moneys received are refunded to the Applicants.

If our Company does not receive the minimum subscription of 75% of the Base Issue i.e. ₹ 1,875 million, prior to the Issue Closing Date, the entire subscription amount shall be refunded to the Applicants within 30 days from the date of closure of the Issue. If there is delay in the refund of subscription by more than eight days after our Company becomes liable to refund the subscription amount, our Company will pay interest for the delayed period, at rates prescribed under sub-sections (2) and (2A) of Section 73 of the Companies Act, 1956.

Utilisation of Issue proceeds

Our Board of Directors certifies that:

- all monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Act;
- details of all monies utilised out of the Issue referred above shall be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies have been utilised;
- details of all unutilised monies out of the Issue, if any, shall be disclosed under an appropriate head in our balance sheet indicating the form in which such unutilised monies have been invested; and
- we shall utilize the Issue proceeds only upon creation of security as stated in this Prospectus in the section titled "*Issue Structure*" beginning on page 193.
- the Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any property.

Issue Programme

The subscription list shall remain open at the commencement of banking hours and close at the close of banking hours for the period as indicated, with an option for early closure or extension by such period, as may be decided by the duly authorised committee of the Board constituted by resolution of the Board dated July 25, 2011. In the event of such early closure of subscription list of the Issue, our Company shall ensure that notice of such early closure is given on or before the day of such early date of closure through advertisement/s in a leading national daily newspaper.

ISSUE OPENS ON	**March 02, 2012**
ISSUE CLOSES ON	**March 17 , 2012**

SUMMARY OF BUSINESS, STRENGTH & STRATEGY

Overview

We are the largest gold financing company in India in terms of loan portfolio, according to the 2010 update to the IMaCS Research & Analytics Industry Reports, Gold Loans Market in India, 2009 (“**IMaCS Industry Report, (2010 Update)**”). We provide 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. According to the IMaCS Industry Report (2010 update), as of March 31, 2010 our branch network was the largest among gold loan NBFCs in India. Our Gold Loan portfolio as of September 30, 2011 comprised approximately 5.5 million loan accounts in India that we serviced through 3,274 branches across 20 states, the national capital territory of Delhi and four union territories in India. We have since increased our branch network to 3,480 branches as of December 31, 2011. As of December 31, 2011, we employed 23,219 persons in our operations.

We are a “Systemically Important Non-deposit taking NBFC” headquartered in the southern Indian state of Kerala. Our operating history has evolved over a period of 73 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.Since our formation, we have broadened the scale and geographic scope of our retail lending operations so that, as of March 31, 2010, we were India’s largest provider of Gold Loans. In the years ended March 31, 2008, 2009, 2010, 2011 and in the period ended September 30, 2011, revenues from our Gold Loan business constituted 95.97%, 96.71%, 98.08%, 98.75% and 99.01%, respectively, of our total income. In addition to our Gold Loans business, we provide money transfer services through our branches as sub-agents of various registered money transfer agencies, and recently have commenced providing collection agency services. We also operate three windmills in the state of Tamil Nadu.

We issue secured non-convertible debentures called “Muthoot Gold Bonds” on a private placement basis. Proceeds from our issuance of Muthoot Gold Bonds form a significant source of funds for our Gold Loan business. We also rely on bank loans and subordinated debt instruments as our sources of funds. As per our audited financial statements as of September 30, 2011 we had ₹ 50,415 million in outstanding Muthoot Gold Bonds and ₹ 122,152 million in other borrowings. We also raise capital by selling a portion of our loan receivables under bilateral assignment agreements with various banks. We also raise capital by issuing commercial paper and listed & credit rated non-convertible debentures under private placement mode to various institutional investors.

Our customers are typically small businessmen, vendors, traders, farmers and salaried individuals, who for reasons of convenience, accessibility or necessity, avail of our credit facilities by pledging their gold jewellery with us rather than by taking loans from banks and other financial institutions. We provide retail loan products, primarily comprising Gold Loans. We also disburse other loans, including those secured by Muthoot Gold Bonds. Our Gold Loans have a maximum 12 month term. As per our audited financial statements, our average disbursed Gold Loan amount outstanding was ₹ 37,765 per loan account as of September 30, 2011. For the period ended September 30, 2011, our retail loan portfolio earned, on average, 1.82% per month, or 21.87% per annum.

As per our audited financial statements, as of March 31, 2008, 2009, 2010, 2011 and as of September 30, 2011, our portfolio of outstanding gross Gold Loans under management was ₹ 21,790.1 million, ₹ 33,000.7 million, ₹ 73,417.3 million, ₹ 157,280.7 million and ₹ 207,666.2 million, respectively, and approximately 30.1 tons, 38.9 tons, 65.5 tons, 112.0 tons and 129.5 tons, respectively, of gold jewellery was held by us as security for our Gold Loans. Gross non-performing assets ("NPAs") were at 0.42%, 0.48%, 0.46%, 0.29% and 0.59% of our gross retail loan portfolio under management as of March 31, 2008, 2009, 2010, 2011 and as of September 30, 2011 respectively.

As per our audited financial statements, in the years ended March 31, 2008, 2009, 2010 and 2011, our total income was ₹ 3,686.4 million, ₹ 6,204.0 million, ₹ 10,893.8 million, and ₹ 23,158.7 million, respectively, demonstrating an annual growth rate of 57.56%, 68.29%, 75.59% and 112.59%, respectively. As per our audited financial statements, in the six months ended September 30, 2011, our total income was ₹ 20,245.4 million. As per our audited financial statements in the years ended March 31, 2008, 2009, 2010 and 2011our profit after tax was ₹ 630.6 million, ₹ 978.7 million, ₹ 2,285.2 million and ₹ 4,941.8 million, respectively, demonstrating an annual growth rate of 43.80%, 55.20%, 133.49% and 116.25%, respectively. As per our audited financial statements, our profit after tax in the six months ended September 30, 2011 was ₹ 4,060.1 million. As per our audited financial statements as of March 31, 2008, 2009, 2010, 2011 and September 30, 2011, our networth was ₹ 2,131.1 million, ₹ 3,614.5 million, ₹ 5,841.9 million, ₹ 13,341.9 million, and ₹ 26,120.3 million respectively.

Competitive Strengths

We believe that the following competitive strengths position us well for continued growth:

Market leading position in the Gold Loan business with a strong presence in under-served rural and semi-urban markets

Gold loans are the core products in our asset portfolio. We believe that our experience, through our Promoters, has enabled us to have a leading position in the Gold Loan business in India. Highlights of our market leading position include the following:

- We are the largest gold financing company in India in terms of loan portfolio, according to the IMaCS Industry Report, (2010 Update). As per our audited financial statements, our loan portfolio as of September 30, 2011 comprised approximately 5.5 million loan accounts, in India with Gold Loans outstanding of ₹ 207,666.2 million.

- We have the largest branch network among gold loan NBFCs, according to the IMaCS Industry Report (2010 update). As of December 31, 2011, we operated 3,480 branches across 20 states, the national capital territory of Delhi and four union territories in India. Our branch network has expanded significantly in recent years from 373 branches as of March 31, 2005 to 3,480 branches as of December 31, 2011, comprising 620 branches in northern India, 2,242 branches in southern India, 449 branches in western India and 169 branches in eastern India covering 20 states, the national capital territory of Delhi and four union territories in India.

- We believe that due to our early entry we have built a recognizable brand in the rural and semi-urban markets of India, particularly in the southern Indian states of Tamil Nadu, Kerala, Andhra Pradesh and Karnataka. As of September 30, 2011, the southern Indian states of Tamil Nadu, Kerala, Andhra Pradesh, Karnataka and the Union Territory of Pondicherry constituted 71% of our total Gold Loan portfolio.

- We have a strong presence in under-served rural and semi-urban markets. A large portion of the rural population has limited access to credit either because of their inability to meet the eligibility requirements of banks and financial institutions because credit is not available in a timely manner, or at all. We have positioned ourselves to provide loans targeted at this market.

- We offer products with varying loan amounts, advance rates (per gram of gold) and interest rates. The principal loan amounts we disburse usually range from ₹ 2,000.0 to ₹ 200,000.0 while interest rates on our Gold Loans usually range between 12.00% and 26.00% per annum.

Strong brand name, track record, management expertise and Promoter support

Our operating history has evolved over a period of 73 years since M George Muthoot (the father of our Promoters) founded a gold loan business in 1939. We believe that the experience, skills and goodwill acquired by our Promoters over these years cannot be easily replicated by competitors. We have a highly experienced and motivated management team that capitalizes on this heritage at both the corporate and operational levels. Our senior management team has extensive experience in the Gold Loan industry and has demonstrated the ability to grow our business through their operational leadership, strategic vision and ability to raise capital. Under the current management team, as per our audited financial statements, our retail loan portfolio has grown from ₹ 22,263.8 million as of March 31, 2008 to ₹ 209,404.9 million as of September 30, 2011. Our business is also well supported by our high net-worth Promoters, who are members of the Muthoot family. We believe that our track record, management expertise and Promoter support have established a strong brand name for us in the markets we serve. A strong brand name has contributed to our ability to earn the trust of individuals who entrust us with their gold jewellery, and will be a key in allowing us to expand our growth and consolidate this fragmented industry across India.

High-quality customer service and short response time

We adhere to a strict set of market survey and location guidelines when selecting branch sites to ensure that our branches are set up close to our customers. We believe that our customers appreciate this convenience, as well as extended operating hours that we typically offer, which are often more compatible with our customers' work schedules. We provide our customers a clean, attractive and secure environment to transact their business with us. In addition to the physical environment, it is equally important to have professional and attentive staff at both the branch level and at our centralized customer support centers. Each of our branches across India is staffed with persons who possess local knowledge and understanding of customers' needs and who are adequately trained to appraise collateral and disburse loans within a few minutes. Although disbursement time may vary depending on the loan ticket size and the number of items pledged, we can generally disburse an average loan ticket size of ₹ 20,000.0 within five minutes from the time the gold is tendered to the appraiser. Furthermore, since our loans are all over-collateralized by gold jewellery, there are minimal documentary and credit assessment requirements, thereby shortening our turnaround time. We believe our high quality customer service and short response time are significant competitive strengths that differentiate our services and products from those provided by commercial banks.

Strong capital raising ability

We have a track record of successfully raising capital from various sources. We regularly issue secured redeemable non-convertible debentures to retail investors on a private placement basis as a means to access capital for our Gold Loan business. We have also issued Equity Shares in three tranches to institutional investors and completed an Initial Public Offer of our Equity Shares in the month of May 2011 and made two public issues of secured non-convertible debentures in September 2011 raising ₹ 6,932.8 million and in January 2012 raising ₹ 4,593.1 million. For further information, please refer to the sections titled "*History and Main Objects*" and "*Capital Structure*" on pages 118 and 51, respectively. As per our audited financial statements, as of March 31, 2008, 2009, 2010, 2011 and September 30, 2011, our outstanding gross Muthoot Gold Bonds portfolio was ₹ 12,403.3 million, ₹ 19,019.8 million, ₹ 27,192.5 million,₹ 39,832.3 million and ₹ 50,415.4 million, respectively. We have diversified our resource pool by supplementing our proceeds from the issuance of Muthoot Gold Bonds with borrowings from banks and other financial institutions. As per our audited financial statements, as of March 31, 2008, 2009, 2010 2011 and September 30, 2011, our outstanding borrowings from banks were ₹ 5,884.9 million, ₹ 11,067.6 million, ₹ 21,278.7 million ₹ 60,529.1 million and ₹ 76,351.7 million, respectively. We also raise capital by selling our receivables under bilateral assignments to banks. We also issue Subordinated Debt which is considered as Tier II capital of the company under private placement mode to mainly retail investors through our branch network. As per our audited financial statements, as of March 31, 2008, 2009, 2010, 2011 and September 30, 2011, our outstanding Subordinated Debt portfolio was ₹ 400.0 million, ₹ 1,099.2 million, ₹ 3,246.7 million ₹ 7,105.8 million and ₹ 10,309.5 million. As per our audited financial statements, our outstanding amount of sold portfolio under bilateral assignments were ₹ 4,341.0 million, ₹ 8,130.2 million, ₹ 20,083.2 million, ₹ 41,863.9 million and ₹ 25,875 million as of March 31, 2008, 2009, 2010, 2011 and September 30, 2011, respectively. We have been assigned an "[ICRA]A1+" rating by ICRA for commercial paper and for short-term non-convertible debentures of ₹ 2,000.0 million, and an "A1+" rating by CRISIL for short term debt instruments of ₹ 40,000.0 million. As of September 30, 2011, the outstanding amount issued under commercial paper and rated short-term non-convertible debentures, was ₹ 27,630.4 million. We have been assigned an "AA-/Stable" rating by CRISIL for our ₹ 5,000.0 million non-convertible debentures and our ₹ 1,000.0 million subordinated debt. ICRA has assigned "[ICRA]AA-/Stable" rating for our ₹ 2,000.0 million non-convertible debentures and our ₹ 1,000.0 million subordinated debt. We have been assigned a long-term rating of "[ICRA]AA-/Stable" and a short-term rating of "[ICRA]A1+" by ICRA for our ₹ 93,530 million line of credit.

In-house training capabilities to meet our branch expansion requirements

Our ability to timely appraise the quality of the gold jewellery collateral is critical to the business. We do not engage third parties to assess the collateral for our Gold Loans, but instead employ in-house staff for this purpose. Assessing gold jewellery quickly is a specialized skill that requires assessing jewellery for gold content and quality manually without damaging the jewellery. We have two staff training colleges, one each in Cochin and in New Delhi, and three regional training centers located in Chennai, Hyderabad and Bangalore. We use our staff training colleges and regional training centers to train new employees in appraisal skills, customer relations and communication skills. We believe that our in-house training has built up a talent pool that enables us to staff new branches with qualified and skilled personnel as we seek to grow our branch network. Our in-house training capabilities also enable us to improve the skill sets of our existing personnel.

Our Strategy

Our business strategy is designed to capitalize on our competitive strengths and enhance our leading market position. Key elements of our strategy include:

Expand branch network and visibility to maintain our market leadership position

We intend to continue to grow our loan portfolio by expanding our network through the addition of new branches. In order to optimize our expansion, we carefully assess potential markets by analyzing demographic, competitive and regulatory factors, site selection and availability, and growth potential.We have a long-standing presence in southern India, and are among the first organized Gold Loan providers in northern and western India.Our strategy for branch expansion includes further strengthening our market leading position in southern Indian states by providing higher accessibility to customers as well as leveraging our expertise and presence in southern India to enhance our presence in other regions of India, particularly in northern India, where we intend to open branches in most states. We have added 1,128 branches in the last fiscal year and 747 branches between April 01, 2011 and December 31, 2011, and expect this growth trend to continue in the future. At the core of our branch expansion strategy, we expect to penetrate new markets and expand our customer base to include customers who otherwise would rely on the unorganized sector. Moreover, our ethics, values and goodwill, which have established our strong brand, will continue to be important factors in our expansion. In addition to increasing the visibility of our brand by sponsoring events and publicity, we will continue to build trust among our customers and enhance our brand with quality services and safety and security of our customers' collateral.

Target new customer segments

The market for our loan products was traditionally confined to lower and middle income groups, who viewed Gold Loans as an option of the last resort in case of emergency. We intend to undertake sustained marketing efforts to diminish the stigma attached to pledging gold jewellery in India. We plan to work to position Gold Loans as a "lifestyle product" and expand our customer base to include upper-middle income and upper income groups. We intend to emphasize our Gold Loan products' key advantages of expediency and minimal documentation, and alter the image of Gold Loans from an option of the last resort to an option of convenience.

Access low-cost and diversified sources of funds

We source our funds for our Gold Loan business primarily from the proceeds of private placements of debentures in India and from secured and unsecured credit facilities from banks and other financial institutions. We have been assigned a long-term rating of "AA-/Stable" and a short-term rating of "[ICRA]A1+" by ICRA for our ₹ 93,530 million line of credit. We intend to increase our efforts to access low-cost funds through rated debt instruments. In this regard, we have been assigned an "[ICRA]A1+" rating by ICRA for commercial paper and for short-term non-convertible debentures of ₹ 2,000.0 million, and an "A1+" rating by CRISIL for short term debt instruments of ₹ 40,000 million.As of September 30, 2011, the outstanding amount issued under commercial paper and rated short-term non-convertible debentures was ₹ 27,630.4 million. We also intend to raise long-term institutional funding through long-term debt instruments. We have been assigned an "AA-/Stable" rating by CRISIL for our ₹ 5,000.0 million non-convertible debentures and our ₹ 1,000.0 million subordinated debt. ICRA has assigned "[ICRA]AA-/Stable" rating for our ₹ 2,000.0 million non-convertible debentures and our ₹ 1,000.0 million subordinated debt. In addition, we intend to expand our program of selling a portion of our receivables under various bilateral assignment agreements with financial institutions. We may also consider the possibility of concluding rated securitization transactions in the future. We intend to increase the levels of our capital adequacy ratios in excess of regulatory requirements and strengthen our balance sheet with a view to have access to other sources of low-cost funds. Furthermore, we also intend to seek strong investments in our Company as another source of funding to expand our business.

Strengthen our operating processes and risk management systems

Risk management forms an integral part of our business as we are exposed to various risks relating to the Gold Loan business. The objective of our risk management systems is to measure and monitor the various risks we are subject to and to implement policies and procedures to address such risks. We intend to continue to improve our operating processes and risk management systems that will further enhance our ability to manage the risks inherent to our business. For example, we have commenced installing offsite surveillance cameras in our branches, and intend to implement this across our branch network. As of December 31, 2011, we had installed surveillance cameras in 2,691 branches across India.

THE ISSUE

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in the chapter titled "*Terms of the Issue*" beginning on page 189 of this Prospectus.

Common Terms of NCDs

Issuer	Muthoot Finance Limited
Issue	Public Issue by our Company of NCDs aggregating upto ₹ 2,500 million with an option to retain over-subscription upto ₹ 2,500 million for issuance of additional NCDs aggregating to a total of upto ₹ 5,000 million.
Stock Exchange proposed for listing of the NCDs	BSE
Issuance and Trading	Compulsorily in dematerialised form*
Trading Lot	1 (one) NCD
Depositories	NSDL and CDSL
Security	Security for the purpose of this Issue will be created in accordance with the terms of the Debenture Trust Deed. For further details please refer to the section titled "*Issue Structure*" beginning on page 193.
Rating	The NCDs proposed to be issued under this Issue have been rated '[ICRA] AA-/Stable' by ICRA for an amount of upto ₹ 6,000.00 million vide its letter dated February 06, 2012 and 'CRISIL AA-/Stable' by CRISIL for an amount of upto ₹ 6,000.00 million vide its letter dated February 06, 2012. The rating of the NCDs by ICRA indicates a high degree of safety regarding timely servicing of financial obligations. The rating of the NCDs by CRISIL indicates a high degree of safety regarding timely servicing of financial obligations.The ratings provided by ICRA and/or CRISIL may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions. Please refer to page 287 to 293 for rating letter and rationale for the above rating.
Issue Schedule*	The Issue shall be open from March 02, 2012 to March 17, 2012 with an option to close earlier and/or extend upto a period as may be determined by a duly authorised committee of the Board constituted by resolution of the Board dated July 25, 2011.
Pay-in date	3 (Three) business days from the date of reciept of application or the date of realisation of the cheques/demand drafts, whichever is later.
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.
Day count basis	Actual

*In terms of Regulation 4(2)(d) of the SEBI Debt Regulations, the Company will make public issue of NCDs in the dematerialised form. However, in terms of Section 8 (1) of the Depositories Act, the Company, at the request of the Applicants who wish to hold the NCDs post allotment in physical form, will fulfill such request through the process of rematerialisation.

***The subscription list shall remain open at the commencement of banking hours and close at the close of banking hours for the period as indicated, with an option for early closure or extension by such period, as may be decided by the duly authorised committee of the Board constituted by resolution of the Board dated July 25, 2011. In the event of such early closure of subscription list of the Issue, our Company shall ensure that notice of such early closure is given on or before the day of such early date of closure through advertisement/s in a leading national daily newspaper.*

The specific terms of each instrument are set out below:

Options	**I**	**II**	**III**	**IV**
Frequency of Interest Payment	Annual	Annual	Annual	NA
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	₹ 1,000(1 NCD)	₹ 1,000(1 NCD)	₹ 1,000(1 NCD)	₹ 1,000(1 NCD)
Face Value of NCDs (` / NCD)	₹ 1,000	₹ 1,000	₹ 1,000	₹ 1,000
Issue Price (` / NCD)	₹` 1,000	₹ 1,000	₹ 1,000	₹ 1,000
Mode of Interest Payment	Through various options available	Through various options available	Through various options available	Through various options available
Coupon Rate (%) for NCD Holders in	13.00%	13.25%	13.25%	NA

Options	I	II	III	IV
Category I, Category II, and Category III				
Coupon Rate (%) for NCD holders in Category IV	N/A	13.25%	13.25%	NA
Effective Yield (per annum) for NCD Holders in Category I, Category II and Category III	13.00%	13.25%	13.25%	13.43%
Effective Yield (per annum) for NCD holders in Category IV	N/A	13.25%	13.25%	13.43%
Tenor	24 months	36 months	60 months	66 months
Redemption date	24 months from the Deemed Date of Allotment	36 months from the Deemed Date of Allotment	60 months from the Deemed Date of Allotment	66 months from the Deemed Date of Allotment
Redemption amount (per NCD)	Repayment of the Face Value plus any interest that may have accrued at the Redemption Date.	Repayment of the Face Value plus any interest that may have accrued at the Redemption Date.	Repayment of the Face Value plus any interest that may have accrued at the Redemption Date.	₹ 2,000
Nature of Indebtedness	Pari passu with other secured creditors and priority over unsecured creditors.			
Credit Rating	The NCDs proposed to be issued under this Issue have been rated '[ICRA] AA-/Stable' by ICRA for an amount of upto ₹ 6,000.00 million vide its letter dated February 06, 2012, and 'CRISIL AA-/Stable' by CRISIL for an amount of upto ₹ 6,000.00 million vide its letter dated February 06, 2012. The rating of the NCDs by ICRA indicates high degree of safety regarding timely servicing of financial obligations. The rating of NCDs by CRISIL indicates high degree of safety regarding timely servicing of financial obligations. The ratings provided by ICRA and/or CRISIL may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions. Please refer to page 287 to 293 for rating letter and rationale for the above rating.			
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 datedJuly 25, 2011, and as mentioned on the Allotment Advice / regret.			
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 of the Company.			

Please see pages 205 and 219 under sections "*Issue Procedure – How to apply – Who can apply*" and "*Issue Procedure – Basis of allotment*", respectively for details of category wise eligibility and allotment in the Issue.

SUMMARY FINANCIAL INFORMATION

The following tables present an extract of Reformatted Summary Financial Statements. The Reformatted Summary Financial Statements should be read in conjunction with the examination report thereon issued by our Statutory Auditors and statement of significant accounting policies and notes to accounts on the Reformatted Summary Financial Statements contained in the section titled "*Financial Information*" beginning on page 142.

ANNEXURE-I: REFORMATTED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(₹ in Millions)

	Particulars	Schedule No.	As at September 30, 2011	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
I	**Fixed Assets**	**I**						
	Gross Block		2,911.60	2,463.34	1,691.09	1,482.66	1,215.25	646.37
	Less : Accumulated Depreciation / Amortization		760.69	627.77	449.04	320.76	222.74	149.48
	Net Block		2,150.91	1,835.57	1,242.05	1,161.90	992.51	496.89
	Capital Work in Progress		473.94	505.27	290.65	131.19	93.64	135.40
			2,624.85	**2,340.84**	**1,532.71**	**1,293.10**	**1,086.15**	**632.29**
II	**Investments**	**II**	**75.05**	**75.05**	**75.05**	**85.31**	**183.43**	**242.15**
III	**Deferred Tax Assets, (Net)**		**5.06**	**(24.73)**	**(-24.84)**	**(-37.87)**	**(-41.73)**	**(-47.31)**
IV	**Current Assets, Loans and Advances**							
	Sundry Debtors	**III**	159.37	53.94	33.45	40.95	34.92	21.66
	Cash and Bank Balances	**IV**	13,322.22	13,754.95	5,759.92	8,825.32	2,580.38	563.21
	Other Current Assets	**V**	6,521.71	5,919.68	2,408.14	1,658.09	967.91	787.06
	Loans and Advances	**VI**	1,84,504.85	1,17,517.75	54,616.99	25,735.53	18,046.59	13,893.02
			2,04,508.15	*1,37,246.32*	*62,818.49*	*36,259.89*	*21,629.80*	*15,264.95*
	A= (I+II+III+IV)		**2,07,213.11**	**1,39,637.48**	**64,401.41**	**37,600.43**	**22,857.65**	**16,092.08**
V	**Liabilities and Provisions**							
	Secured Loans	**VII**	1,34,849.95	1,02,111.55	45,471.22	30,087.45	18,400.19	13,117.52
	Unsecured Loans	**VIII**	37,717.95	17,274.31	7,334.03	1,568.48	752.87	709.00
	Current Liabilities	**IX**	5,842.72	3,878.71	4,524.35	1,805.57	1,224.88	459.10
	Provisions	**X**	2,682.22	3,031.00	1,229.90	524.46	348.65	214.43
	B=(V)		**1,81,092.84**	**1,26,295.56**	**58,559.50**	**33,985.96**	**20,726.59**	**14,500.06**
	NET WORTH A-B		**26,120.27**	**13,341.92**	**5,841.92**	**3,614.47**	**2,131.07**	**1,592.03**
	Net Worth Represented by							
	Share Capital	**XI**						
	- Equity Shares		3,717.13	3,202.13	3,010.00	490.00	50.00	50.00
	Reserves and Surplus							
	- Securities Premium	**XII**	10,570.78	2,364.77	-	755.00	275.00	275.00
	- Statutory Reserve	**XIII**	2,794.04	1,982.02	993.67	538.52	343.08	215.89
	- Surplus/ (Deficit) in Profit and Loss Account	**XIV**	9,043.25	5,795.20	1,841.79	1,918.75	1,555.50	1,052.04

Miscellaneous Expenditure (to the extent not written off)	XV	(4.93)	(2.21)	(3.54)	(87.80)	(92.51)	(0.90)
NET WORTH		**26,120.27**	**13,341.92**	**5,841.92**	**3,614.47**	**2,131.07**	**1,592.03**

ANNEXURE-II: REFORMATTED SUMMARY STATEMENT OF PROFITS AND LOSSES

(₹ in Millions)

Particulars	Sch. No.	For the period ended September 30, 2011	For the year ended March 31, 2011	For the year ended March 31, 2010	For the year ended March 31, 2009	For the year ended March 31, 2008	For the year ended March 31, 2007
INCOME							
Interest Income	XVI	20,126.05	22,983.44	10,774.52	6,062.39	3,579.37	2,235.85
Other Income	XVII	119.39	175.24	119.28	141.63	107.01	103.80
Total Income		**20,245.44**	**23,158.68**	**10,893.80**	**6,204.02**	**3,686.38**	**2,339.65**
EXPENDITURE							
Interest Expense	XVIII	9,858.76	10,326.44	4,737.28	3,097.70	1,797.99	998.95
Personnel Expenses	XIX	1,751.90	2,209.49	1,169.44	677.01	405.35	266.31
Administrative & Other Expenses	XX	2,322.82	2,638.99	1,190.43	727.93	390.21	284.96
Salary to Whole Time Directors		96.00	192.00	192.23	120.90	48.90	48.90
Depreciation		133.51	179.64	148.90	98.78	74.14	70.97
Total Expenditure		**14,162.99**	**15,546.57**	**7,438.27**	**4,722.32**	**2,716.59**	**1,670.09**
Profit/(Loss) before Tax and Prior Period Items		**6,082.44**	**7,612.11**	**3,455.53**	**1,481.70**	**969.78**	**669.57**
Prior Period Items [Expenses / (Income)]		-	-	-	-	-	-
Net Profit/(Loss) before Tax		**6,082.44**	**7,612.11**	**3,455.53**	**1,481.70**	**969.78**	**669.57**
Provision for tax							
Current Tax		2,052.17	2,670.45	1,192.81	507.94	336.07	207.68
Deferred Tax Charge/(Credit)		(29.79)	(0.11)	(13.03)	(3.86)	(5.58)	17.70
Fringe Benefit Tax			-	-	0.42	3.32	4.40
Total Tax Expense/(Credit)		**2,022.38**	**2,670.34**	**1,179.78**	**504.50**	**333.82**	**229.78**
Net Profit/(Loss) for the period/year as per audited financials		**4,060.06**	**4,941.76**	**2,275.75**	**977.20**	**635.97**	**439.79**
Adjustments to the Financial Statements			-	9.41	(4.46)	(5.32)	(1.23)
Less: Deferred Tax Impact on Adjustments considered above			-	-	-	-	-
Adjustment of excess provision of income tax, for earlier years written back			-	-	5.95	-	-
Net Adjustments (Refer note C of Annexure IV)		**-**	**-**	**9.41**	**1.49**	**(5.32)**	**(1.23)**
Net Profit/(Loss)		**4,060.06**	**4,941.76**	**2,285.16**	**978.69**	**630.65**	**438.56**
Less: Transfer to Statutory Reserve		812.01	988.35	455.15	195.44	127.19	87.96
Surplus/ (Deficit) brought forward from previous period/year		5,795.20	1,841.79	1,918.75	1,555.50	1,052.04	705.80
Impact of reformatting of prior period expenses relating to periods prior to 01.04.2006							(4.36)
Surplus / (Deficit) available for Appropriation		**9,043.25**	**5,795.20**	**3,748.76**	**2,338.75**	**1,555.50**	**1,052.04**
Appropriation:							
Issue of Bonus Shares			-	1,765.00	420.00	-	-
Reduction on account of demerger of radio business			-	141.98	-	-	-
Surplus/ (Deficit) carried to Balance Sheet		**9,043.25**	**5,795.20**	**1,841.79**	**1,918.75**	**1,555.50**	**1,052.04**

ANNEXURE-III: REFORMATTED STATEMENT OF CASH FLOWS

(₹ in Millions)

Particulars	For the period ended September 30, 2011	For the year ended March 31, 2011	For the year ended March 31, 2010	For the year ended March 31, 2009	For the year ended March 31, 2008	For the year ended March 31, 2007
Cash flow from operating activities						
Profit / (Loss) before tax	**6,082.44**	**7,612.11**	**3,455.53**	**1,481.70**	**969.78**	**669.57**
Adjustments for :						
Depreciation	133.51	179.64	148.90	98.78	74.14	70.97
Provision for NPA	269.50	32.56	20.98	6.85	6.91	0.75
Provision for Standard Assets	-	290.90	-	-	-	-
Preliminary expenses written off	-	-	-	-	-	-
Amortisation of FM Radio License	-	-	7.05	9.40	2.35	-
Amortisation of Computer Software	1.04	1.34	1.56	1.51	0.27	0.22
Interest on Bank Deposits	(109.18)	(142.92)	(77.96)	(78.66)	(21.04)	(20.36)
Interest on income tax paid	-	32.27	-	-	-	-
Prior period interest on income tax written off (Non Cash)	-	-	9.41	-	-	-
(Profit)/Loss on Sale of Fixed Assets	(0.16)	0.13	(4.60)	(0.18)	(0.08)	(2.79)
Income from Investments	-	-	(0.03)	(10.54)	(1.40)	-
Interest paid	9,858.76	10,326.44	4,737.28	3,097.70	1,797.99	998.95
Operating profit before working capital changes	**16,235.91**	**18,332.47**	**8,298.13**	**4,606.54**	**2,828.92**	**1,717.31**
Movements in working capital :						
(Increase) / Decrease in Loans and Advances	(66,987.11)	(62,900.76)	(28,898.83)	(7,688.93)	(4,153.57)	(5,946.46)
(Increase) / Decrease in other receivables	(1,667.38)	(2,151.80)	(173.64)	(527.94)	(93.00)	(230.86)
Increase / (Decrease) in Current liabilities	1,964.02	(645.64)	2,722.44	580.69	765.78	136.21
Cash from/ (used in) operations	**(50,454.56)**	**(47,365.73)**	**(18,051.91)**	**(3,029.63)**	**(651.87)**	**(4,323.80)**
Financial Expenses	(9,858.76)	(10,326.44)	(4,737.28)	(3,097.70)	(1,797.99)	(998.95)
Taxes paid	(1,710.53)	(2,605.32)	(1,077.25)	(506.19)	(318.52)	(212.81)
Net cash from/ (used in) operating activities - (A)	**(62,023.85)**	**(60,297.50)**	**(23,866.43)**	**(6,633.52)**	**(2,768.38)**	**(5,535.56)**
Cash flows from investing activities						
Purchase of fixed assets	(448.96)	(773.86)	(326.88)	(268.60)	(570.36)	(71.45)
Capital Work in Progress	31.33	(214.62)	(159.46)	(37.55)	41.76	(127.05)
Proceeds from sale / transfer of Fixed Assets	0.27	0.58	50.48	0.62	0.68	10.22
Investments	-	-	10.26	98.12	58.73	(119.25)
Income from Investments	-	-	0.03	10.54	1.40	-
Addition to Computer Software/ FM Radio Licence Fee	(3.76)	-	(0.67)	(6.20)	(94.23)	(1.12)
Interest on Bank Deposits	109.18	142.92	77.96	78.66	21.04	20.36
Net cash (used in) investing activities - (B)	**(311.94)**	**(844.98)**	**(348.28)**	**(124.41)**	**(540.98)**	**(288.29)**
Cash flows from financing activities						
Net Proceeds from Issue of Debentures	16,515.99	14,789.75	8,672.68	6,616.55	3,571.15	2,651.96
Increase / (Decrease) in Loan from Directors / Relatives of Directors	97.94	246.99	103.49	114.24	44.97	19.53

Particulars	For the period ended September 30, 2011	For the year ended March 31, 2011	For the year ended March 31, 2010	For the year ended March 31, 2009	For the year ended March 31, 2008	For the year ended March 31, 2007
Increase / (Decrease) in Bank Borrowings	16,222.41	41,850.59	10,211.09	5,070.71	1,711.52	3,095.16
Increase / (Decrease) in Unsecured loans	2,100.00	(1,100.00)	-	-	-	-
Increase / (Decrease) in Inter Corporate Loan	9.50	(13.70)	14.53	2.22	(1.10)	1.10
Increase / (Decrease) in Subordinated debt	3,203.61	3,859.18	2,147.53	699.15		
Increase / (Decrease) in Commercial Paper	15,032.60	6,947.81	-	-	-	-
Proceeds from issuance of equity share capital (including securities premium)	9,012.50	2,556.90	-	500.00	-	250.03
IPO Expenses	(291.49)					
Net cash from/ (used in) financing activities - (C)	**61,903.06**	**69,137.51**	**21,149.32**	**13,002.87**	**5,326.54**	**6,017.78**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**(432.73)**	**7,995.03**	**(3,065.40)**	**6,244.94**	**2,017.18**	**193.93**
Cash and cash equivalents as at the beginning of the year	13,754.95	5,759.92	8,825.32	2,580.38	563.21	369.28
Cash and cash equivalents as at the end of the year	**13,322.22**	**13,754.95**	**5,759.92**	**8,825.32**	**2,580.38**	**563.21**
Components of cash & cash equivalents						
Cash in Hand	1,134.54	1,350.09	1,079.49	468.51	271.65	167.38
With scheduled banks :						
On current accounts	9,544.96	9,329.38	3,552.13	1,475.80	311.26	77.57
On deposit accounts	2,642.72	3,075.48	1,128.30	6,881.01	1,997.47	318.26
Total	**13,322.22**	**13,754.95**	**5,759.92**	**8,825.32**	**2,580.38**	**563.21**

CAPITAL STRUCTURE

Details of share capital

The share capital of our Company as at date of this Prospectus is set forth below:

		Amount in ₹
A	**Authorised share capital**	
	450,000,000 Equity Shares	4,500,000,000
	5,000,000 Redeemable Preference Shares of ₹ 1,000.00 each	5,000,000,000
	TOTAL	**9,500,000,000**
B	**Issued, subscribed and paid-up share capital**	
	371,712,768 Equity Shares	3,717,127,680

Changes in the authorised capital of our Company as on the date of this Prospectus:

Details of increase in authorised share capital since incorporation

S.No.	Particulars of increase	Date of Shareholders' meeting	AGM/EGM
1.	Increase in authorised share capital from ₹ 6,000,000 divided into 600,000 equity shares of ₹ 10 each to ₹ 26,000,000 divided into 2,600,000 equity shares of ₹ 10 each.	November 20, 2001	EGM
2.	Increase in authorised share capital from ₹ 26,000,000 divided into 2,600,000 equity shares of ₹ 10 each to ₹ 86,000,000 divided into 8,600,000 equity shares of ₹ 10 each.*	August 21, 2004	Court convened general meeting
3.	Increase in authorised share capital from ₹ 86,000,000 divided into 8,600,000 equity shares of ₹ 10 each to ₹ 500,000,000 divided into 50,000,000 equity shares of ₹ 10 each.	September 10, 2008	AGM
4.	Increase in authorised share capital from ₹ 500,000,000 divided into 50,000,000 equity shares of ₹ 10 each to ₹ 3,500,000,000 divided into 350,000,000 equity shares of ₹ 10 each.	August 24, 2009	EGM
5.	Increase in authorised share capital from ₹ 3,500,000,000 divided into 350,000,000 equity shares of ₹ 10 each to ₹ 4,500,000,000 divided into 450,000,000 equity shares of ₹ 10 each.	September 21, 2010	EGM
6.	Increase in authorised share capital from ₹ 4,500,000,000 divided into 450,000,000 equity shares of ₹ 10 each to ₹ 9,500,000,000 divided into 450,000,000 equity shares of ₹ 10 each and 5,000,000 redeemable preference shares of ₹ 1,000 each.	March 07, 2011	EGM

**This increase in authorised share capital was pursuant to the order of the High Court of Kerala, Ernakulam dated January 31, 2005 approving the scheme of arrangement and amalgamation of Muthoot Enterprises Private Limited with our Company. For further details regarding the scheme of arrangement and amalgamation, see "History and Main Objects" on page 118.*

Notes to capital structure

1. ***Share capital history of the Company***

(a) Equity Share capital history of the Company:

Date of allotment	No. of Equity Shares	Face value (₹)	Issue price (₹)	Nature of consideration	Reasons for allotment	Cumulative no. of Equity Shares	Cumulative paid-up share capital (₹)	Cumulative share premium (₹)
March 14, 1997	4,000	10	10	Cash	Subscription to the Memorandum(1)	4,000	40,000	-
March 30, 1998	250,000	10	10	Cash	Preferential Allotment(2)	254,000	2,540,000	-
March 06, 2002	1,750,000	10	30	Cash	Preferential Allotment(3)	2,004,000	20,040,000	35,000,000
March 21, 2005	1,993,230	10	-	Consideration other than cash, pursuant to scheme of amalgamation	Allotment pursuant to scheme of amalgamation.(4)	3,997,230	39,972,300	35,000,000
October 31, 2006	1,000,000	10	250	Cash	Preferential Allotment(5)	4,997,230	49,972,300	275,000,000
February 27, 2007	2,770	10	10	Cash	Preferential Allotment(6)	5,000,000	50,000,000	275,000,000

Date of allotment	No. of Equity Shares	Face value (₹)	Issue price (₹)	Nature of consideration	Reasons for allotment	Cumulative no. of Equity Shares	Cumulative paid-up share capital (₹)	Cumulative share premium (₹)
July 31, 2008	1,000,000	10	250	Cash	Preferential Allotment[7]	6,000,000	60,000,000	515,000,000
October 21, 2008	42,000,000	10	-	N.A.	Bonus issue in the ratio 7:1[8]	48,000,000	480,000,000	515,000,000
December 31, 2008	1,000,000	10	250	Cash	Preferential Allotment[9]	49,000,000	490,000,000	755,000,000
August 29, 2009	252,000,000	10	-	N.A.	Bonus issue in the ratio 36:7[10]	301,000,000	3,010,000,000	0
July 23, 2010	6,404,256	10	123	Cash	Preferential allotment to Matrix Partners India Investments, LLC pursuant to the Matrix Investment Agreement.	307,404,256	3,074,042,560	723,680,928
July 23, 2010	6,404,256	10	123	Cash	Preferential allotment to Baring India Private Equity Fund III Limited pursuant to the Baring Investment Agreement	313,808,512	3,138,085,120	1,447,361,856
September 08, 2010	3,042,022	10	133	Cash	Preferential allotment to Kotak India Private Equity Fund pursuant to the Kotak Investment Agreement.	316,850,534	3,168,505,340	1,821,530,562
September 08, 2010	160,106	10	133	Cash	Preferential allotment to Kotak Investment Advisors Limited pursuant to the Kotak Investment Agreement.	317,010,640	3,170,106,400	1,841,223,600
September 23, 2010	1,440,922	10	173.50	Cash	Preferential allotment to Matrix Partners India Investments, LLC pursuant to the Matrix Investment Agreement.	318,451,562	3,184,515,620	2,076,814,380
September 23, 2010	1,761,206	10	173.50	Cash	Preferential allotment to The Wellcome Trust Limited (as trustee of The Wellcome Trust, United Kingdom) pursuant to the Wellcome Investment Agreement.	320,212,768	3,202,127,680	2,364,771,561
May 03, 2011	51,500,000	10	175	Cash	Allotment pursuant to initial public offering	371,712,768	3,717,127,680	10,862,271,561

1. *At the time of incorporation, upon subscription to the Memorandum, allotment of 1, 000 Equity Shares to each of M.G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot.*

2. *Allotment of 62, 500 Equity Shares to each of M.G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot.*

3. *Allotment of Equity Shares to M.G. George Muthoot (200, 000), George Thomas Muthoot (200, 000), George Jacob Muthoot (200, 000), George Alexander Muthoot (250, 000), Georgie Kurien (150, 000), Valsa Kurien (150, 000), Sara George (150, 000), Susan Thomas (150, 000), Elizabeth Jacob (150, 000), and Anna Alexander (150, 000).*

4. *Allotment of Equity Shares to M.G George Muthoot (684, 700), George Thomas Muthoot (234, 366), George Alexander Muthoot (587, 866), Susan Thomas (58, 733), George Jacob Muthoot (340, 900), Elizabeth Jacob (38, 133), Anna Alexander (48, 433), Paul M. George (33), George M. George (33) and George M. Alexander (33) pursuant to order of the High Court of Kerala, Ernakulam dated January 31, 2005 approving the scheme of arrangement and amalgamation of Muthoot Enterprises Private Limited with the Company whereby every shareholder of Muthoot Enterprises Private Limited is entitled to shares of the Company in the ratio of 3:1. For further details regarding the scheme of arrangement and amalgamation, see "History and Main Objects" on page 118.*

5. *Allotment of Equity Shares to M.G. George Muthoot (228, 700), George Alexander Muthoot (228, 700), George Thomas Muthoot (228, 700), George Jacob Muthoot (228, 700), Anna Alexander (30, 000), Georgie Kurien (2, 400), Sara George (4, 800), Susan Thomas (4, 800), Elizabeth Jacob (30, 000), George M. George (10, 000), Paul M. George (800), Alexander M. George (800), George M. Jacob (800) and George M. Alexander (800).*

6. *Allotment of Equity Shares to George Alexander Muthoot.*

7. *Allotment of Equity Shares to M.G. George Muthoot (120, 000), George Alexander Muthoot (120, 000), George Thomas Muthoot (120, 000), George Jacob Muthoot (120, 000), Anna Alexander (52, 000), Sara George (52, 000), Susan Thomas (52, 000), Elizabeth Jacob (52, 000), George M. George (52, 000), Paul M George (52, 000), Alexander M. George (52, 000), George M. Jacob (52, 000), George M. Alexander (52, 000) and Eapen Alexander (52, 000).*

8. *Allotment of Equity Shares to M.G. George Muthoot (10, 828, 300), George Alexander Muthoot (10, 519, 852), George Thomas Muthoot (4, 525, 962), George Jacob Muthoot (5, 264, 700), Anna Alexander (1, 963, 031), Sara George (1, 447, 600), Susan Thomas (1, 508, 731), Elizabeth Jacob (1, 540, 931), George M. George (434, 931), Paul M. George (370, 531), Alexander M. George (370, 300), George M. Jacob (370, 300), George M. Alexander (370, 531), Eapen Alexander (365, 400), Susan Kurien (700), Reshma Susan Jacob (700), Anna Thomas (700), Valsa Kurien (1, 050, 000) and Georgie Kurien (1, 066, 800).*

9. *Allotment of Equity Shares to M.G. George Muthoot (120, 000), George Alexander Muthoot (120, 000), George Thomas Muthoot (120, 000), George Jacob Muthoot (120, 000), Anna Alexander (52, 000), Sara George (52, 000), Susan Thomas (52, 000), Elizabeth Jacob (52, 000), George M. George (52, 000), Paul M George (52, 000), Alexander M. George (52, 000), George M. Jacob (52, 000), George M. Alexander (52, 000) and Eapen Alexander (52, 000).*

10. *Allotment of Equity Shares to M.G. George Muthoot (37, 800, 000), George Alexander Muthoot (37, 800, 000), George Thomas Muthoot (37, 800, 000), George Jacob Muthoot (37, 800, 000), Anna Alexander (12, 600, 000), Sara George (11, 414, 736), Susan Thomas (25, 200, 000), Elizabeth Jacob (12, 600, 000), George M. George (5, 670, 000), Paul M. George (2, 445, 264), Alexander M. George (5, 670, 000), George M. Jacob (12, 600, 000), George M. Alexander (6, 300, 000), Eapen Alexander (6, 300, 000).*

(b) Equity Shares issued for consideration other than cash

Date of allotment	No. of Equity Shares	Issue price (₹)	Reasons for allotment	Benefits accruing to the Company
March 21, 2005	1, 993, 230	-	Pursuant to scheme of amalgamation[1]	Allotment pursuant to scheme of amalgamation.
TOTAL	1, 993, 230			

1. *Allotment of Equity Shares to M.G George Muthoot (684, 700), George Thomas Muthoot (234, 366), George Alexander Muthoot (587, 866), Susan Thomas (58, 733), George Jacob Muthoot (340, 900), Elizabeth Jacob (38, 133), Anna Alexander (48, 433), Paul M. George (33), George M. George (33) and George M. Alexander (33) pursuant to order of the High Court of Kerala, Ernakulam dated January 31, 2005 approving the scheme of arrangement and amalgamation of Muthoot Enterprises Private Limited with the Company whereby every shareholder of Muthoot Enterprises Private Limited is entitled to shares of the Company in the ratio of 3:1. For further details regarding the scheme of arrangement and amalgamation, see "History and Main Objects" on page 118.*

Share holding pattern of our Company as on December 31, 2011

Category code	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered
					As a percentage of (A+B)	As a percentage of (A+B+C)	No. of shares
(A)	**Shareholding of Promoter and Promoter Group**						
(1)	**Indian**						

Category code	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered
					As a percentage of (A+B)	As a percentage of (A+B+C)	No. of shares
(a)	Individuals/ Hindu Undivided Family	13	297,797,872	297,797,872	80.12	80.12	Nil
(b)	Central Government/ State Government(s)						
(c)	Bodies Corporate						
(d)	Financial Institutions/ Banks						
(e)	Any Other (specify)						
	Sub-Total (A)(1)	13	297,797,872	297,797,872	80.12	80.12	Nil
(2)	**Foreign**						
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)						
(b)	Bodies Corporate						
(c)	Institutions						
(d)	Any Other (specify)						
	Sub-Total (A)(2)						
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	13	297,797,872	297,797,872	80.12	80.12	Nil
(B)	**Public shareholding**						
(1)	**Institutions**						
(a)	Mutual Funds/ UTI	15	7,080,088	7,080,088	1.90	1.90	Nil
(b)	Financial Institutions/ Banks	2	8,140	8,140	Negligible	Negligible	Nil
(c)	Central Government/ State Government(s)						
(d)	Venture Capital Funds						
(e)	Insurance Companies						
(f)	Foreign Institutional Investors	54	30,144,199	30,144,199	8.11	8.11	Nil
(g)	Foreign Venture Capital Investors						
(h)	Any Other (specify)						
	Sub-Total (B)(1)	**71**	**37,232,427**	**37,232,427**	**10.02**	**10.02**	Nil
(2)	**Non-institutions**						

Category code	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered
					As a percentage of (A+B)	As a percentage of (A+B+C)	No. of shares
(a)	Bodies Corporate	458	2,779,120	2,779,120	0.75	0.75	Nil
(b)	Individuals -						
(i)	Individual shareholders holding nominal share capital up to ₹ 1.00 lakh.	64,271	7,087,818	7,087,751	1.91	1.91	Nil
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1.00 lakh.	65	3,771,113	3,771,113	1.01	1.01	Nil
(c)	Any Other (specify)						
(i)	Foreign Nationals, NRIs, Foreign Companies, Trusts	1,052	22,898,316	22,898,316	6.16	6.16	Nil
(ii)	Others	175	146,102	146,102	0.04	0.04	Nil
	Sub-Total (B)(2)	**66,021**	**36,682,469**	**36,682,402**	**9.87**	**9.87**	**Nil**
(B)	**Total Public Shareholding (B)= (B)(1)+(B)(2)**	**66,092**	**73,914,896**	**73,914,829**	**19.88**	**19.88**	**Nil**
	TOTAL (A)+(B)	**66,105**	**371,712,768**	**371,712,701**	**100.00**	**100.00**	**Nil**
(C)	**Shares held by Custodians and against which Depository Receipts have been issued**						
	GRAND TOTAL (A)+(B)+(C)	**66,105**	**371,712,768**	**371,712,701**	**100.00**	**100.00**	

2. ***Our top ten shareholders and the number of Equity Shares held by them as on the date of this Prospectus is as follows:***

Sr. No.	Name	No. of Equity Shares (face value of ₹ 10 each)	As % of total number of shares
1.	M.G. George Muthoot	47,385,132	12.75
2.	George Alexander Muthoot	44,464,400	11.96
3.	George Jacob Muthoot	44,464,400	11.96
4.	George Thomas Muthoot	44,464,400	11.96
5.	Susan Thomas	29,985,068	8.07
6.	George M. Jacob	15,050,000	4.05
7.	Elizabeth Jacob	14,935,068	4.02
8.	Anna Alexander	14,935,068	4.02
9.	Sara George	13,519,336	3.64
10.	Matrix Partners India Investments, LLC	7,845,178	2.11
	TOTAL	**277,048,050**	**74.53**

3. ***The list of top ten holders of debt instruments as on January 20, 2012 is as follows:***

Listed (WDM Segment of NSE) Privately Placed Unsecured Non Convertible Debentures

(a) List of holders of G-series unsecured non convertible debentures of face value of ₹ 1 million per debenture.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Kotak Mahindra Trustee Company Limited a/c Kotak Floater Long Term Scheme	Deutsche Bank AG , DB House, Hazarimal Somani Marg, Post Box No. 1142, Fort Mumbai, Maharashtra	1,000	1,000.00
2.	Kotak Mahindra Trustee Company Limited a/c Kotak Flexi Debt Scheme	Deutsche Bank AG , DB House, Hazarimal Somani Marg, Post Box No. 1142, Fort Mumbai, Maharashtra	700	700.00
3.	Kotak Mahindra Trustee Company Limited a/c Kotak Mahindra Bond Short Term Plan	Deutsche Bank AG , DB House, Hazarimal Somani Marg, Post Box No. 1142, Fort Mumbai, Maharashtra	300	300.00

Listed (WDM Segment of NSE) Privately Placed Secured Non-Convertible Debentures

(a) List of holders of L1 series secured non convertible debentures of face value of ₹ 1 million per debenture

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Andhra Bank	Andhra Bank Funds Foreign Exchange Department 82 83 Makers Towers, 8 F block, Cuffe Parade Mumbai, Maharashtra	500	500.00

(b) List of holders of L2 series secured non convertible debentures of face value of ₹ 1 million per debenture

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Aditya Birla Finance Limited	Apeejay, 2nd Floor, Shahid Bhagat Singh Road, Fort Mumbai, Maharashtra	500	500.00
2.	Jharkhand Gramin Bank	Rajendra Palace, 5 Main Road, Ranchi, Jharkhand	50	50.00
3.	Vireet Investments Private Limited	21-D, Friends Colony West, New Delhi	40	40.00
4.	Viren Investments Private Limited	21-D, Friends Colony West, New Delhi	20	20.00
5.	Devinder Singh Puri	21-D, Friends Colony West, New Delhi	20	20.00
6.	Vikramjit Singh Puri	21-D, Friends Colony West, New Delhi	10	10.00
7.	Nina Puri	21-D, Friends Colony West, New Delhi	10	10.00

(c) List of holders of L4 series secured non convertible debentures of face value of ₹ 1 million per debenture.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Ratnakar Bank Limited	6th Floor, One India Bulls Centre, Tower 2, 841 Senapati Bapat Marg, Elphinstone, Mumbai, Maharashtra	1,000	1000.00

Unlisted Privately Placed Subordinated Debts

(a) List of holders of A series subordinated debt of face value of ₹ 1 per subordinated debt.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	George Alexander Muthoot	Muthoot House, House No. TC/4/25154, Marappalam, Pattom, Trivandrum	53,689,769	53.69
2.	M G George Muthoot	Muthoot House, G - 74, East of Kailash, New Delhi	36,300,000	36.30
3.	George Thomas Muthoot	Muthoot House, Miss East Lane, House No. 9/324 A, Baker Junction, Kottayam	19,508,238	19.51
4.	George Jacob Muthoot	Muthoot House, House No. TC/4/25154, Marappalam, Pattom, Trivandrum	1,751,427	1.75

(b) List of holders of B series subordinated debt of face value of ₹ 1 per subordinated debt.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	George Alexander Muthoot	Muthoot House, G - 343, Panampilly Nagar, Ernakulam	20,100,000	20.10
2.	George Thomas Muthoot	Muthoot House, Miss East Lane, House No: 9/324 A, Baker Junction, Kottayam	15,000,000	15.00
3.	George Jacob Muthoot	Muthoot House, House No. TC/4/25154, Marappalam, Pattom, Trivandrum	15,000,000	15.00
4.	M.G. George Muthoot	Muthoot House, G - 74, East of Kailash, New Delhi	11,600,000	11.60
5.	Anna Alexander	Muthoot House, G - 343, Panampilly Nagar, Ernakulam	9,000,000	9.00
6.	Susan Thomas	Muthoot House, Miss East Lane, House No: 9/324 A, Baker Junction, Kottayam	8,500,000	8.50
7.	Elizabeth Jacob	Muthoot House, House No. Tc/4/25154, Marappalam, Pattom, Trivandrum	8,500,000	8.50
8.	Sara George	Muthoot House, G - 74, East of Kailash, New Delhi	8,000,000	8.00
9.	Valsa Kurien	Muthoot House, College Road, Kozhencherry	6,500,000	6.50
10.	Georgie Kurien	Muthoot House, College Road, Kozhencherry	2,500,000	2.50

(c) List of holders of C series subordinated debt of face value of ₹ 1 per subordinated debt.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	George Jacob Muthoot	Muthoot House, House No. TC/4/25154, Marappalam, Pattom, Trivandrum	43,048,573	43.05
2.	George Thomas Muthoot	Muthoot House, Miss East Lane, House No: 9/324 A, Baker Junction, Kottayam	31,691,762	31.69
3.	George Alexander Muthoot	Muthoot House, G - 343, Panampilly Nagar, Ernakulam	210,231	0.21
4.	M G George Muthoot	Muthoot House, G - 74, East of Kailash, New Delhi	23,800,000	23.80

(d) List of holders of D series subordinated debt of face value of ₹ 1 per subordinated debt.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	George Alexander Muthoot	Muthoot House, G - 343, Panampilly Nagar, Ernakulam	3,456,533	3.45
2.	George Thomas Muthoot	Muthoot House, Miss East Lane, House No: 9/324 A, Baker Junction, Kottayam	2,069,200	2.07
3.	George Jacob Muthoot	Muthoot House, House No. Tc/4/25154, Marappalam, Pattom, Trivandrum	2,069,200	2.07
4.	M.G.George Muthoot	Muthoot House, G - 74, East of Kailash, New Delhi	1,017,081	1.02
5.	Anna Alexander	Muthoot House, G - 343, Panampilly Nagar, Ernakulam	895,202	0.89
6.	Elizabeth Jacob	Muthoot House, House No. TC/4/25154, Marappalam, Pattom, Trivandrum	838,322	0.83
7.	Susan Thomas	Muthoot House, Miss East Lane, House No: 9/324 A, Baker Junction, Kottayam	834,884	0.83
8.	Valsa Kurien	Muthoot House, College Road, Kozhencherry	801,951	0.80
9.	Sara George	Muthoot House, G - 74, East of Kailash, New Delhi	784,008	0.78
10.	Georgie Kurien	Muthoot House, College Road, Kozhencherry	303,696	0.30

(e) List of holders of E series subordinated debt of face value of ₹ 1 per subordinated debt.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	George Jacob Muthoot	Muthoot House, House No. TC/4/25154, Marappalam, Pattom, Trivandrum	19,995,129	20.00
2.	George Thomas Muthoot	Muthoot House, Miss East Lane, House No: 9/324 A, Baker Junction, Kottayam	13,595,129	13.60
3.	M.G.George Muthoot	Muthoot House, G - 74, East of Kailash, New Delhi	9,167,423	9.17
4.	George Alexander Muthoot	Muthoot House, G - 343, Panampilly Nagar, Ernakulam	5,543,467	5.54
5.	Georgie Kurien	Muthoot House, College Road, Kozhencherry	2,996,304	3.00
6.	Valsa Kurien	Muthoot House, College Road, Kozhencherry	2,698,049	2.70
7.	Anna Alexander	Muthoot House, G - 343, Panampilly Nagar, Ernakulam	1,604,798	1.60
8.	Susan Thomas	Muthoot House, Miss East Lane, House No: 9/324 A, Baker Junction, Kottayam	1,365,116	1.37
9.	Elizabeth Jacob	Muthoot House, House No. TC/4/25154, Marappalam, Pattom, Trivandrum	1,361,679	1.36
10.	Sara George	Muthoot House, G - 74, East of Kailash, New Delhi	1,315,992	1.32

(f) List of top ten holders of II series subordinated debt of face value of ₹ 1,000 per subordinated debt.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Om Kapoor	Lu-108, Pitam Pura behind water tank, near DST Park, New Delhi	2,355	2.36
2.	Lizy Thankachen	Akkavilayil Jerin Cottage, Kaithacode Post Office, Kaithacode, Kollam, Kerala	2,000	2.00
3.	Vijayakrishnan C.K.	Astoria, Malakkara Post Office, Edayaranmula, Pathanamthitta, Kerala	1,880	1.90
4.	George Jacob	Muthoot House, Pattom, Trivandrum, Kerala	1,636	1.64
5.	S. Ethelsha	No. 86 D4/2A, Joe Daniel Street, K.P. Road, Vetturnimadom(P.O), K.K District, Tamil Nadu	1,500	1.50
6.	Padmaharan	204, 2nd Floor, Trafalgar, 124, Lattice Bridge Road, Thiruvanmiyur, Chennai, Tamil Nadu	1,200	1.20
7.	Rohit Abby Elias	T.C.3/1086, Sree Nagar Lane, House No.1, Muttada, Muttada Post Office, Trivandrum,Kerala,695 025	1,100	1.10
8.	Ruby Andrews	Mullasseril, Chittoor, Panmana Post Office, Quilon, Kerala	1,000	1.00
9.	Achankunju Mathew	Thengumtharayil, Thazhathuvadakku Post Office, Enathu, Kollam, Kerala	1,000	1.00
10.	Major K	Anugraha, No.1, Old No. 17, Third Main Road,	1,000	1.00

	Mathews	Annaji Nagar, K K. Nagar, Chennai Tamil Nadu		
10.	Saramma Mathews	Anugraha No.1, Old No. 17, Third Main Road, Annaji Nagar, K.K. Nagar, Chennai, Tamil Nadu	1,000	1.00
10.	Ranjita Gomes	84, Taltala Lane, Taltala, Kolkata, West Bengal	1,000	1.00

(g) List of top ten holders of III series Subordinated Debt of face value of ₹ 1,000 per subordinated debt.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Jayasree Padmakumar	5-B, J.M. Paradise, Palarivattom, Cochin, Ernakulam, Kerala	6,000	6.00
2.	Anitha Mohan	TC 9/167(8), "O" Street, BNRA-12G, Jawahar Nagar, Trivandrum, Kerala	2,500	2.50
3.	Chander Kant Walia	Son of Jatinder Nath Walia, House No. 393, Sector 8, Panchkula, Haryana	2,500	2.50
4.	Elsa Mathew	Sam & Company, Munnar, Devikulam, Idukki, Kerala	2,500	2.50
5.	Kallianikutty Amma P.	Saubhagya, Bunglamparambu Road, Patteripuram Aluva, Ernakulam, Kerala	2,000	2.00
6.	Srivastava S .N.	162-C, Pocket-IV, Mayur Vihar Phase-1, Delhi	1,850	1.85
7.	K.P. Kurian	Thottathil House, Puthen Vila Kizhakkathil, Hospital Junction, Kundara Post Office, Kollam, Kerala	1,700	1.70
8.	Sam Alexander.	#48/1 Meg Officers Colony, Meg, M.S. Nagar Post Office, Bangalore, Karnataka	1,629	1.63
9.	B.M. Vidyasagaran Pillai	32/E, Hindi Prachar Sabha Street, T. Nagar, T. Nagar, Chennai, Tamil Nadu	1,500	1.50
10.	Rama Rani	E-61, 1st Floor, Kirti Nagar, New Delhi	1,500	1.50
10.	P.I. Eapen	TC 4/151, Cheshire Home, Lanekowdiar, Post Office, Trivandrum, Kerala	1,500,	1.50

(h) List of top ten holders of IV series subordinated debt of face value of ₹ 1,000 per subordinated debt.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Yakub Mathew	C-450, SFS Houses, Sheikh Sarai-I, New Delhi	10,750	10.75
2.	Shilpa Mathew	C-450, SFS Houses, Sheikh Sarai-I, New Delhi	7,650	7.65
3.	Maliha Mathew	C-450, SFS Houses, Sheikh Sarai-I, New Delhi	7,600	7.60
4.	Mehr Mathew	C-450, SFS Houses, Sheikh Sarai-I, New Delhi	4,000	4.00
5.	Madhu R. Balakrishnan	Krishna, Punnathala, Thirumullavaram, Kollam, Kerala	3,750	3.75
6.	Ajaib Kumar D.R	House No. 263, T.C2/3227 Archana, Kulangara, Pattom, Trivandrum, Kerala	2,500	2.50
7.	Jaya Damodaran	22 / 4, Maitri Park , Sion Trombay Road, Chembur Mumbai, Maharashtra	2,500	2.50
8.	Binu S.D.	Kizhakkepalanjil, Pada North, Karunagappally, Kollam, Kerala	2,000	2.00
9.	Thomas Alexander Mathews	Kalathil House, Cherthala, Kannankara Post Office, Alleppey, Kerala	1,600	1.60
10.	Sivadas. K.V.	Rugmee House, Pathiri Nagar, Dhoni Post, Palakkad, Kerala	1,500	1.50

(i) List of top ten holders of V series Subordinated Debt of face value of ₹ 1,000 per subordinated debt.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Indian Inland Mission	V-20, Green Park Extension, New Delhi	120,000	120.00
2.	Mehr Mathew	C-450, SFS Flats, Sheikh Sarai Phase-I, New Delhi	5,000	5.00
3.	Yakub Mathew	C-450, SFS Hoses, Sheikh Sarai Phase-I, New Delhi	5,000	5.00
4.	Shilpa Mathew	C-450, SFS Hoses, Sheikh Sarai Phase-I, New Delhi	5,000	5.00
5.	Maliha Mathew	C-450, SFS Hoses, Sheikh Sarai Phase-I, New Delhi	5,000	5.00
6.	Thomas Babu	Attuvarathu Melalthil Puthen Veedu, Odanavattom,	3,150	3.15

		Odanavattom Post Office, Kollam, Kerala		
7.	Abdul Azeem. A	Son of Abdul Kareem, No-104c, Nethaji Road, Melapalayam, Tirunelveli, Tamil Nadu	2,500	2.50
8.	Jaya Damodaran	22/4, Maitri Park, Sion Trombay Road, Maitri Park, Chembur East, Mumbai, Raigad, Maharashtra	2,500	2.50
9.	CK Vijayakrishnan	Astoria, Malakkara Post Office, Chengannur, Alappuzha, Kerala	2,000	2.00
10.	Ramesh Kumar Manikan Achari	Raj Residency Co Op HSG Soc, A1-201/202, Ram Mandir Road, Sainath Nagar, Kasarwadavli, Godbuder Road, Thane, Maharashtra	2,000	2.00
10.	Ranjitha Gomes	84, Taltala Lane, Taltala, Kolkata, West Bengal	2,000	2.00

(j) List of top ten holders of VI series Subordinated Debt of face value of ₹ 1,000 per subordinated debt.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Vir Kaur	169, Urban Estate, Batala, Gurdaspur, Punjab	10,000	10.00
2.	Capt.Shaji Mathews	Thengayyam Melrose, Mulavana Post Office, Kundara, Kollam, Kerala	6,700	6.70
3.	George Alexander	Muthoot House, Kozhenchery, Post Box No. 11, Pattanamthitta, Kerala	3,645	3.64
4.	Aleyamma Thomas	Vazhuvelikonathu House, Karuvatta, Adoor, Pathanamthitta, Kerala	3,500	3.50
5.	Mohana Krishnan	Sribalaji, Flat-6C, Gokulam Spring Tower, K.K Road, Kanjikuzhy, Kottayam, Kerala	3,100	3.10
6.	Shalini Seekond	6/15, Shyam Nivas, Bhulabhai Desai Road, Mumbai, Maharashtra	3,100	3.10
7.	Koshy Panicker	Payattuvilayil, Cheerankavu, Ezhukone, Kollam, Kerala	2,700	2.70
8.	Prithipal Singh Bhandari	J-153, J Block, Rajouri Garden, Delhi	2,500	2.50
9.	Tiju Abraham	Kothapuzhasheril House, Venmoney West, Venmoney, Alappuzha, Kerala	2,500	2.50
10.	Siyak.M.V	Siya Mahal, Thrikandiyour, Tirur, Malapuram, Kerala	2,300	2.30

(k) List of top ten holders of VII series Subordinated Debt of face value of ₹1,000 per subordinated debt.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Indian Inland Mission	V-20 ,Green Park Extension, New Delhi	200,000	200.00
2.	Celine Joseph	Apartment No. DB-3, Jaladarsini Apartments, Golden Street, Vaduthala, Ernakulam, Kerala	12,000	12.00
3.	Balraj Vasudevan	I-34 (Old I-27), 1st Main Road, Anna Nagar East, Chennai, Tamil Nadu	10,000	10.00
4.	Indira Vasudevan	I-34, (Old I-27), 1st Main Road, Anna Nagar East, Chennai, Tamil Nadu	10,000	10.00
5.	Khawja Mahmood Ahmed Khan	#171, 9th Cross, Williams Town, Benson Town, Bangalore, Karnataka	6,700	6.70
6.	Sunil Mathew	35/1493, South Janatha Road, Palarivattom, Ernakulam, Kerala	5,000	5.00
7.	Antony C.A.	Kizhakke Kochuparampil, Changanacherry, Kurisummoodu Post Office, Kottayam, Kerala	4,000	4.00
8.	Mahanand Chandana	Village Narnaul, Near Kadhiawala Mandir, Narnaul, Faridabad, Haryana	3,000	3.00
9.	George K. Varghese	Kottakuzhiyil, Puthenangady, Kottayam, Kerala	3,000	3.00
10.	Bina Roy	P-6/2G, DLF City Phase-II, Gurgaon, Haryana	2,600	2.60

(l) List of top ten holders of VIII series Subordinated Debt of face value of ₹ 1,000 per subordinated debt.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Minunath Ganpat Bahira	House No. 1593 at Bhingari, Panvel, Raigad, Maharashtra	5,000	5.00
2.	Ivo Antonio Araujo	House No. 453, Cabeca, Calapur, North Goa	5,000	5.00
3.	Vijaya Gopalakrishna Menon	Flat 2C, Palace Avenue, Olayil, Kollam, Kerala	4,080	4.08
4.	K.Suryanarayana Rao	Vijayaenclave 1, No-007, 60 Feet, Sanjaynagar, Bangalore, Karnataka	3,000	3.00
5.	Jacob Joseph	Thekkekoottu House, Kulathoor Post Office, Pathanamthitta, Kerala	2,781	2.78
6.	Lalimma Joseph	Kulapurathu House, Perumbaikadu Post Office, Kerala,	2,500	2.50
7.	Santhan Nanu	The Nanus Essen Enclave, near Regina Mundi High School, Chicalim, Vasco, South Goa, Goa.	2,500	2.50
8.	Dharam Vir Sharma	Vill Kheri Kalan, Mehboob Patti, Faridabad, Haryana	2,500	2.50
9.	Sunny Yadav	Mr. Daulat Ram, Circular Road, Rewari, Haryana	2,500	2.50
10.	Isha Roy	Opposite Green Home, Onampalayam, Thondamuthur Road, Coimbatore, Tamil Nadu	2,500	2.50

(m) List of top ten holders of IX series Subordinated Debt of face value of ₹ 1,000 per subordinated debt.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Indian Inland Mission	V-20, Green Park Extension, New Delhi	80,000	80.00
2.	Eappen Thomas	No. 52, 3rd Main Road, Sri Ayappa Nagar, Chennai, Tamil Nadu	6,000	6.00
3.	Kalpana Retty	I-27, 1st Main Road, Anna Nagar East, Chennai, Tiruvalluar, Tamil Nadu	5,000	5.00
4.	Meby Sara Samuel	Chaluvila House, Elikattoor, Piravanthoor, Post Office Kollam, Kerala	4,000	4.00
5.	Sangettha Madhu	Krishna, Punnathala, Kollam, Kerala	3,500	3.50
6.	Cherian Mathews	Flat 6 B , Cloud-9 Apartments, Law College Junction, Trivandrum	3,400	3.40
7.	Poulamy Ganguly	Pratap Bagan, Math Para, Bankura,West Bengal	3,150	3.15
8.	M/s. Mecpro Heavy Engineering Limited	610, Som Datt Chambers, 2 Bikaji Cama Place, New Delhi	3,075	3.08
9.	Sajimon	Moorthikkal, Kaduthuruthy, Poozhikol, Kottayam.	3,000	3.00
10.	Garla Chinna Yella Reddy	House No. 79-119-3, Krishna Nagar, Kurnool, Andhra Pradesh	2,975	2.98

Listed Secured Non-Convertible Debentures – Series PL-I

(a) List of top ten holders of PL-I series secured non convertible debentures of face value of ₹ 1,000 per debenture bearing ISIN code INE414G07050.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Central Bank of India	Central Bank of India Treasury Department, Chandramukhi Building, Nariman Point, Mumbai	100,000	100.00
2.	Small Industries Development Bank of India	SME Development Centre, 4th Floor, Plot No. C-11 G Block, Bandra Kurla Complex, Bandra East, Mumbai	100,000	100.00
3.	Oriental Bank of Commerce	Treasury Department, A 30 33A Block, 1st Floor, Connaught Place, New Delhi	100,000	100.00

(b) List of top ten holders of PL-I series secured non convertible debentures of face value of ₹ 1,000 per debenture bearing ISIN code INE414G07068

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Housing Development Finance Corporation Limited	HDFC Bank Limited, Custody Services, Lodha - I Think Techno Campus, 8th Floor, next to Kanjurmarg Station, Kanjurmarg East Mumbai	250,000	250.00
2.	Asha Vasant Sheth Ketaki Vasant Sheth	HSBC Securities Services 2nd Floor, "Shiv", Plot No.139-140 B Western Express Highway, Sahar Road Junction, Vile Parle-E, Mumbai	20,000	20.00
3.	Rekha Munjal	House No-19C, Sarabha Nagar, Ludhiana, Punjab	20,000	20.00
4.	Sudhangsu Sekhar Chakraborty, Chirasree Chakraborty	HDFC Bank Limited, Custody Services Lodha I, Think Techno Campus Office, 8th Floor, Kanjurmarg, East Mumbai	20,000	20.00
5.	Quant Broking Private Limited	612-617, 6th Floor, Maker Chamber, IV Nariman Point Mumbai	20,000	20.00
6.	Maitreya Plotters & Structures Private Limited	Indrakunj, 2nd Floor, B/H Balaji Hospital Virar East, Tal-Vasai, Thane, Maharashtra	10,000	10.00
7.	Srikumar Ghosh Manjusha Ghosh	HDFC Bank Limited, Custody Services Lodha I Think Techno Campus, 8th Floor, Kanjurmarg, East Mumbai	5,000	5.00
8.	Vyakarnam Anjaneya Sastry, Raveen Sastry Vyakaranam	HDFC Bank Limited, Custody Services Lodha I Think Techno Campus, 8th Floor, Kanjurmarg, East Mumbai	5,000	5.00
9.	David Dhawan Karuna Dhawan	201-202, 2nd Floor, Beach Wood House, Oberoi Enclave, Juhu Tara Road, Juhu, Vile Parle West, Mumbai, Maharashtra	5,000	5.00
10.	Shanti Verghese	'Sydenham' 8, 15th Avenue, Harrington Road, Chetpet, Chennai	4,000	4.00

(c) List of top ten holders of PL-I series secured non convertible debentures of face value of ₹ 1,000 per debenture bearing ISIN code INE414G07076

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	HDFC Bank Limited	HDFC Bank Limited, Custody Services Lodha I Think Techno Campus, 8th Floor, Kanjurmarg, East Mumbai	250,000	250.00
2.	IndusInd Bank Limited Treasury Department	Indusind House, 4th Floor, 425 D.B. Marg, Opera House Mumbai	250,000	250.00
3.	UCO Bank	Treasury Branch, UCO Bank Building, Mezzanine Floor, No. 359, Dr. D.N. Road, Fort, Mumbai	200,000	200.00
4.	Indian Overseas Bank	Treasury (Domestic) Central Office, 763 Anna Salai, Chennai	100,000	100.00

(d) List of top ten holders of PL-I series secured non convertible debentures of face value of ₹ 1,000 per debenture bearing ISIN code INE414G07084

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Bank of India	Treasury Branch, Head Office, Star House, 7th Floor C-5, 'G' Block, Bandra Kurla Complex, Bandra East, Mumbai	150,000	150.00
2.	R.R. Investors Capital Services Private Limited	47, M.M. Road, Rani Jhansi Road, Jhandewalan Extension, New Delhi	119,119	119.12
3.	Peerless Mutual Fund – Peerless Income Plus Fund	HDFC Bank Limited, Custody Services Lodha I Think Techno Campus, 8th Floor, Kanjurmarg, East Mumbai	55,000	55.00
4.	Kanoria Chemicals and Industries Limited	Park Plaza, 7th Floor, 71 Park Street, near Park Street post office, Kolkata	50,000	50.00

5.	JM Financial Services Private Limited	J.M. Financial Products Private Limited, 4th Floor, Palm Court, M Wing Link Road, above D Mart, Malad West, Mumbai	44,000	44.00
6.	A. K. Capital Services Limited	30/39, Free Press House, 3rd Floor, Free Press Journal Marg, 215, Nariman Point, Mumbai	25,000	25.00
7.	D M Kothari	HDFC Bank Limited, Custody Services Lodha I Think Techno Campus, 8th Floor, Kanjurmarg, East Mumbai	20,000	20.00
8.	Aegis Logistics Limited	403, Peninsula Chambers, Ganpatrao Kadam Marg, Lower Parel, Mumbai Maharashtra	20,000	20.00
9.	Peerless Mutual Fund – Peerless MF Child Plan	HDFC Bank Limited, Custody Services Lodha I Think Techno Campus, 8th Floor, Kanjurmarg, East Mumbai	15,000	15.00
10.	Devendra M Kothari Indu Devendra Kothari	HDFC Bank Limited, Custody Services Lodha I Think Techno Campus, 8th Floor, Kanjurmarg, East Mumbai	13,085	13.08

(e) List of top ten holders of PL-I series secured non convertible debentures of face value of ₹ 1,000 per debenture bearing ISIN code INE414G07092

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	R.D.C.C Employees Provident Fund Trust	Plot No. J-1, Block B - 1 Mohan, Co-Op Industrial Area, Mathura Road, New Delhi	10,000	10.00

(f) List of top ten holders of PL-I series secured non convertible debentures of face value of ₹ 1,000 per debenture bearing ISIN code INE414G07100

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Hero Motocorp Limited	34, Basant Lok, Vasant Vihar, New Delhi	500,000	500.00
2.	Bothra Financial Services	J.M. Financial Products Private Limited, 4th Floor, Palm Court, M Wing Link Road, Above D Mart, Malad West, Mumbai	215,825	215.82
3.	YES Bank Limited	YES Bank Limited, 2nd Floor, Tiecicon House, Dr. E Moses Road, Opposite Famous Studio, Mahalaxmi, Mumbai	100,000	100.00
4.	MTNL Employees Provident Fund Trust	MTNL Corporate Office, 6th Floor, Mahanagar Doorsanchar Bhavan, Jawaharlal Nehru Marg, Near Zakir Hussain College, New Delhi	60,000	60.00
5.	Jagran Prakashan Limited	Jagran Building, 2, Sarvodaya Nagar, Kanpur	50,000	50.00
6.	Air India Employees Provident Fund	Fund Account, Old Air Port, Santa Cruz, Mumbai	50,000	50.00
7.	Chun Mun Stores Private Limited	II J/18, Central Market, Lajpat Nagar, New Delhi	50,000	50.00
8.	Borosil Glass Works Limited	Khanna Construction House, 44 Dr. R G Thadani Marg, Worli , Mumbai	50,000	50.00
9.	Escorts Investment Trust Limited a/c Escorts Mutual Fund-Opportunities Fund	HDFC Bank Limited, Custody Services, Lodha - I Think Techno Campus, 8th Floor, next to Kanjurmarg Station Kanjurmarg East, Mumbai	30,177	30.18
10.	Tipsons Financial Services Private Limited	4th Floor, Sheraton House, Polytechnic Road, Opposite Ketav Petrol Pump, Ambawadi, Ahmedabad	29,889	29.89

Listed Secured Non-Convertible Debentures – Series PL-II

(a) List of top ten holders of PL-II series secured non convertible debentures of face value of ₹ 1,000 per debenture bearing ISIN code INE414G07126.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ` million)
1.	Dena Bank	Dena Bank, Treasury Department, Dena Corporate Centre, 4th Floor, Bandra Kurla Complex, Bandra East, Mumbai	250,000	250.00
2.	Aishwarya Rai Bachchan	Pratiksha, North South Road, No. 10, Juhu Vile Parle West, Mumbai	20,000	20.00
3.	Mahendra Kumar Gupta	HDFC Bank Limited, Custody Services, Lodha - I Think Techno Campus, 8th Floor, next to Kanjurmarg Station, Kanjurmarg East, Mumbai	20,000	20.00
4.	Krishnaraj Ramanna Rai	12, La Mer Chandivala Compound, Kandeswari Road, Bandra West, Mumbai	10,000	10.00
5.	Ahilya Somak Ghosh	Sea Side Society, Flat No, 5, 18-A Chimbai Road, Bandra West, Mumbai	10,000	10.00
6.	Shining Engineers Founders Private Limited	Near Archer Metal Industries, Survey No. 81/82, Shapar, Veraval Kotda Sangani, Rajkot	10,000	10.00
7.	National Co-operative Bank Limited	53/1, Bull Temple Road, Bangalore, Karnataka	7,500	7.50
8.	Maverick Developers & Coloniser Private Limited	B-4, Vaishali Nagar, Jaipur, Rajasthan	6,000	6.00
9.	Pangulury Mohan Murty	Sanghi Residency, 9th Floor, 77 Palki Galli, Prabhadevi, Mumbai	5,000	5.00
10.	Sharda Agarwal and Ashwini Agarwal	No. 1301, Marathon Heights, P B Marg, Worli, Mumbai	5,000	5.00

(b) List of top ten holders of PL-II series secured non convertible debentures of face value of ₹ 1,000 per debenture bearing ISIN code INE414G07134

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Dena Bank Employees Pension Fund	Sharda Bhavan, 1st Floor, Near Mithibai College, V.M. Marg, Juhu Vileparle, Mumbai, Maharashtra	70,000	70.00
2.	Poddar Tyres Limited	5/D Court Chambers, 35 New Marine Lines, Mumbai, Maharashtra	50,000	50.00
3.	Dena Bank Employees Gratuity Fund	Sharda Bhavan, 1st Floor, Near Mithibai College, V.M. Marg, Juhu Vileparle, Mumbai, Maharashtra	30,000	30.00
4.	Bmw Holdings Pvt Ltd	Ground floor 3 Antriksh Bhawan, 22 Kasturba Gandhi Marg, New Delhi	25,000	25.00
5.	Mantle Enterprises Pvt Ltd	Varuna 413, My Home, Mawadweepa Madhapur, Hyderabad, Andhra Pradesh	11,500	11.50
6.	Vikram Aditya And Associates Private Limited	620, Antriksh Bhawans, 22 K G Marg, New Delhi	10,000	10.00
7.	Bedrock Limited	6 B, Court Chambers, 35 New Marine Lines, Mumbai, Maharashtra	10,000	10.00
8.	Smt Sitadevi N Poddar Charity Trust	6/B, Court Chambers, 35 New Marine Lines, Mumbai, Maharashtra	7,500	7.50
9.	Signature Towers Private Limited	Ground Floor, 3 Antriksh Bhawan, 22 K G Marg, New Delhi	6,000	6.00
10.	Amla Narain	MA Anandmayee Puram, Kankhal, Haridwar 249408	3,500	3.50

(c) List of top ten holders of PL-II series secured non convertible debentures of face value of ₹ 1,000 per debenture bearing ISIN code INE414G07142

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Mantle Enterprises Private Limited	Varuna, 413, My Home, Mawadweepa Madhapur, Hyderabad, Andhra Pradesh	11,500	11.50
2.	Baring Private Equity Partners (India) Private Limited	Infinity Towers, Tower A, 9th Floor, DLF Phase-II, Gurgaon, Haryana	7,500	7.50
3.	Harilal D Soni	501, 5th Floor, Jvpd 9, 10th Road, Near UTI Bank, Juhu, Mumbai, Maharashtra	5,000	5.00
4.	Anju Dharmesh Jain	Mayur Pankh, 15/16, 5th Floor, N.S. Road, Mulund West, Mumbai, Maharashtra	5,000	5.00
5.	Rajlaxmi Protect Finance Consultancy Private Limited	B 402, Rekha Retreat, Shanti Park, Mira Road East, Thane, Mumbai, Maharashtra	5,000	5.00
6.	Bharat Chimanlal Shah Priti Bharat Shah	4, Shanti Sadan, off 8th and 11th Road, Khar West, Mumbai, Maharashtra	5,000	5.00
7.	Om Prakash Gupta	17/19, Kasturbha Gandhi Marg, Allahabad, Uttar Pradesh	5,000	5.00
8.	Lakur Narayan Prakash Gupta	10/32, Pravanika, 6th C Main, 4th Block, Jayanagar, Banglore, Karnataka	3,750	3.75
9.	Vinay Kumar Kaul	B-XI 8202 and 8204, Vasant Kunj, New Delhi	3,000	3.00
10.	Jayeshkumar C Shah	C-2101 and 2102, Flr-21, Raheja Atlantis, G. K. Marg, Lower Parel, Mumbai, Maharashtra	3,000	3.00

(d) List of top ten holders of PL-II series secured non convertible debentures of face value of ₹ 1,000 per debenture bearing ISIN code INE414G07118

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	HDFC Bank Limited	HDFC Bank Limited, Custody Services, Lodha - I Think Techno Campus, 8th Floor, next to Kanjurmarg Station, Kanjurmarg East Mumbai, Maharashtra	500,000	500.00
2.	ICICI Securities Primary Dealership Limited	ICICI Centre, H T Parekh Marg, Churchgate, Mumbai, Maharashtra	500,000	500.00
3.	Union Bank of India	IIFS, IIFS House, Plot No. 14, Raheja Vihar, Chandivali, Andheri East, Mumbai, Maharashtra	200,000	200.00
4.	Small Industries Development Bank of India	SME Development Centre, 4th Floor, Plot No. C-11, G Block, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra	100,000	100.00
5.	Star Chemicals (Bombay) Private Limited	55/58 Jolly Maker Chambers No-II, 5th Floor, Nariman Point, Mumbai, Maharashtra	10,000	10.00
6.	Meena Sinha	B-2, Ground Floor, Maharani Bagh, New Delhi	10,000	10.00
7.	M George Joseph	No. 534/30, 5th Cross, Mahalaxmi Layout, Bangalore, Karnataka	5,000	5.00
8.	Sanjay Chandrakant Ladge	Plot No. 1039/A, 10th Cross, Bhagyanagar, Belgaum, Karnataka	5,000	5.00
9.	Sujay Chandrakant Ladge	1039 /A, 10th Cross, Bhagyanagar, Hindwadi, Bellaur	5,000	5.00
10.	Plant Lipids Private Limited	V/547, Kadayirippu Post Office, Cochin, Kerala	5,000	5.00

Unlisted Privately Placed Secured Non-Convertible Debentures

(a) List of holders of AD series secured non convertible debentures of face value of ₹ 1,000 per debenture.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	H.H. Baselius Marthoma Mathews	Christian Engineering. College, Sasthamkotta, Kollam, Kerala	200	0.20
2.	Prema R	H No. 2604, HBC Sector 3, Faridabad, Haryana	30	0.03

(b) List of holders of AE series secured non convertible debentures of face value of ₹ 1,000 per debenture.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Shaji Mathews	Thengayyam Melrose, Mulavana, Kundra, Kollam, Kerala	1,000	1.00
2.	Tito Thamarakshan	Gouri Nivas, Thodiyoor, Karunagappally, Kollam, Kerala	500	0.50
3.	Tijo Thamarakshan	Gouri Nivas, Vengara, Thodiyoor, Kollam, Kerala	500	0.50
4.	Laly Anto	Thayyil House, C.C.N.B. Road, Mullackal, Alleppey, Kerala	370	0.37
5.	Reji K.B.	House No. 3143, Sector-3, H.B. Colony, Faridabad, Haryana	300	0.30
6.	Aniamma Thomas	Narimattathil, Pariyarom Post Office, Kottayam, Kerala	250	0.25
7.	Abarham Thomas	Narimattathil, Pariyarom Post Office, Kottayam, Kerala	250	0.25
8.	Jithu Varghese	Puthenmannil, Meenadomp Post Office, Kottayam, Kerala	250	0.25
9.	Suresh Koshy	Merry Villa, Chenneerkara Post Office, Pathanamthitta, Kerala	250	0.25
10.	P.M. Varghese	Puthenmannil, Meenadomp. Post Office, Kottayam, Kerala	250	0.25

(c) List of holders of AI series secured non convertible debentures of face value of ₹ 1,000 per debenture.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Benzy Mole Thamarakshan	Gouri Nivas, Vengara, Thodiyoor, Kollam, Kerala	1,000	1.00
2.	Tito Thamarakshan	Gouri Nivas, Thodiyoor, Karunagappally, Kollam, Kerala	500	0.50
3.	Tijo Thamarakshan	Gouri Nivas, Vengara, Thodiyoor, Kollam, Kerala	500	0.50
4.	Thamarakshan N.E	Gouri Nivas, Vengara, Thodiyoor, Karunagappally, Kollam, Kerala	500	0.50
5.	John Daniel	20/388, D.D.A Flats, Dakshin Puri Extension, New Delhi	41	0.04
6.	Sara Ann Mathew	Parackattil Ntv Nagar, Kadappakkada Post Office, Kollam, Trivandrum, Kerala	10	0.01
7.	M. Lavanya Lekshmi	Kannampallil Veedu, Thuvayoor South, Kadampanad Post Office, Pathanamthitta, Kerala	10	0.01

(d) List of holders of AP series secured non convertible debentures of face value of ₹ 1,000 per debenture.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Abraham Mathew	Ottaplackal House, Keekozhoor Post Office, Ranni, Pathanamthitta, Kerala	200	0.20
2.	Daisy Abraham	Ottaplackal House, Keekozhoor Post Office, Ranni, Pathanamthitta, Kerala	150	0.15

3.	Anna Teena Peter	Enchakalodil, Thirumoolapm, Tiruvilla, Kerala	30	0.03

(e) List of holders of AM series secured non convertible debentures of face value of ₹ 1,000 per debenture.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Philip Mathew	Kesapurathu, Thrippilazhikom Post Office, Arumurikada-Kundara, Kollam, Kerala	10	0.01

(f) List of holders of AN series secured non convertible debentures of face value of ₹ 1,000 per debenture.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Satheesan N	Nandanath House, Ariyallur Post Office, District Malappuram, Kerala	148	0.15
2.	Poulose K.A.	Kavungal House, Chelur, Irinjalakuda, Trichur, Kerala	15	0.02

(g) List of holders of AO series non convertible debentures of face value of ₹ 1,000 per debenture.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Kezia D.	Kripa Nivas, Nellikunnam Post Office, Vilangra, Kollam, Kerala	29	0.03
2.	Ojasvi M.S.	434, Forest Lane, Sainik Farm, New Delhi	10	0.01

(h) List of holders of AQ series secured non convertible debentures of face value of ₹ 1,000 per debenture.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Divakaran Sulabha	Shanthi Nivas, Kanjirampara, Trivandrum, Kerala	95	0.10
2.	D. Sulabha	Sarovaram, Kanjirampara, Trivandrum, Kerala	80	0.08
3.	G. Vamadevan	Sarovaram, Kanjirampara, Trivandrum, Kerala	80	0.08
4.	Vinod T.V.	Sarovaram, Kanjirampara, Trivandrum, Kerala	80	0.08
5.	Raghava Panicker	Thundiyil, Perunnai Post Office, Changanacherry, Kottayam, Kerala	30	0.03

(i) List of top ten holders of AR series secured non convertible debentures of face value of ₹ 1,000 per debenture.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Kunju Beevi. S	Saif Manzil, Keralapuram, Chandanathope P.O, Quilon, Kerala.	284	0.28
2.	Annamma Thomas	Kunnumpurathu, Bapuji Nagar MCPO, Trivandrum, Trivandrum	57	0.06
3.	Rajagopalan Nair KP	Kottapurathu, Veedu, Anayadi, Sooranad, Kollam, Kerala	48	0.05
4.	Vinod T.V.	Sarovaram, Kanjirampara, Trivandrum, Kerala	45	0.05
5.	P.A. Mathews	Punthala Jovilla, Vadakkadathukavu Post Office, Adoor, Pathanamthitta, Kerala	45	0.05

(j) List of top ten holders of AS series secured non convertible debentures of face value of ₹ 1,000 per debenture.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Mariamma Stephen	B4/F1 Dilshad Garden, New Delhi	200	0.20
2.	Mary Mohan Chacko	TC XI 0945 M13, Devasom Lane, Kesadasavapuram 4, Trivandrum, Kerala	139	0.14
3.	Krishnan N	Puthukala Thodiyil, Mundakkal, Kollam, Kollam, Kerala	100	0.10
4.	P.M. Cherian	12/13, Logaiah Colony, 3rd street, Saligrammam, CH-93, Chennai, Tamil Nadu	100	0.10
5.	Haridasan .P.	Azhchavattam, Mankavu, Kozhikode, Kerala	66	0.06
6.	Chinnamma Alexander	Thundil House, Thaliyoor Post Office, Vennikulam, Pathanmithitta, Kerala	60	0.06
7.	K.P. Reji	Karingadampalli H., Chellakadu Post Office, Ranni, Pathanmthitta	54	0.05
8.	Sajida Razaque A	Navagriha, Cutchery Ward, Kollam, Kerala	50	0.05
9.	A.M. Samuel	Ampattuthadathil House, Keekozhoor Post Office, Ranny, Pathanmthitta Kerala	50	0.05

(k) List of top ten holders of AT series secured non convertible debentures of face value of ₹ 1,000 per debenture.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	V. Ganapathy Raja	Edappally Palace, Edappally Post Office, Ernakulam, Kerala	443	0.44
2.	Mariamma Mathai	28/706, Kadavanthra, Kochi, Ernakulum Kerala	386	0.39
3.	Matahi A.T.	28/706, Kadavanthra, Kochi, Ernakulum Kerala	355	0.36
4.	Philip M.T.	Melepeedikayil, Kozhencherry, Pathanmthitta, Kerala	200	0.20
5.	Mathew K.V.	Kunnumpurathu House, Pattathanam Post Office, Quilon, Kollam, Kerala	197	0.20
6.	Manju Cibi	Mulayani Kunnel House, Karimkunnam Post Office, Thodupuzha, Idukki, Kerala	150	0.15
7.	Cheeramma Madhavan	Kottayakuril, Kosady, Madukka Post Office, Kottayam, Kerala	150	0.15
8.	Leelamma Abraham	Flat No. 301, Gautam Apartments, Jagdeesh Nagar, Near BEML Hospital, Bangalore, Karnataka	140	0.14

(l) List of top ten holders of AU series secured non convertible debentures of face value of ₹ 1,000 per debenture.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Eapen.P.I.	TC 4/151, Ambala Nagar, Cheshire Home Lane, Kowdiar Post Office Trivandrum, Kerala	3,560	3.56
2.	Lukose A.J	Amarikkad House, Kavalam Post Office, Alleppey, Alappuzha, Kerala	610	0.61
3.	Sunantha Devi.A	Amadhava Vilasam, Erathuvadakku, Pattazhy Post Office, Kollam, Kerala	600	0.60
4.	M.L. Ambikakunjamma	50/175B Gangothri, Ponevazhi Road, Elamakkara. Post Office, Ernakulam, Kerala	600	0.60
5.	Ann Sam Alexander	48/1, Meg Officers Colony, Bangalore,	511	0.51

		Karnataka		
6.	Gracy Mathew	Peedikaparampil, Koodal Post Office, Pathanamthitta, Kerala	500	0.50
7.	Susamma Daniel	25, Ekbal Pur Lane, Kolkata	500	0.50
8.	Renu Prakash	Renu Prakashsreedevithekke, Nadakodungallur, Trissur, Kerala	500	0.50

(m) List of top ten holders of AV series secured non convertible debentures of face value of ₹ 1,000 per debenture.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Koshy Mathew	C 8/8417, Vasanth Kunj, New Delhi	1,636	1.64
2.	Yesodharan.K	Aswathy, Chathannoor, Quilon, Kerala	1,000	1.00
3.	Sulaikha Beevi.	Shahida Manzil, Kunnicode, Vilakkudy (Post Office), Kollam, Kerala	970	0.97
4.	Joseph Eapen Alexander	Muthoot House, Kozhencherry, Pathanamthitta, Kerala	701	0.70
5.	M.T. Varghese	Attilethu Peace Cottage, Venmony Post Office, Venmony, Alleppey, Kerala	529	0.53
6.	Moothorakutty O	Oralakottu House, Kunnamangalam Post Office, Calicut, Kunnamangalam, Calicut, Kerala	500	0.50
7.	Joseph Benjamin	No. 401-P, Sector 12-A, Gurgaon, Haryana	500	0.50
8.	Lekha Ravi	P-64, Bangur, Avenue.Block-A, Bangur Avenue, Kolkata, West Bengal	500	0.50
9.	Varkey M.V.	Kochukoroth, Panapilave Post Office, Thottumukkam, Calicut, Kerala	500	0.50
10.	P.V. Nair	Old No. 14, New No. 10, Mastan Layout, Near P.A. Nagar, Udumalpet, Coimbatore, Tamil Nadu	500	0.50

(n) List of top ten holders of AW series secured non convertible debentures of face value of ₹ 1,000 per debenture.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Saira Vincent	Pulinthara House, Thoppumpady, Thoppumpady, Ernakulam, Kerala	1,500	1.50
2.	Abraham C T Mr.	House No. 4376, Sector B, Pocket 5 & 6, Vasant Kunj, Vikas Marg, Delhi	1,002	1.00
3.	Leelamma Thomas	Kunnath Grace Home, Kalayapuram, Kotarakara Kollam, Karnataka	800	0.80
4.	Annie Mathew.	M-11, Dewasom Lane, Kesavadasapuram, Pattom, Trivandrum, Kerala.	601	0.60
5.	Sydney Albence.H	#23, Muddappa Road, M.S Nagar, Bangalore-Karnataka	600	0.60
6.	Kamala Philip	Puthen Kodickal, Nadackavu, Mavelikara Allepey, Kerala	600	0.60
7.	Rosamma Abraham	H No. 4376, Pocket 5 & 8, Sector B, Vasant Kunj, Delhi	589	0.59
8.	Syamala Raj	Dhanya, Valamchuzhy, Pathanamthitta, Trivandrum, Kerala	582	0.58
9.	P.J. Sherly	Mangalasseril House, Mangadu Post Office, Chayalodu, PTA, Kerala	550	0.55
10.	Wilfred S	Prasad Bhavan, Chittazha, Vattappara, Trivandrum, Kerala	550	0.55

(o) List of top ten holders of AX series secured non convertible debentures of face value of ₹ 1,000 per debenture.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Salim P.K	No 14 Wellesley Road, Cantonment, Kannur, Kerala	1,500	1.50
2.	John E.J.	Ericattu [H], Thazhathangady Post Office, Kottayam, Kerala	1,500	1.50
3.	Thamarakshan K.E.	Gouri Nivas, Vengara, Thodiyoor N, Kollam, Kerala	1,500	1.50
4.	Philomina Lilly Thomas	Jathikallil House, Purapuzha Post Office Thodupuzha, Idukki District, Kerala	980	0.98
5.	Philipose Panicker	21 F, Pkt - L, Sheikh Sarai 2, New Delhi,	900	0.90
6.	K.A. Alexander	T.C.3/145(3), Paruthippara, Muttada Post Office Trivandrum, Kerala	700	0.70
7.	N.Vasu	House No 52, Padma Nagar, East Fort, Fort, Trivandrum, Kerala	700	0.70
8.	Chandran M N	Moonnuthottiyil, Punchavayal 504, Punchavayal P. O., Kottayam, Kerala	600	0.60
9.	George Y	Pulikkoottil House, VRA 64A, Womens' College, Lane Vazhuthacadu, Post Office, Trivandrum, Kerala	555	0.56
10.	Mariamma Rajan	2A, Paulabro Residency, Chittor Road, Kacheripady, Ernakulam, Kerala	540	0.54

(p) List of top ten holders of AY series secured non convertible debentures of face value of ₹ 1,000 per debenture.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Salomy Skaria	Kottarathil House, Neriamngalam, Neriamngalam Post Office, Ernakulam, Kerala	1,000	1.00
2.	Varghese P.I.	Peedikaiyil House, Kottamuri. Post Office, Changanassery Post Office, Kottayam, Kerala	1,000	1.00
3.	Abraham K.M	Karanamkottu, Peroor, Peroor Post Office, Kottayam, Kerala	900	0.90
4.	Anna Thomas	Muthoot House, Miss East Road, Kottayam, Ernakulam, Kerala	741	0.74
5.	Rachel Thomas	Flat No: 29, Plot No: 6,Sector-13, Mahabhadrakati Apartments, Dwaraka, New Delhi	640	0.64
6.	P.Chandramohanan Pillai	Aswathy, near Telephone Exchange Junction, Kadakkal, Quilon, Kerala	600	0.60
7.	Bindhu P. Nair	Ram Nivas, near Elephant Camp, Konni P.O, Pathanamthitta, Kerala	600	0.60
8.	Ramachandra Kamath V	Roopa Nivas, H No. 19/109, Cochin, Palluruthy, Ernakulam, Kerala,	570	0.57
9.	Joy Kutty C.G.	Allummoottil House, Kadampanad Post Office, Pathanamthitta, Kerala	546	0.55
10.	Susannamma Mathai	No. 50, Parameswaran Street, Annai Nagar, Korattur, Chennai, Tamil Nadu	532	0.53

(q) List of top ten holders of AZ series secured non convertible debentures of face value of ₹ 1,000 per debenture.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	John E.J.	Ericattu [H], Thazhathangady Post Office,	2,500	2.50

		Kottayam, Kerala		
2.	Anto Kalliyath	Thayyil House, C.C.N.B. Road, Mullackal, Alleppey, Kerala	1,900	1.90
3.	Tito Thomas	Purayidathil, Athirampuzha, Kottayam, Kerala	1,500	1.50
4.	Laly Anto	Thayyil House, C.C.N.B Road, Mullackal, Alleppey, Kerala	1,300	1.30
5.	Sythoon Beevi	Asha Manzil, Nadukkunnu, Pathanapuram. Post Office, Kollam, Kerala	1,250	1.25
6.	Timmy Abraham	H No. 4376, Sec-B, Pkt-5 & 6, Vasant Kunj, New Delhi	1,155	1.16
7.	Varghese Thomas	Purayidathil, 101 Junction, Athirampuzha, Kerala	1,100	1.10
8.	Roy George	Mamootil Cedars, Praikara, Mavelikara, Allepey, Kerala	1,000	1.00
9.	Padmalochini K.S.	Varunima, A.K.G Road Toll Junction, Edappally, Ernakulam, Kerala	900	0.90
10.	Mohandas. B	Thoithala Puthen Veedu, Pallickal, Pallickal Post Office, Trivandrum, Kerala	860	0.86

(r) List of top ten holders of BA series secured non convertible debentures of face value of ₹ 1,000 per debenture.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Georgie Abraham	9/2, 15th Avenue, Harrington Road, Chennai, Tamil Nadu	2,000	2.00
2.	Abdul Majeed	Mulamootil, Vadakumthala Post Office, Karunagappally, Quilon, Kerala	600	0.60
3.	P.David Baby	E.S.I Qtr-58, Type-II, Basaidarapur, Delhi	500	0.50
4.	Jaja Uruzula.A	TC.49/216, Kallattumukku, Manacadu. Post Office, Trivandrum, Kerala	500	0.50
5.	Suprabha.K	Kvadakkevila House, Punnamkarikkakom, Poovachal Post Office, Trivandrum, Kerala	500	0.50
6.	Jayalekshmi	TC 43/1402, Puthuval Puthen Veedu, Vallakkadavu Post Office, Trivandrum, Kerala	475	0.48
7.	Sasidharan	TC.43/1402, Puthuval Puthen Veedu, Vallakkadavu, Trivandrum, Kerala	475	0.48
8.	Varghese K .V.	Flat No. A/901, Daffodils, Kanderpada, Dahisar, West Mumbai, Maharashtra	450	0.45
9.	Ayyappan Kutty T.T	Tthekkekkara House, Manakkapady, Ashokapuram Post Office, Aluva, Kerala	450	0.45
10.	Matthew Varghese	Rose Bed, Manjadi, Thiruvalla, Pathanmthitta, Kerala	400	0.40

(s) List of top ten holders of BB series secured non convertible debentures of face value of ₹ 1,000 per debenture.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Georgie Abraham	9/2, 15th Avenue, Harrington Road, Chennai, Tamil Nadu	3,000	3.00
2.	Rajasekharan Pillai K	Kidangappillil Veedu, Thamarakudy Post Office,Thamarakudy, Kollam, Kerala	1,040	1.04
3.	Laly Anto	Thayyil House,C.C.N.B., Road, Mullackal, Alleppey, Kerala	1,000	1.00
4.	Prabhakaran Nair. M	Sivanayanam, Kazhakkunnu, Chullimanoor, Trivandrum, Kerala	1,000	1.00
5.	Jeba Money. D.M	212, Anaikarai Street, Tenkasi, Tenkasinellai, Tamil Nadu	1,000	1.00
6.	Nair K.R.M.D.	D-004, Mayurdhwaj Apartments, I.P. Extension 60, Patparganj, Delhi	1,000	1.00
7.	P.Y. Joy	Joys House (Pandarakalayil), Kalayapuram,	800	0.80

		Kollam, Kerala		
8.	Mary Abraham	502, Skyway Apartments, Y.A.C Nagar, Kondivitta, Road, Mumbai, Maharashtra	750	0.75
9.	Kuldeep Raj Khera	312, East Patel Nagar, Dehradun, Uttarakhand	732	0.73
10.	Pramod K.S.	Krishna Prabha, Kadakkavur, Thiruvananthapuram, Kerala	700	0.70

(t) List of top ten holders of BC series secured non convertible debentures of face value of ₹ 1,000 per debenture.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	T.V. Skaria	Thayyil House, C.C.N.B. Road, Mullackal, Alleppey, Kerala	4,300	4.30
2.	T.S. Varghese Ailas Davis Thayyil	Thayyil House, C.C.N.B. Road, Mullackal, Alleppey, Kerala	4,300	4.30
3.	Mary Ann Joe	Pottamkulam, Mycology Estate, RPC Post Office, Vandanpathal, Kottayam, Kerala	1,237	1.24
4.	Kurian K.C.	House No. A-128, Priyadarshini Vihar, Laxmi Nagar, New Delhi	1,000	1.00
5.	Mathew Varghese	No.5-C, Rosemere, 18 Harington Road, Chetpet, Chennai Tamil Nadu	1,000	1.00
6.	Benny M. Jacob	Managattu House, Deepthinagar, M-17Y,Mutambalam Post Office, Kottayam, Kerala	1,000	1.00
7.	Annamma Abraham	Odikandathil House, Uthimoodu Post Office, Pathanamthitta, Kerala	900	0.90
8.	Balakrishna Pillai .K.	Thulasi Bhavan, Edava, Kappil, Quilon, Kerala	800	0.80
9.	M.A. Joseph Shelly	B.20, (J-12), Green Orchid, Avani Vihar Colony, Daldal Seoni, Raipur, Chattisgarh	800	0.80
10.	Sujatha Mathai Modayil	S-224, G.K.-II, New Delhi	750	0.75

(u) List of holders of BD series secured non convertible debentures of face value of ₹ 1,000 per debenture.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Mary George	Sankaramangalam, Kanjikuzhy, Muttambalam, Kottayam, Kerala	2,300	2.30
2.	B.M. Vidyasagaran Pillai	32/E, Hindi Prachar Sabha St, T. Nagar, T. Nagar, Chennai, Tamil Nadu	1,500	1.50
3.	T.C. Joseph	13-A Link Heights, Panampilly Nagar, Ernakulam, Kerala	1,200	1.20
4.	A. Jalaludeen	Kottamala House, Nettirachira, Mundela Post Office, Nedumangad, Trivandrum,Kerala	1,000	1.00
5.	Anto Kalliyath	Thayyil House, C.C.N.B. Road, Mullackal, Alleppey, Kerala	1,000	1.00
6.	Jacob Thomas	Thannimoottil, Chellackadu Post Office, Ranny, Pathnamthitta, Kerala	1,000	1.00
7.	Khushpal Bhullar	Wife of Hakam Singh, HNO-B XIII/123, Sood Nagar, Barnala, Punjab	1,000	1.00
8.	Laly Anto	Thayyil House, C.C.N.B .Road, Mullackal, Alleppey, Kerala	1,000	1.00
9.	Subramaniam.K	2/48 Kangayampalayam, Sulur, CBE, Tamil Nadu	900	0.90
10.	M.A. Rahim	Rahim Nivas, Mangalapuram, Thonnakkal, Trivandrum, Kerala	850	0.85

(v) List of top ten holders of BE series secured non convertible debentures of face value of ₹ 1,000 per debenture.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Joseph Joseph	250, Kailash Hill, 2nd Floor, near East of Kailash, Delhi	3,750	3.75
2.	Pravesh Kumar Bedi	D/P-213, Mayura Enclave, Pitampura, New Delhi	3,500	3.50
3.	Anto Kalliyath	Thayyil House, C.C.N.B. Road, Mullackal, Alleppey, Kerala	3,000	3.00
4.	Laly Anto	Thayyil House, C.C.N.B Road, Mullackal, Alleppey, Kerala	2,950	2.95
5.	Ravinder Kaur Sikka	House No.40, Samridhi Nagar, Edappally, Ernakulam, Kerala	2,200	2.20
6.	Rajeswari .J	Wife of N. .Jagadeesan, No. 7 (Old No. 1C), Vidyalaya Road, Opp. Ramakrishanan Park, Salem, Tamil Nadu	1,500	1.50
7.	Georgie Abraham	9/2, 15th Avenue, Harrington Road, Chennai, Tamil Nadu	1,500	1.50
8.	Benny Jose	FG-3, Palladium Apartment, Elamakkara, Ernakulam, Kerala	1,500	1.50
9.	Varghese Mathai	Eattimoottil House, Thengukavu Post Office, Mallasseerry, Pathanamthitta, Kerala	1,400	1.40

(w) List of top ten holders of BF series secured non convertible debentures of face value of ₹ 1,000 per debenture.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Indian Inland Mission	V-20, Green Park Extension, New Delhi	357,500	357.50
2.	Jacob C.V	Nechupadam House, Kadayirippu Post Office, Kolencherry, Ernakulam, Kerala	7,500	7.50
3.	Priya Elizabeth Joseph	250, Kailash Hills, east of Kailash, New Delhi	2,500	2.50
4.	Jaya Kumar. N	Son of N. Narayanan Potti, Sri Sairam, 4C 1, Ganapathy Layout, Ist Cross, K.K. Pudur, Coimbatore, Tamil Nadu	2,300	2.30
5.	Shaji Mathews	Thengayyam Mel Rose, Mulavana.Post Office, Kundara, Kollam, Kerala	1,840	1.84
6.	Madhavankutty P.C	Madhavankutty P. Cpana Chira Veedupathirickal Popathanapuram, Kollam, Kerala	1,230	1.23
7.	Anto Kalliyath	Anto Kalliyaththayyil House C.C.N.B. Road, Mullackal, Alleppey, Kerala	1,200	1.20
8.	Jacob E.A.	6, ID Main, Ganganagar Extension, Chennai, Tamil Nadu	1,100	1.10
9.	Rajendran E.T.	Mahalakshmi, Chevayur, Kozhikode, Kerala	1,050	1.05
10.	Nalini Jay Paranjpe	Flat No. 7, Shrish Duplexes Apartments, S. No. 94/15, Erandwana, Pune, Maharashtra	1,000	1.00

(x) List of top ten holders of BG series secured non convertible debentures of face value of ₹ 1,000 per debenture.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Noothan. P. Shetty	No. 225, 8th Cross, 2nd Main, 3rd Stage, Gokulam, Mysore, Karnataka	5,000	5.00
2.	Sree Latha.J	4C 1, Ganapathy Layout, Ist Cross, K.K. Pudur, Coimbatore, Tamil Nadu	1,800	1.80

3.	Cherian P.C.	847A, Parayedathil House, K.K. Road, Thrikkakara, Ernakulam, Kerala	1,800	1.80
4.	Anto Kalliyath	Thayyil House, C.C.N.B. Road, Mullackal, Alleppey, Kerala	1,778	1.78
5.	Apurva Bhattacharyya	Q 335, Jalvayu Vihar, Sec 21, Noida, Uttar Pradesh	1,500	1.50
6.	Sangeeta Bhattacharyya	Q 335, Jalvayu Vihar, Sec 21 Noida, Uttar Pradesh	1,500	1.50
7.	Georgi Abraham	9/2, 15th Avenue, Harrington Road, Chennai, Tamil Nadu	1,400	1.40
8.	A.J.S. Rai (HUF)	#782, 10th D Cross, West of Chord Road, Mahalaxmipuram, Bangalore, Karnataka	1,200	1.20
9.	Jikku John	Ericattu House, Thazhathangady Post Office, Kottayam, Kerala	1,200	1.20
10.	Malekbanu Anwarali Lakhani	8, Karima Bad Society, N.R. Ram Chowk, God Dhod Road	1,000	1.00

(y) List of top ten holders of BH series secured non convertible debentures of face value of ₹ 1,000 per debenture.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Aleyamma Jacob	Nechupadam House, Kadayiruppu Post Office, Kolenchery, Ernakulam, Kerala	5,000	5.00
2.	Jacob C.V.	Nechupadam, Kadayirippu, Ernakulam, Kerala	5,000	5.00
3.	Rachel George	Kaippallil, Inchakkadau, Mylom. P.O, Kollam Kerala	2,700	2.70
4.	George .K	Kaippallil, Inchakkadu, Mylom Post Office, Kollam Kerala	2,300	2.30
5.	Cyriac T. Luke	Thachara House, Kumarakomp Post Office, Kottayam, Kerala	2,300	2.30
6.	Upendra Prasad Singh	Quarter No. B/52, Indian Institute of Technology, Kharagpur, Medinipur, West Bengal	1,900	1.90
7.	Rama Swamy Iyer	House No. 1720, Sector 33D, Chandigarh, Punjab	1,500	1.50
8.	Inderjit Azad	906/20 Sakti Nagar, Green Road, Rohtak, Haryana	1,500	1.50
9.	Ashok Kumar Rawat	G-209, Block G, Preet Vihar, New Delhi	1,500	1.50
10.	Claramma Antony	Choolackal House, St.Benedict, Ist Cross Road, Cochin, Ernakulam, Kerala	1,500	1.50

(z) List of top ten holders of BI series secured non convertible debentures of face value of ₹ 1,000 per debenture.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Manu Anand. S	Upasana TC 16/499, Evra 84, Thycaud, Trivandrum, Kerala	4,500	4.50
2.	Prahlad Gupta	Mr. George Koshi, D-8/8061,Vasant Kunj, New Delhi	4,200	4.20
3.	Thankamma Baby	Popy Umbrella Mart, Alleppey, Alleppey, Kerala	4,100	4.10
4.	Synthie Properties	A Division of Synthite Industries Limited, Kolenchery, Kadayiruppu, Ernakulam, Kerala	4,000	4.00
5.	Sreekumar N.	Sowparnika, Near Bhavans Vidya Mandir , Elamakkara, Ernakulum, Keraka	3,000	3.00
6.	S.K. Dutt	A-293, South City, Sector- 29, Gurgaon, Hariyana	2,250	2.25
7.	Harjinder Singh Santok Singh Gadhoke	509, Sadar Bazar, Powai Naka, Satara, Maharashtra	2,090	2.09
8.	K. Raman Pillai	Kailas, Parayanthazhathu Lane, Thripunithura, Ernakulum, Kerala	2,000	2.00
9.	George Varghese	Kadvil House, Convent Square, Alleppay, Kerala	1,800	1.80
10.	Lillikutty Joshua	Grace Bhavan, Kulathunkal, Neeliplavu,	1,800	1.80

		Chittar, Pathanamthitta, Kerala		

(aa) List of top ten holders of BJ series secured non convertible debentures of face value of ₹ 1,000 per debenture.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Aleyamma Jacob	Nechupadam House, Kadayiruppu Post Office, Kolenchery, Ernakulam, Kerala	50,000	50.00
2.	Dr. R.S. Sangwan HUF	Sangwan Nursing Home, Sangwan Chowk, Sirsa, Haryana	17,000	17.00
3.	Biju Mathews	12 Senavihar, Kammanahalli, Bangalore, Karnataka	4,600	4.60
4.	Ajmer Auto Agencies Private Limited	Opp. Power House, Jaipur Road, Ajmer, Rajasthan	4,500	4.50
5.	Miria George	Embassery House, Banerji Road, Ernakulam, Kerala	3,500	3.50
6.	T.C.Koshy	Thunduvila Bunglow, Cheerancavu, Ezhukone Post Office, Kollam, Kerala	3,000	3.00
7.	Rija Happy	28/561, West Palace Road, Thrissur, Kerala	3,000	3.00
8.	John Thomas	Puthenpurakkal House, Vinpy Nagar, Paravattani, Trichur, Kerala	2,700	2.70
9.	Thankamma George	Grace Villa, Kallumkadavu, Pathanapuram.P.O, Kollam, Kerala	2,550	2.55
10.	Sanjay Dhody	F-70, Poorvi Marg, Vasant Vihar, New Delhi	2,500	2.50

(bb) List of top ten holders of BK series secured non convertible debentures of face value of ₹ 1,000 per debenture.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Jacob C.V	Nechupadam House, Kadayirippu Post Office, Kolencherry, Ernakulam, Kerala	13,500	13.50
2.	Infrasoft Technologies Limited	3rd Floor Akruti Center Point, Midc Central Road Andheri East, Mumbai, Maharashtra	10,000	10.00
3.	Aleyamma Jacob	Nechupadam House, Kadayiruppu Post Office, Kolenchery, Ernakulam, Kerala	10,000	10.00
4.	T.C. Koshy	Thunduvila Bunglow, Cheerancavu, Ezhukone Post Office, Kollam, Kerala	6,500	6.50
5.	C. Vimala Padmakumar	Sansar, Jawahar Nagar, Kowdiar. Post Office, Trivandrum, Kerala	5,000	5.00
6.	Girdhari Lal Ram Sarup	IOC Petrol Pump, Narnaul Road, Mahendergarh, Haryana	5,000	5.00
7.	Eappen Thomas	No.52, 3rd Main Road, Sri Ayappa Nagar, Chennai, Tamil Nadu	5,000	5.00
8.	Sanjay Dhody	F-70, Poorvi Marg, Vasant Vihar, New Delhi	4,500	4.50
9.	John Thomas	Puthenpurakkal House, Vinpy Nagar ,Paravattani, Trichur, Kerala	4,000	4.00
10.	Renu Singh	A-356, First Floor, Defence Colony, New Delhi	3,585	3.59

(cc) List of top ten holders of BL series secured non convertible debentures of face value of ₹ 1,000 per debenture.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Jacob C.V.	Nechupadam, Kadayirippu, Ernakulam, Kerala	13,200	13.20
2.	Infrasoft Technologies Limited	Technosoft Knowldge, Gateway Building, Ground Floor, B-14, Road No.1, Wagle Industrial Estate, Thane (W), Maharashtra	10,000	10.00
3.	Nandini Nagaraja Reddiar	Lakshmi Sadanam, Mullackal, Alappuzha, Kerala	10,000	10.00
4.	Jitha Prasad	T C 24/934, Brindavan, Thycaud, Trivandrum,	10,000	10.00

		Kerala		
5.	S. Nagaraja Reddiar	Lakshmi Sadanam, Mullackal, Post Office, Alleppey, Kerala	10,000	10.00
6.	Thankamma Baby	Popy Umbrella Mart, Alleppey, Kerala	9,300	9.30
7.	Jacob Issac	Nechupadam House, Kadayirippu Post Office, Kadayirippu, Ernakulam, Kerala	7,000	7.00
8.	Jortin Antony	Velamkalam, Thrikkakara, Ernakulam, Kerala,	5,500	5.50
9.	Sheeba Jortin	Velamkalam, Thrikkakara Ernakulam Kerala	5,500	5.50

(dd) List of top ten holders of BM series secured non convertible debentures of face value of ₹ 1,000 per debenture.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Jacob C V	Nechupadam, Kadayirippu, Kadayrippu, Ernakulam, Kerala	23,000	23.00
2.	Anil Tuteja	G.T. Road, Fatehabad, Haryana	12,250	12.25
3.	Aleyamma Jacob	Nechupadam House, Kadayiruppu P. O., Kolenchery, Ernakulam, Kerala	11,000	11.00
4.	Integra Software Services Private Limited	100 Feet E.C.R Road, Paakamudiyaanpet, Puducherry	10,000	10.00
5.	Manish Tuteja	Anil Hospital, G.T. Road, Fatehabad, Haryana	8,400	8.40
6.	Balwant Singh	434, Main Kanjhawala Road,Village Karala, Delhi	6,500	6.50
7.	Viratech Infomedia Private Limited	The Regency, 5th Floor, 6 Hungerford Street, Park Street, Kolkata, West Bengal	6,000	6.00
8.	Raj Kala	House No.434,Main Kanjhawala Road, Karala, Delhi	6,000	6.00
9.	Thankamma Baby	Popy Umbrella Mart, Alleppey, Kerala	6,000	6.00
10.	V. Krishnan	Flat No. 603, Royale Retreat, Eros Garden, Charmwood Village, Faridabad, Haryana	5,500	5.50

(ee) List of top ten holders of BN series secured non convertible debentures of face value of ₹ 1,000 per debenture.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Vinai Prathap Pillai	Thumbikkattil, BLRA 15, Bridge Lane, Ulloor, Trivandrum, Kerala	10,000	10.00
2.	Vishnu Prathap Pillai	Thumbikkattil, BLRA 15, Bridge Lane, Ulloor, Trivandrum, Kerala	10,000	10.00
3.	Krishna Prasad	TC 24/934, Brindavan, Thycaud, Trivandrum, Kerala	10,000	10.00
4.	Autopumps & Bearings Company Private Limited	I-34 (Old No. I-27), 1st Main Road, Anna Nagar, East Chennai, Tamil Nadu	9,000	9.00
5.	Aleyamma Jacob	Nechupadam House, Kadayiruppu P. O., Kolenchery, Ernakulam, Kerala	8,000	8.00
6.	Thomas Kurishingal	Kurishingal House, Fort Kochi, Fort Kochi, Ernakulam, Kerala	7,300	7.30
7.	Sophy Thomas	Kurishingal House, K.B. Jacob Road, Cochin, Fort Kochi, Ernakulam, Kerala	7,200	7.20
8.	Anil Kumar Bhandari	No.10 B, Paramount, 25 Ballygunge Circular Road, Kolkata	5,000	5.00
9.	Jacob C.V.	Nechupadam, Kadayirippu, Kadayrippu, Ernakulam, Kerala	4,200	4.20
10.	K.P. Roy	Manapurathu, Seminary Road, Chungam, Kottayam, Kerala	4,200	4.20

(ff) List of top ten holders of BO series secured non convertible debentures of face value of ₹ 1,000 per debenture.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Jai Mahakali Shikshan Sanstha	Bapuchi Wadi, Ward No. 14, Ramnagar Wardha, Maharashtra	100,000	100.00
2.	Holiday Mantra Hotels and Resorts Private Limited	Chandra vilas, Temple Road, Sasthamangalam, Trivandrum, Kerala	18,000	18.00
3.	Perviz Farrok Kaka	Avabai Mansion, 15 Henry Road, Tajmahal Pocolaba-Mumbai, Maharashtra	10,000	10.00
4.	Siva Equipment Private Limited	Deepak Mahal Lam Road Devlali, Nasik Road, Maharashtra	10,000	10.00
5.	Salim P.K.	No. 14, Wellesley Road, Cantonment, Kannur, Kannur, Kerala	10,000	10.00
6.	M/S. Infrasoft Technologies Limited	3rd Floor Akruti Center Point, MIDC Central Road, Andheri East, Mumbai, Maharashtra	10,000	10.00
7.	Sheela .B.	Bhas Vila Mansion, Near Library, Vilappilsala. Post Office, Trivandrum, Kerala	10,000	10.00
8.	Anil Kumar Bhandari	No. 10B, Paramount, 25 Ballygunge Cirular Road, Kolkata	7,500	7.50
9.	Jacob C.V.	Nechupadam, Kadayirippu, Ernakulam, Kerala	5,400	5.40
10.	Proactive Data Systems Private Limited	D-236/A, Sarvodaya Enclave, New Delhi	5,000	5.00

(gg) List of top ten holders of BP series secured non convertible debentures of face value of ₹ 1,000 per debenture.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	T.S.Varghese Ailas Davis Thayyil	Thayyil House, C.C.N.B.Road, Mullackal, Alleppey, Kerala	19,800	19.80
2.	Gurmit Singh	Gurukirpa Overseas, 501-E, Phase-6, Focal Point, Ludhiana, Punjab	15,000	15.00
3.	Homi Farrok Kaka & Others	Avabai Mansion 15, Henry Road, Taj Mahal Colaba Mumbai, Maharashtra	13,000	13.00
4.	Infrasoft Technologies Limited	3rd Floor, Akruti Center Point, MIDC Central Road Andheri East, Mumbai, Maharashtra	11,500	11.50
5.	Jacob C.V	Nechupadam, Kadayirippu, Ernakulam, Kerala	11,000	11.00
6.	Thankamma Baby	Popy Umbrella Mart, Alleppey, Kerala,	10,500	10.50
7.	Perviz Farrok Kaka	Avabai Mansion, 15, Henry Road, Taj Mahal Colaba, Mumbai, Maharashtra	10,000	10.00
8.	K.V Finlease Private Limited	432, Deepali Enclave, Pitam Pura, Delhi	7,350	7.35
9.	M/s. Ampere Software Private Limited	A-146, 1st Floor, Sector-63, Noida, Gautam Budh Nagar, Uttar Pradesh	6,500	6.50
10.	M/s. Agrawal Securities Private Limited	E-124, Sector 4, Noida, Uttar Pradesh	5,500	5.50

Commercial Papers

(a) Commercial papers bearing ISIN code INE414G14619 of face value of ₹ 500,000 per commercial paper.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	YES Bank Limited	YES Bank Limited, 2nd Floor, Tiecicon House, Dr. E Moses Road, Opposite Famous Studio, Mahalaxmi, Mumbai	2,000	1000.00

(b) Commercial papers bearing ISIN code INE414G14577 of face value of ₹ 500,000 per commercial paper.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	BNP Paribas Fixed Term Fund- Series 22 B	Deutsche Bank AG , DB House, Hazarimal Somani Marg, Post Box No. 1142, Fort Mumbai	987	493.50
2.	Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited	Deutsche Bank AG , DB House, Hazarimal Somani Marg, Post Box No. 1142, Fort Mumbai	200	100.00
3.	BNP Paribas Money Plus Fund	BNP Paribas Mutual Fund, 1 Forbes ,6th Floor, 1, Dr.V.B. Gandhi Marg, Mumbai	13	6.50

(c) Commercial papers bearing ISIN code INE414G14569 of face value of ₹ 500,000 per commercial paper.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Religare Trustee Company Limited A/c Religare Liquid Fund	Deutsche Bank AG , DB House, Hazarimal Somani Marg, Post Box No. 1142, Fort Mumbai, Maharashtra	1,000	500.00
2.	Infrastructure Development Finance Company Limited	HDFC Bank Limited- Custody Services, Lodha-I, Think Techno Campus, 8th Floor, next to Kanjumarg Station, Kanjurmarg East, Mumbai, Maharashtra	1,000	500.00
3.	BNP Paribas Money Plus Fund	Deutsche Bank AG , DB House, Hazarimal Somani Marg, Post Box No. 1142, Fort Mumbai, Maharashtra	600	300.00
4.	IFCI Limited	IFCI Tower, 61 Nehru Place, New Delhi	500	250.00
5.	Tripura State Co-Operative Bank Limited	Head Office, 1st Floor, Amulya Market P O Agartala, P O Box No 27, Tripura	500	250.00
6.	Daiwa Liquid Fund	Citibank N.A. Custody Services, 3rd Floor Trent House, G Block, Plot No. 60, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra	400	200.00
7.	BNP Paribas Overnight Fund	Deutsche Bank AG , DB House, Hazarimal Somani Marg, Post Box No. 1142, Fort Mumbai, Maharashtra	400	200.00
8.	Daiwa Treasury Advantage Fund	Citibank N.A. Custody Services, 3rd Floor, Trent House, G Blcok, Plot No. 60, Bandra Kulra Complex, Bandra East, Mumbai, Maharashtra	100	50.00

(d) Commercial papers bearing ISIN code INE414G14775 of face value of ₹ 500,000 per commercial paper.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	BNP Paribas Bond Fund	BNP Paribas Mutual Fund, 1 Forbes ,6th Floor, 1, Dr.V.B. Gandhi Marg, Mumbai	440	220.00
2.	BNP Paribas Short Term Income Fund	BNP Paribas Bond Fund	60	30.00

(e) Commercial papers bearing ISIN code INE414G14429 of face value of ₹ 500,000 per commercial paper.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	BNP Paribas Fixed Term Fund – Series 22A	BNP Paribas Mutual Fund, 1 Forbes ,6th Floor, 1, Dr.V.B. Gandhi Marg, Mumbai	400	200.00

(f) Commercial papers bearing ISIN code INE414G14338 of face value of ₹ 500,000 per commercial paper.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Religare Trustee Company Limited a/c Religare Fixed Maturity Plan – Series V – Plan B	Religare Asset Management Company Limited, 3rd Floor, GYS Infinity, Paranjpe'B Scheme, Subhash Road, Vile Parle, Mumbai	196	98.00
2.	Religare Trustee Company Limited a/c Religare Fixed Maturity Plan – Series V – Plan D	Religare Asset Management Company Limited, 3rd Floor, GYS Infinity, Paranjpe'B Scheme, Subhash Road, Vile Parle, Mumbai	4	2.00

(g) Commercial papers bearing ISIN code INE414G14825 of face value of ₹ 500,000 per commercial paper.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Future Generali India Life Insurance Company Limited	Citibank N.A. Custody Services, 3rd Floor Trent House, G Block , Plot No. 60, Bandra Kurla Complex, Bandra East, Mumbai	100	50.00
2.	Future Generali India Insurance Company Limited	HDFC Bank Limited- Custody Services, Lodha-I, Think Techno Campus, 8th Floor, next to Kanjumarg Station, Kanjurmarg East, Mumbai	100	50.00
3.	Future Generali India Life Insurance Company Limited -ULIF002180708 FUTUINCOME133	Citibank N.A. Custody Services, 3rd Floor Trent House, G Block , Plot No. 60 Bandra Kurla Complex, Bandra East, Mumbai	40	20.00
4.	Future Generali India Life Insurance Company Limited-ULIF001180708 FUTUSECURE133	Citibank N.A. Custody Services, 3rd Floor Trent House, G Block , Plot No. 60 Bandra Kurla Complex, Bandra East, Mumbai	20	10.00
5.	Future Generali India Life Insurance Company Limited -ULIF005171008 FUPENSECUR133	Citibank N.A. Custody Services, 3rd Floor Trent House, G Block , Plot No. 60 Bandra Kurla Complex, Bandra East, Mumbai	18	9.00
6.	Future Generali India Life Insurance Company Limited-ULIF007201008 FUPENGROWT133	Citibank N.A. Custody Services, 3rd Floor Trent House, G Block , Plot No. 60 Bandra Kurla Complex, Bandra East, Mumbai	12	6.00
7.	Future Generali India Life Insurance Company Limited -ULIF011180510 NAVGUARANT133	Citibank N.A. Custody Services, 3rd Floor Trent House, G Block , Plot No. 60, Bandra Kurla Complex, Bandra East, Mumbai	6	3.00
8.	Future Generali India Life Insurance Company Limited -ULIF004180708 FUMAXIMIZE133	Citibank N.A. Custody Services, 3rd Floor Trent House, G Block , Plot No. 60 Bandra Kurla Complex, Bandra East, Mumbai	4	2.00

(h) Commercial papers bearing ISIN code INE414G14858 of face value of ₹ 500,000 per commercial paper.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	IFCI Limited	IFCI Tower, 61 Nehru Place, New Delhi	500	250.00

(i) Commercial papers bearing ISIN code INE414G14866 of face value of ₹ 500,000 per commercial paper.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	BNP Paribas Bond Fund	Deutsche Bank AG , DB House, Hazarimal Somani Marg, Post Box No. 1142, Fort Mumbai	300	150.00
2.	Pramerica Credit Opportunities Fund	Pramerica Asset Managers Private Limited, 2nd Floor, Nirlon House, Dr. A.B. Road, Worli, Mumbai	200	100.00
3.	BNP Paribas Short Term Income Fund	Deutsche Bank AG , DB House, Hazarimal Somani Marg, Post Box No. 1142, Fort Mumbai	200	100.00

(j) Commercial papers bearing ISIN code INE414G14874 of face value of ₹ 500,000 per commercial paper.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Canara Robeco Mutual Fund a/c Canara Robeco Liquid	HDFC Bank Limited- Custody Services, Lodha-I, Think Techno Campus, 8th Floor, next to Kanjumarg Station, Kanjurmarg East, Mumbai	500	250.00
2.	Canara Robeco Mutual Fund a/c Canara Robeco Treasury Advantage Fund	HDFC Bank Limited- Custody Services, Lodha-I, Think Techno Campus, 8th Floor, next to Kanjumarg Station, Kanjurmarg East, Mumbai	400	200.00
3.	Canara Robeco Mutual Fund a/c Canara Robeco Floating Rate	HDFC Bank Limited- Custody Services, Lodha-I, Think Techno Campus, 8th Floor, next to Kanjumarg Station, Kanjurmarg East, Mumbai	100	50.00

(k) Commercial papers bearing ISIN code INE414G14882 of face value of ₹ 500,000 per commercial paper.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	BNP Paribas Money Plus Fund	Deutsche Bank AG , DB House, Hazarimal Somani Marg, Post Box No. 1142, Fort Mumbai	500	250.00
2.	BNP Paribas Overnight Fund	Deutsche Bank AG , DB House, Hazarimal Somani Marg, Post Box No. 1142, Fort Mumbai	500	250.00

(l) Commercial papers bearing ISIN code INE414G14890 of face value of ₹ 500,000 per commercial paper.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Axis Mutual Fund Trustee Limited A/c Axis Mutual Fund A/c Axis Liquid	Deutsche Bank AG, DB House, Hazarimal Somani Marg, Post Box No. 1142, Fort Mumbai	440	220.00

	Fund			
2.	Axis Treasury Advantage Fund	Deutsche Bank AG, DB House, Hazarimal Somani Marg, Post Box No. 1142, Fort Mumbai	60	30.00

(m) Commercial papers bearing ISIN code INE414G14908 of face value of ₹ 500,000 per commercial paper.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Kotak Mahindra Bank Limited	KMBL Treasury Account, 2nd Floor, Bakhtawar, 229, Nariman Point, Mumbai, Maharashtra	1,500	750.00

(n) Commercial papers bearing ISIN code INE414G14916 of face value of ₹ 500,000 per commercial paper.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Morgan Stanley Investments (Mauritius) Limited	HSBC Securities Services, 2nd Floor, "Shiv", Plot No 139-140 B, Western Express Highway, Sahar Road Junction Vile Parle East, Mumbai	1,000	500.00
2.	YES Bank Limited	2nd Floor, Tiecicon House, Dr. E. Moses Road, Opposite Famous Studio, Mahalaxmi, Mumbai	1,000	500.00

(o) Commercial papers bearing ISIN code INE414G14932 of face value of ₹ 500,000 per commercial paper.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Pramerica Short Term Income Fund	Citibank N.A. Custody Services, 3rd Floor Trent House, G Block , Plot No. 60 Bandra Kurla Complex, Bandra East, Mumbai	200	100.00
2.	Pramerica Ultra Short Term Bond Fund	Citibank N.A. Custody Services, 3rd Floor Trent House, G Block , Plot No. 60 Bandra Kurla Complex, Bandra East, Mumbai	100	50.00
3.	Pramerica Treasury Advantage Fund	Citibank N.A. Custody Services, 3rd Floor Trent House, G Block , Plot No. 60 Bandra Kurla Complex, Bandra East, Mumbai	100	50.00
4.	Pramerica Credit Opportunities Fund	Citibank N.A. Custody Services, 3rd Floor Trent House, G Block , Plot No. 60 Bandra Kurla Complex, Bandra East, Mumbai	100	50.00

(p) Commercial papers bearing ISIN code INE414G14940 of face value of ₹ 500,000 per commercial paper.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Morgan Stanley India Capital Private Limited	HSBC Securities Services, 2nd Floor, "Shiv", Plot No 139-140 B, Western Express Highway, Sahar Road Junction Vile Parle East, Mumbai	1000	500.00

(q) Commercial papers bearing ISIN code INE414G14957 of face value of ₹ 500,000 per commercial paper.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Titco Limited Taurus Mutual Fund Taurus Liquid Fund	HDFC Bank Limited- Custody Services, Lodha-I, Think Techno Campus, 8th Floor, next to Kanjumarg Station, Kanjurmarg East, Mumbai	1800	900.00
2.	BNP Paribas Overnight Fund	Deutsche Bank AG, DB House, Hazarimal Somani Marg, Post Office Box No. 1142, Fort, Mumbai	500	250.00
3.	Small Industries Development Bank of India	SME Development Centre, 4th Floor, Plot No C-11, G Block, Bandra Kurla Complex, Bandra East, Mumbai	200	100.00
4.	Titco Limited Taurus Mutual Fund Taurus Ultra Short Term Bond Fund	HDFC Bank Limited- Custody Services, Lodha-I, Think Techno Campus, 8th Floor, next to Kanjumarg Station, Kanjurmarg East, Mumbai	200	100.00

(r) Commercial papers bearing ISIN code INE414G14965 of face value of ₹ 500,000 per commercial paper.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Kotak Mahindra Trustee Company Limited a/c Kotak FMP Series 40	Deutsche Bank AG, DB House, Hazarimal Somani Marg, Post Office Box No. 1142, Fort, Mumbai	4,000	2,000.00

(s) Commercial papers bearing ISIN code INE414G14973 of face value of ₹ 500,000 per commercial paper.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	BNP Paribas Money Plus Fund	Deutsche Bank AG, DB House, Hazarimal Somani Marg, Post Office Box No. 1142, Fort, Mumbai	500	250.00
2.	Religare Trustee Company Limited A/c Religare Credit Opportunities Fund	Deutsche Bank AG, DB House, Hazarimal Somani Marg, Post Office Box No. 1142, Fort, Mumbai	500	250.00

(t) Commercial papers bearing ISIN code INE414G14981 of face value of ₹ 500,000 per commercial paper.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	J.M. Trustee Company Limited a/c J.M. Mutual Fund –DGRO	HDFC Bank Limited- Custody Services, Lodha-I, Think Techno Campus, 8th Floor, next to Kanjumarg Station, Kanjurmarg East, Mumbai	1,000	500.00

(u) Commercial papers bearing ISIN code INE414G14999 of face value of ₹ 500,000 per commercial paper.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	J & K Bank Limited.	J&K Bank Limited, Investment Department (DEBT), 5th Floor, Merchant Chambers, 41 New Marine Lines, Mumbai	1,000	500.00
2.	Religare Trustee Company Limited A/c Religare Ultra Short Term Fund	Deutsche Bank AG, DB House, Hazarimal Somani Marg, Post Office Box No. 1142, Fort, Mumbai	500	250.00

(v) Commercial papers bearing ISIN code INE414G14AA5 of face value of ₹ 500,000 per commercial paper.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	UTI-Treasury Advantage UTI Mutual Fund, UTI Asset Management Company Limited	Department of Fund Accounts, UTI Tower, GN Block, Bandra Kurla Complex, Bandra East, Mumbai	2,000	1,000.00

(w) Commercial papers bearing ISIN code INE414G14AB3 of face value of ₹ 500,000 per commercial paper.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Axis Treasury Advantage Fund	Deutsche Bank AG, DB House, Hazarimal Somani Marg, Post Office Box No. 1142, Fort, Mumbai	500	250.00
2.	Axis Mutual Fund Trustee Limited a/c Axis Mutual Fund a/c Axis Liquid Fund a/c	Deutsche Bank AG, DB House, Hazarimal Somani Marg, Post Office Box No. 1142, Fort, Mumbai	500	250.00
3.	L&T Mutual Fund a/c L&T Liquid Fund	HDFC Bank Limited- Custody Services, Lodha-I, Think Techno Campus, 8th Floor, next to Kanjumarg Station, Kanjurmarg East, Mumbai	264	177.00
4.	L&T Mutual Fund a/c L&T Select Income Fund Flexi Debt Plan	HDFC Bank Limited- Custody Services, Lodha-I, Think Techno Campus, 8th Floor, next to Kanjumarg Station, Kanjurmarg East, Mumbai	140	70.00
5.	L&T Mutual Fund a/c L&T FMP IV (June3 67d A)	HDFC Bank Limited- Custody Services, Lodha-I, Think Techno Campus, 8th Floor, next to Kanjumarg Station, Kanjurmarg East, Mumbai	90	45.00
6.	L & T Mutual Fund a/c L & T Floating Rate	HDFC Bank Limited- Custody Services, Lodha-I, Think Techno Campus, 8th Floor, next to Kanjumarg Station, Kanjurmarg East, Mumbai	6	3.00

(x) Commercial papers bearing ISIN code INE414G14AC1 of face value of ₹ 500,000 per commercial paper.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Kotak Mahindra Trustee Company Limited a/c Kotak FMP Series 42	Deutsche Bank AG, DB House, Hazarimal Somani Marg, Post Office Box No. 1142, Fort, Mumbai	1,460	730.00
2.	Kotak Mahindra Trustee Company Limited a/c Kotak Floater Short Term	Deutsche Bank AG, DB House, Hazarimal Somani Marg, Post Office Box No. 1142, Fort, Mumbai	900	450.00

	Scheme			
3.	Kotak Mahindra Trustee Company Limited a/c Kotak Mahindra Liquid Scheme	Deutsche Bank AG, DB House, Hazarimal Somani Marg, Post Office Box No. 1142, Fort, Mumbai	640	320.00

(y) Commercial papers bearing ISIN code INE414G14AD9 of face value of ₹ 500,000 per commercial paper.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	UTI-Treasury Advantage UTI Mutual Fund	Department of Fund Accounts, UTI Tower, GN Block, Bandra Kurla Complex, Bandra East, Mumbai	1,000	500.00
2.	J.M. Trustee Company Limited a/c J.M. Mutual Fund –JMSTF 30	HDFC Bank Limited- Custody Services, Lodha-I, Think Techno Campus, 8th Floor, next to Kanjumarg Station, Kanjurmarg East, Mumbai	990	495.00
3.	J.M. Trustee Company Limited JM Fixed Maturity Fund - Series XX - Plan C	HDFC Bank Limited- Custody Services, Lodha-I, Think Techno Campus, 8th Floor, next to Kanjumarg Station, Kanjurmarg East, Mumbai	10	5.00

(z) Commercial papers bearing ISIN code INE414G14AE7 of face value of ₹ 500,000 per commercial paper.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	UTI-Treasury Advantage Fund UTI Mutual Fund, UTI Asset Management Company Limited	Department of Fund Accounts, UTI Tower, GN Block, Bandra Kurla Complex, Bandra East, Mumbai	1,000	500.00

(aa) Commercial papers bearing ISIN code INE414G14AF4 of face value of ₹ 500,000 per commercial paper.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Axis Mutual Fund Trustee Limited a/c Axis Mutual Fund a/c Axis Liquid Fund a/c	Deutsche Bank AG, DB House, Hazarimal Somani Marg, Post Office Box No. 1142, Fort, Mumbai	1,000	500.00
2.	Pramerica Ultra Short Term Bond Fund	Citibank N.A. Custody Services, 3rd Floor Trent House, G Block , Plot No. 60 Bandra Kurla Complex, Bandra East, Mumbai	400	200.00
3.	Mohit Hero Chuganee	White House, N Gamadia Road, Mumbai	100	50.00

(bb) Commercial papers bearing ISIN code INE414G14G2 of face value of ₹ 500,000 per commercial paper.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited	Deutsche Bank AG, DB House, Hazarimal Somani Marg, Post Office Box No. 1142, Fort, Mumbai	200	100.00

(cc) Commercial papers bearing ISIN code INE414G14AH0 of face value of ₹ 500,000 per commercial paper.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	JM Financial Asset Management Private Limited	HDFC Bank Limited- Custody Services, Lodha-I, Think Techno Campus, 8th Floor, next to Kanjumarg Station, Kanjurmarg East, Mumbai	300	150.00

(dd) Commercial papers bearing ISIN code INE414G14AI8 of face value of ₹ 500,000 per commercial paper.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Kotak Mahindra Old Mutual Life Insurance Limited	Standard Chartered Bank, Crescenzo Securities Services, 3rd Floor, C-38/39, G-Block, Bandra Kurla Complex, Bandra East, Mumbai	1,000	500.00

(ee) Commercial papers bearing ISIN code INE414G14AJ6 of face value of ₹ 500,000 per commercial paper.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Kotak Mahindra Bank Limited	KMBL Treasury Account, 2nd Floor, Bakhtawar, No. 229, Nariman Point, Mumbai	500	250.00

(ff) Commercial papers bearing ISIN code INE414G14AK4 of face value of ₹ 500,000 per commercial paper.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Kotak Mahindra Old Mutual Life Insurance Limited	Standard Chartered Bank, Crescenzo Securities Services, 3rd Floor, C-38/39, G-Block, Bandra Kurla Complex, Bandra East, Mumbai	200	100.00

(gg) Commercial papers bearing ISIN code INE414G14AL2 of face value of ₹ 500,000 per commercial paper.

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	IIFL Wealth Management Limited	Building No 75, Nirlon Complex, off. Western Express Highway, Goregaon East, Mumbai	500	250.00

4. ***Debt to equity ratio***

The debt to equity ratio prior to this Issue is based on a total outstanding debt of ₹ 184,339.41 million and shareholder funds amounting to ₹ 28,629.11 million as on December 31, 2011. The debt equity ratio post the Issue, (assuming subscription of NCDs aggregating to ₹ 5,000 million) would be 6.61 times, based on a total outstanding debt of ₹ 189,339.41 million and shareholders' funds of ₹ 28,629.11 million as on December 31, 2011.

(in ₹ million)

Particulars	Prior to the Issue	Post the Issue#
Secured Loan as on December 31, 2011	151,310.44	156,310.44
Unsecured Loan as on December 31, 2011	33,028.97	33,028.97
Total Debt	**184,339.41**	**189,339.41**
Share Capital as on December 31, 2011	3,717.13	3,717.13
Reserves as on December 31, 2011	24,916.87	24,916.87
Less: Miscellaneous Expenditure (to the extent not written off or adjusted) as on December 31, 2011	4.89	4.89
Total Shareholders' Funds	**28,629.11**	**28,629.11**
Debt Equity Ratio (No. of Times)#	**6.44**	**6.61**

The debt-equity ratio post the Issue is indicative and is on account of assumed inflow of ₹ 5,000 million from the Issue and does not include contingent and off-balance sheet liabilities. The actual debt-equity ratio post the Issue would depend upon the actual position of debt and equity on the date of allotment.

For details on the total outstanding debt of our Company, please refer to the section titled "*Disclosures on Existing Financial Indebtedness*" beginning on page 179.

OBJECTS OF THE ISSUE

Issue proceeds

Our Company has filed this Prospectus for a public issue of NCDs aggregating upto ₹ 2,500 million with an option to retain over-subscription upto ₹ 2,500 million for issuance of additional NCDs aggregating to a total of upto ₹ 5,000 million. The funds raised through this Issue will be utilised for our various financing activities including lending and investments, to repay our existing liabilities or loans and towards our business operations including for our capital expenditure and working capital requirements and general corporate purposes, after meeting the expenditures of and related to the Issue and subject to applicable statutory/regulatory requirements.

The main objects clause of the Memorandum of Association of our Company permits our Company to undertake its existing activities as well as the activities for which the funds are being raised through this Issue.

Monitoring of utilisation of funds

There is no requirement for appointment of a monitoring agency in terms of the SEBI Debt Regulations. The Board of Directors of our Company shall monitor the utilisation of the proceeds of the Issue. Our Company will disclose in the Company's financial statements for the relevant financial year commencing from FY 2012, the utilisation of the proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilised thereby also indicating investments, if any, of such unutilised proceeds of the Issue.

Interim use of proceeds

The management of the Company, in accordance with the policies formulated by it from time to time, will have flexibility in deploying the proceeds received from the Issue. Pending utilisation of the proceeds out of the Issue for the purposes described above, the Company intends to temporarily invest funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks or temporarily deploy the funds in investment grade interest bearing securities as may be approved by the Board / Committee of Directors of the Company, as the case may be. Such investment would be in accordance with the investment policy of our Company approved by the Board or any committee thereof from time to time.

Utilisation of proceeds from the NCDs allotted to NRIs, if any

We propose to offer Option II, Option III and Option IV NCDs for subscription, pursuant to the Issue, to NRIs only on a non-repatriable basis.

Under the provisions of the Foreign Exchange Management (Borrowing and Lending in Rupees) Regulations, 2000, any monies borrowed from a person resident outside India cannot be used:

(a) for any purpose except in ones own business other than (i) the business of chit fund, (ii) as Nidhi Company, (iii) agricultural or plantation activities or real estate business; or construction of farm houses; or (iv) trading in Transferable Development Rights (TDRs); or

(b) for any investment, whether by way of capital or otherwise, in any company or partnership firm or proprietorship concern or any entity, whether incorporated or not, or for the purpose of re-lending.

To ensure compliance with the above, our Company shall open and maintain a separate account with the Escrow Collection Bank(s) in connection with all application monies received from NRIs, ("**Special Account**"). All application monies received from NRI applicants shall be deposited in the Special Account maintained with any of the Bankers to the Issue. Upon creation of security as disclosed in this Prospectus, the Escrow Collection Bank(s) shall transfer the monies from the Special Account to a separate bank account, ("**NRI Account**"), which shall be different from the Public Issue Account. Our Company shall at all times ensure that any monies kept in the Special Account and/or the NRI Account shall be utilised only in accordance with and subject to the restrictions contained in the Foreign Exchange Management (Borrowing and Lending in Rupee) Regulations, 2000, and other applicable statutory and/or regulatory requirements.

Other confirmations

In accordance with the SEBI Debt Regulations, our Company will not utilise the proceeds of the Issue for providing loans to or acquisition of shares of any person who is a part of the same group as our Company or who is under the same management as our Company or any subsidiary of our Company.

The Issue proceeds shall not be utilised towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any property.

No part of the proceeds from this Issue will be paid by us as consideration to our Promoter, our Directors, Key Managerial Personnel, or companies promoted by our Promoter except in the usual course of business.

Further the Company undertakes that Issue proceeds from NCDs allotted to banks shall not be used for any purpose, which may be in contravention of the RBI guidelines on bank financing to NBFCs including those relating to classification as capital market exposure or any other sectors that are prohibited under the RBI regulations.

STATEMENT OF TAX BENEFITS

To

The Board of Directors
Muthoot Finance Limited
Muthoot Chambers, Opp. Saritha Theatre Complex,
Banerji Road, Ernakulam – 682 018, India

Dear Sirs,

Under the current tax laws, the following tax benefits inter alia, will be available to the Debenture Holders as mentioned below. The tax benefits are given as per the prevailing tax laws and may vary from time to time in accordance with amendments to the law or enactments thereto. The Debenture Holder is advised to consider in his own case the tax implications in respect of subscription to the Debentures after consulting his tax advisor as alternate views are possible. We are not liable to the Debenture Holder in any manner for placing reliance upon the contents of this statement of tax benefits.

TO OUR DEBENTURE HOLDERS

A. INCOME-TAX

i) To Resident Debenture Holder

1. Interest on NCD received by Debenture Holders would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the Income Tax Act.

   No income tax is deductible at source as per the provisions of section 193 of the Income Tax Act (IT Act) on interest on debentures in respect of the following:

   (a) In case the payment of interest on debentures to resident individual Debenture Holder by the Company in the aggregate during the financial year does not exceed ₹ 2,500/- provided the interest is paid by an account payee Cheque and the debentures are listed on a recognized stock exchange in India.

   (b) When the Assessing Officer issues a certificate on an application by a Debenture Holder on satisfaction that the total income of the Debenture holder justifies no/lower deduction of tax at source as per the provisions of Section 197(1) of the Income Tax Act; and that certificate is filed with our Company before the prescribed date of closure of books for payment of debenture interest.

   (c) When the resident Debenture Holder with PAN (not being a company or a firm or a senior citizen) submits a declaration in the prescribed Form 15G verified in the prescribed manner to the effect that the tax on his estimated total income of the previous year in which such income is to be included in computing his total income will be nil as per the provisions of section 197A (1A) of the Income Tax Act. However under section 197A (1B) of the Income Tax Act, Form 15G cannot be submitted nor considered for exemption from deduction from tax at source if the aggregate of income of the nature referred to in the said section, viz. dividend, interest, etc as prescribed therein, credited or paid or likely to be credited or paid during the Previous year in which such income is to be included exceeds the maximum amount which is not chargeable to tax, as may be prescribed in each year's Finance Act.

   To illustrate, as on 01.04.2011, the maximum amount of income not chargeable to tax in case of individuals (other than women assesses, senior citizens and very senior citizens) and HUFs is ₹ 1,80,000; in the case of every individual being a woman resident in India and below the age of 60 years at any time during the previous year is ₹ 1,90,000; in the case of every individual being a resident in India, who is of the age of 60 years or more but less than 80 years at any time during the previous year (Senior Citizen) is ₹ 2,50,000; and in the case of every individual being a resident in India, who is of the age of 80 years or more at any time during the previous year (Very Senior Citizen) is ₹ 5,00,000 for Previous Year 2011-12. Senior citizens, who are 65 or more years of age at any time during the financial year, enjoy the special privilege to submit a self-declaration in the prescribed Form 15H for non deduction of tax at source in accordance with the provisions of section 197A (1C) of the Income Tax Act even if the aggregate income credited or paid or likely to be credited or paid exceeds the maximum amount not chargeable to tax i.e. ₹ 2,50,000 for FY 2011-12 provided that the tax due on total income of the person is NIL. In all other situations, tax would be deducted at source as per prevailing provisions of the Income Tax Act; Form No.15G with PAN / 15H with PAN / Certificate issued u/s 197(1) has to be filed with our Company before the prescribed date of closure of books for payment of debenture interest.

(d) On any security issued by a company in a dematerialized form and is listed on recognized stock exchange in India. (w.e.f. 01.06.2008).

2. Under section 2(29A) of the Income Tax Act, read with section 2(42A) of the Income Tax Act, a listed debenture is treated as a long term capital asset if the same is held for more than 12 months immediately preceding the date of its transfer.

Under section 112 of the Income Tax Act, capital gains arising on the transfer of long term capital assets being listed securities are subject to tax at the rate of 20% of capital gains calculated with indexation or 10% of capital gains calculated without indexation, of the cost of acquisition. The capital gains will be computed by deducting cost of acquisition of the debenture and expenditure incurred in connection with such transfer from the full value of sale consideration.

In case of an individual or HUF, being a resident, where the total income as reduced by such long-term capital gains is below the maximum amount which is not chargeable to income-tax, then, such long-term capital gains shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income-tax and the tax on the balance of such long-term capital gains shall be computed at the rate mentioned above.

3. Short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months would be taxed at the normal rates of tax in accordance with and subject to the provisions of the Income Tax Act. The provisions relating to maximum amount not chargeable to tax, surcharge and education cess described at para 2 above would also apply to such short term capital gains.

4. In case the debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the Income Tax Act.

5. As per section 56(2)(vii) of the Income Tax Act, in case where individual or Hindu undivided Family receives debentures from any person on or after 1st October, 2009

i) without any consideration, aggregate fair market value of which exceeds fifty thousand rupees, then the whole of the aggregate fair market value of such bonds/debentures or;

ii) for a consideration which is less than the aggregate fair market value of the debenture by an amount exceeding fifty thousand rupees, then the aggregate fair market value of such property as exceeds such consideration; shall be taxable as the income of the recipient.

Provided further that this clause shall not apply to any sum of money or any property received:

(a) from any relative; or
(b) on the occasion of the marriage of the individual; or
(c) under a will or by way of inheritance; or
(d) in contemplation of death of the payer or donor, as the case may be; or
(e) from any local authority as defined in the Explanation to clause (20) of section 10; or
(f) from any fund or foundation or university or other educational institution or hospital or other medical institution or any trust or institution referred to in clause (23C) of section 10; or
(g) from any trust or institution registered under section 12AA.

6. A 2% Education Cess and 1% Secondary and Higher Education Cess on the total income tax is payable by all categories of tax payers.

ii) To Non Resident Indians

1. A non resident Indian has an option to be governed by Chapter XII-A of the Income Tax Act, subject to the provisions contained therein which are given in brief as under:

    a) Under section 115E of the Income Tax Act, interest income from debentures acquired or purchased with or subscribed to in convertible foreign exchange will be taxable at 20%, whereas, long term capital gains on transfer of such Debentures will be taxable at 20% of such capital gains with indexation or 10% of such capital gains without indexation, of cost of acquisition. Short-term capital gains will be taxable at the normal rates of tax in accordance with and subject to the provisions contained therein.

    b) Under section 115F of the Income Tax Act, subject to the conditions and to the extent specified therein, long term capital gains arising to a non-resident Indian from transfer of debentures acquired or purchased with or subscribed to in convertible foreign exchange will be exempt from capital gain tax if the net consideration is invested within six months after the date of transfer of the debentures in any specified asset or in any saving certificates referred to in clause (4B) of section 10 of the Income Tax Act in accordance with and subject to the provisions contained therein.

    c) Under section 115G of the Income Tax Act, it shall not be necessary for a non-resident Indian to file a return of income under section 139(1) of the Income Tax Act, if his total income consists only of investment income as defined under section 115C and/or long term capital gains earned on transfer of such investment acquired out of convertible foreign exchange, and the tax has been deducted at source from such income under the provisions of Chapter XVII-B of the Income Tax Act in accordance with and subject to the provisions contained therein.

    d) Under section 115H of the Income Tax Act, where a non-resident Indian becomes a resident in India in any subsequent year, he may furnish to the Assessing Officer a declaration in writing along with return of income under section 139 for the assessment year for which he is assessable, to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to the investment income (other than on shares in an Indian Company) derived from any foreign exchange assets in accordance with and subject to the provisions contained therein. On doing so, the provisions of Chapter XII-A shall continue to apply to him in relation to such income for that assessment year and for every subsequent assessment year until the transfer or conversion (otherwise than by transfer) into money of such assets.

2. In accordance with and subject to the provisions of section 115I of the Income Tax Act, Non-Resident Indian may opt not to be governed by the provisions of Chapter XII-A of the Income Tax Act. In that case, please refer to para A (2, 3, 4, 5 and 6) for the tax implications arising on transfer of debentures.

3. Under Section 195 of the Income Tax Act, the company is required to deduct tax at source at the rate of 20% on investment income and at the rate of 10% on any long-term capital gains as prescribed in section 115E; at the normal rates for Short Term Capital Gains if the payee Debenture Holder is a Non Resident Indian. 2% education cess and 1% secondary and higher education cess on the total income tax is also deductible.

4. As per section 90(2) of the Income Tax Act read with the circular no. 728 dated October 30, 1995 issued by the CBDT, in the case of a remittance to a country with which a Double Tax Avoidance Agreement (DTAA) is in force, the tax should be deducted at the rate provided in the Finance Act of the relevant year or at the rate provided in the DTAA, whichever is more beneficial to the assessee.

5. Alternatively, to ensure non deduction or lower deduction of tax at source, as the case may be, the Debenture Holder should furnish a certificate under section 197(1) of the Income Tax Act, from the Assessing Officer before the prescribed date of closure of books for payment of debenture interest.

iii) To Foreign Institutional Investors (FIIs):

1. In accordance with and subject to the provisions of section 115AD of the Income Tax Act on transfer of debentures by FIIs, long term capital gains are taxable at 10% (plus applicable surcharge and education and secondary and higher education cess) and short-term capital gains are taxable at 30% (plus applicable surcharge and education and secondary and higher education cess). The cost indexation benefit will not be available. Further, benefit of provisions of the first proviso of section 48 of the Income Tax Act will not apply.

2. Income other than capital gains arising out of debentures is taxable at 20% in accordance with and subject to the provisions contained therein. In addition to the aforesaid tax, in case of foreign corporate FIIs where the income exceeds ₹ 1,00,00,000, a surcharge of 2% of such tax liability is also payable. A 2% education cess and 1% secondary and higher education cess on the total income tax (including surcharge) is payable by all categories of FIIs. In accordance with and subject to the provisions of section 196D(2) of the Income Tax Act, no deduction of tax at source is applicable in respect of capital gains arising on the transfer of debentures by FIIs. The provisions at para II (4 and 5) above would also apply to FIIs.

iv) To Other Eligible Institutions:

1. All mutual funds registered under Securities and Exchange Board of India or set up by public sector banks or public financial institutions or authorised by the Reserve Bank of India are exempt from tax on all their income, including income from investment in Debentures under the provisions of Section 10(23D) of the Income Tax Act subject to and in accordance with the provisions contained therein.

B. WEALTH TAX

Wealth-tax is not levied on investment in debentures under section 2(ea) of the Wealth-tax Act, 1957.

C. GIFT TAX

Gift-tax is not levied on gift of debentures in the hands of the donor as well as the donee because the provisions of the Gift Tax Act, 1958 have ceased to apply in respect of gifts made on or after October 1, 1998.

D. REQUIREMENT TO FURNISH PERMANENT ACCOUNT NUMBER UNDER INCOME TAX ACT

1. Sec.139A(5A):

   Subsection (5A) of Sec.139A lays down that every person from whose income, tax has been deducted at source under chapter XVII B of the Income Tax Act shall furnish his Permanent Account Number to the person responsible for deduction of tax at source.

2. Sec.206AA:

   (1) Notwithstanding anything contained in any other provisions of Income Tax Act, any person entitled to receive any sum or income or amount, on which tax is deductible under Chapter XVIIB (hereinafter referred to as deductee) shall furnish his Permanent Account Number to the person responsible for deducting such tax (hereinafter referred to as deductor), failing which tax shall be deducted at the higher of the following rates, namely:—

   (i) at the rate specified in the relevant provision of this Act; or
   (ii) at the rate or rates in force; or
   (iii) at the rate of twenty per cent.

(2) No declaration under sub-section (1) or sub-section (1A) or sub-section (1C) of section 197A shall be valid unless the person furnishes his Permanent Account Number in such declaration.

(3) In case any declaration becomes invalid under sub-section (2), the deductor shall deduct the tax at source in accordance with the provisions of sub-section (1).

(4) Where the Permanent Account Number provided to the deductor is invalid or does not belong to the deductee, it shall be deemed that the deductee has not furnished his Permanent Account Number to the deductor and the provisions of subsection (1) shall apply accordingly.

E. PROPOSALS MADE IN DIRECT TAXES CODE

The Honourable Finance Minister has presented the Direct Tax Code Bill, 2010 ('DTC Bill') on August 30, 2010. The DTC Bill is likely to be presented before the Indian Parliament. Accordingly, it is currently unclear what effect the Direct Tax Code would have on the investors.

SECTION IV: ABOUT THE ISSUER AND INDUSTRY OVERVIEW

The following information includes extracts from publicly available information, data and statistics derived from reports prepared by third party consultants, including the IMaCS Industry Report 2009 and the IMaCS Industry Report (2010 Update), private publications, and industry reports prepared by various trade associations, as well as other sources, which have not been prepared or independently verified by the Company and the Lead Managers or any of their respective affiliates or advisors. Such information, data and statistics may be approximations or may use rounded numbers. Certain data has been reclassified for the purpose of presentation and much of the available information is based on best estimates and should therefore be regarded as indicative only and treated with appropriate caution.

Overview of the Indian Economy

India is the fifth largest economy in the world after the European Union, the United States, China and Japan with an estimated GDP of approximately US$ 3.56 trillion in 2009, on a purchasing power parity ("PPP") basis, *(Source: CIA World Factbook)*. India is also one of the fastest growing economies in the world. According to the Central Statistical Organization, India's GDP grew at a rate of 7.4% in fiscal 2010.

According to India Brand Equity Foundation, India is one of the largest bullion markets in the world. India is also the largest consumer of gold jewellery in the world (approximately 20% of global gold consumption), and the largest importer of gold in the world. Gold imports were approximately 739 tonnes in fiscal 2010. *(Source: IBEF, http://www.ibef.org/industry/gemsjewellery.aspx)*

Overview of the Indian Consumer Credit Market

The consumer credit market in India has undergone a significant transformation over the last decade and experienced rapid growth due to consumer credit becoming cheaper, more widely available and increasingly a more acceptable avenue of funding for consumers. The consumer credit market has developed in India due to the following factors:

- increased focus by banks and financial institutions on consumer credit resulting in a market shift towards regulated lenders from unregulated moneylenders/financiers;
- increasing trend of Indian consumers to acquire assets such as cars, goods and houses on credit;
- fast emerging middle class and growing number of households in our target segment;
- improved terms of credit as interest rates in India fall in line with global interest rates;
- legislative changes that offer greater protection to lenders against fraud and potential default increasing the incentive to lend;
- growth in assignment and securitisation arrangements for consumer loans has enabled non deposit based entities to access wholesale funding and compete solely on their ability to originate, underwrite and service consumer loans.

Credit availability, affordability and consumer confidence are the key drivers for consumer loan growth.

A variety of financial intermediaries in the public and private sectors participate in India's consumer lending sector, including the following:

- commercial banks;
- long-term lending institutions;
- NBFCs, including housing finance companies;
- other specialized financial institutions and state-level financial institutions; and
- lenders in the unorganized sector.

Commercial Banks

As of March 31, 2008, there were 166 scheduled commercial banks ("SCBs"), (including regional rural banks ("RRBs") in India (*Source: RBI, Quarterly Statistics on Deposits and Credit of Scheduled Commercial Banks, December 2009)*. The number of banked centres served by SCBs was 34,731 of which 28,021 were single office centres and 64 centres had 100 or more bank offices *(Source: RBI publication, Highlights as on April 19, 2010 http://www.rbi.org.in/scripts/PublicationsView.aspx?id=12260)*. Scheduled commercial banks are banks that are listed in a schedule to the Reserve Bank of India Act, 1934, and may be further categorised as public sector banks, private sector banks and foreign banks.

Non-Banking Finance Companies

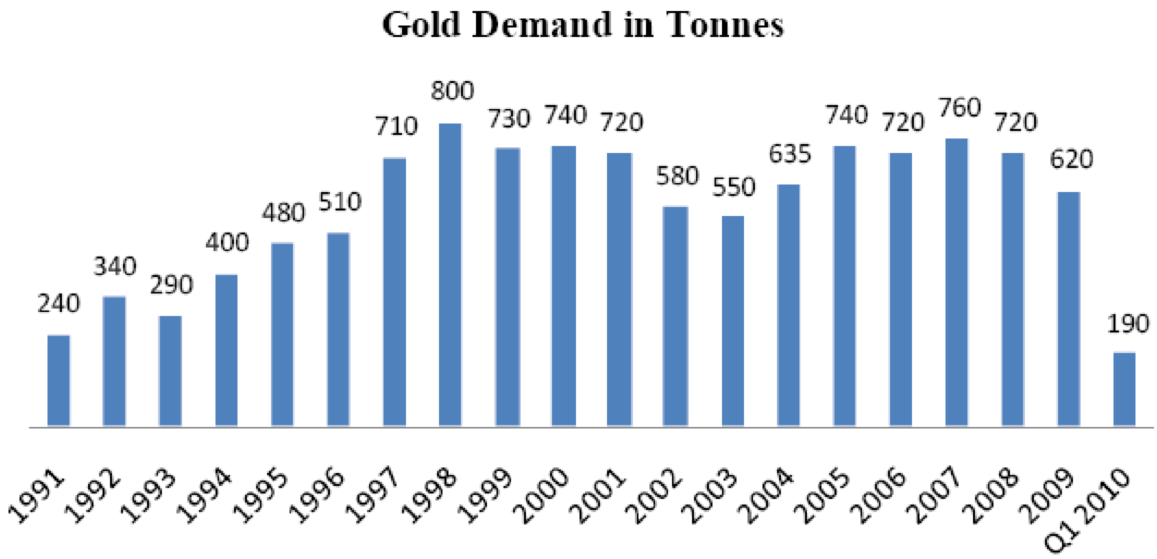
A non-banking finance company ("NBFC") is a company registered under the Companies Act, 1956 and is engaged in the business of loans and advances, acquisition of shares/stock/bonds/debentures/securities issued by Government or local authority or other securities of like marketable nature, leasing, hire-purchase, insurance business, chit business but does not include any institution whose principal business is that of agriculture activity, industrial activity, sale/purchase/construction of immovable property. A non-banking institution which is a company and which has its principal business of receiving deposits under any scheme or arrangement or any other manner, or lending in any manner is also a non-banking financial company (Residuary non-banking company). It is mandatory that every NBFC should be registered with RBI to commence or carry on any business of non-banking financial institution as defined in clause (a) of Section 45 I of the RBI Act, 1934. All NBFCs are not entitled to accept public deposits. Only those NBFCs holding a valid Certificate of Registration with authorisation to accept Public Deposits can accept/hold public deposits. NBFCs authorised to accept/hold public deposits besides having minimum stipulated net owned fund should also comply with the directions such as investing part of the funds in liquid assets, maintain reserves, rating etc. issued by the Bank *(Source: RBI, FAQ_NBFC http://www.rbi.org.in/scripts/FAQView.aspx?Id=71)*. As of June, 2009 there were 12,740 NBFCs in India, mostly in the private sector *(Source: RBI Press Release dated October, 2009)*.

Gold Finance Industry in India

India is one of the largest markets for gold and as of fiscal 2010, accounts for approximately 10% of the total world gold stock with an annual demand of approximately 700 tonnes (*Source: IMaCS Industry Report (2010 Update))*. Several gold based financial products have been made available to retail consumers in the Indian market from time to time with a view to bring the gold holdings to the core financial market.

Lending against gold has been one of the most popular instruments based on gold, and it works well with the Indian rural population, which typically views gold as an important savings instrument that is liquid and can be converted into cash instantly to meet their urgent cash requirements. Moreover, traditionally gold owners in southern India are more open than elsewhere in the country to accept and exercise the option of pledging gold to borrow money (Source: IMaCS Industry Report 2009).

The following chart illustrates gold demand trends in India



Source:IMaCS Industry Report (2010 Update)

Indian consumers have an affinity for gold that emanates from various social and cultural factors. Furthermore, the low level of financial inclusion and poor access to financial products and services make gold a safe and attractive investment proposition. In an effort to tap the market for gold related investment and services, companies in the financial sector have launched several products such as gold coins and bars, exchange traded gold funds and lending against gold. Gold Loans in India, have largely been concentrated in southern India, which holds the largest proportion of India's gold portfolio, and is typically more open to borrowing against gold as compared to consumers in the northern and western regions of India *(Source: IMaCS Industry Report 2009).*

Gold Loans have emerged as key gold based financial products, and in the year ended March 31, 2010, the organized Gold Loans market in India was estimated at between ₹ 350 billion and ₹ 400 billion with a CAGR of approximately 40% during fiscal 2002 to fiscal 2010. Notwithstanding the above, the organized Gold Loans portfolio accounted for merely 1.2% of the value of total gold stock in India. The Gold Loans market is significantly under-penetrated and is expected to continue growing at the rate of 35-40% in the future. *(Source: IMaCS Industry Report (2010 Update).*

Gold Demand in India

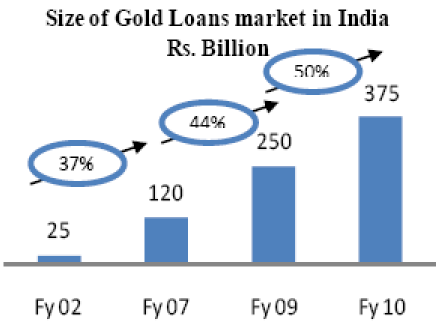
- **Demand is relatively price in-elastic:** Demand for gold has not been adversely impacted by rising prices. Despite increases in gold prices from ₹ 15,026.00 to ₹ 51,150.00 per ounce during the period from 2002 to 2009, the demand for gold has risen from 580 tonnes in 2002 to 620 tonnes in 2009. *(Source: IMaCS Industry Report (2010 Update)).*

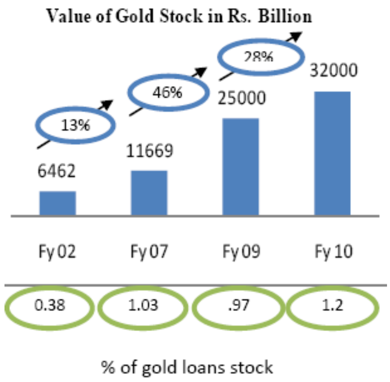
- **South India constitutes the largest market for gold**: Southern Indiahas been the largest market accounting for approximately 40% of the gold demand, followed by the western region at approximately 25%, the northern region at 20-25%, and the eastern region at approximately 10-15% of India's annual gold demand. *(Source: IMaCS Industry Report 2009)*

- **Demand is further concentrated in rural pockets of India**: Rural India is estimated to hold around 65% of total gold stock as this section of the population views gold as a secure and easily accessible savings vehicle along with its consumption purpose.*(Source: IMaCS Industry Report 2009)*

In addition to a growing organized Gold Loans market in India, there is, a, large long-operated, unorganised Gold Loans market which includes numerous pawn brokers, money lenders and cooperative societies, operating primarily in rural areas of India, and providing loans against jewellery to families at interest rates in excess of 30%. These operators have a strong understanding of the local customer base and offer an advantage of immediate liquidity to customers in need, without requiring elaborate formalities and documentation.

Trend of market size of Gold Loans demand and gold stock value





Source:IMaCS Industry Report (2010 Update)

The southern region of India accounts for 85-90% of the Gold Loans market in India. Recently, large specialized NBFCs such as Muthoot Finance Limited and Manappuram Finance Limited have started expanding their businesses in northern and western India, and it is expected that there will be a gradual increase in the acceptability of Gold Loans product in these regions due to the concentrated marketing efforts of large NBFCs. *(Source: IMaCS Industry Report 2009)*.

Drivers of Growth in Gold Loans Market in India

i. **Regulatory incentives to lenders**: The prescribed risk weight on Gold Loans has been approximately 50% for commercial banks, further reducing the associated capital costs *(Source: IMaCS Industry Report 2009)*.

ii. **Policy focus**: The Government of India views Gold Loans as an effective means to meet the potential micro- finance demand in India. In fiscal 2007, the Government of the state of Tamil Nadu set a jewellery loans target of ₹ 60 billion (75% of the total loan disbursement target) for co-operatives in Tamil Nadu *(Source: IMaCS Industry Report 2009)*.

iii. **Increasing interest of the lenders in the segment:** Considering the recent rise in default rates (expected to vary from 8-10% in fiscal 2009) in personal loans, banks have started focusing on the Gold Loans segment because it offers attractive returns (although lower than personal loans) with very low levels of defaults. Several private sector banks have started participating in the segment by getting into bilateral sale agreements with NBFCs that specialize in Gold Loan. A few private sector banks have also initiated efforts to tap into such segments *(Source: IMaCS Industry Report 2009)*.

iv. **High levels of indebtedness:** The National Sample Survey Organisation (NSSO) 2003 survey on situational assessment of farmers' indebtedness in the country has estimated that 60.4% of rural households in India were farmer households, out of which 48.6% were indebted. The incidence of indebtedness was highest in the state of Andhra Pradesh (82%) followed by Tamil Nadu (74.5%), Punjab (65.4%), Kerala (64.4%), Karnataka (61.6%) and Maharashtra (54.8 %) *(Source: IMaCS Industry Report 2009)*.

v. **Changing customer attitudes and preferences**: Indian customers have demonstrated a change in their traditionally debt-averse psychology, promoting the creation of assets through growth in financial liabilities which has been reflected in an annual growth of more than 30-35% in retail credit between fiscal 2002 and fiscal 2009. *(Source: IMaCS Industry Report 2009)*.

Economics of the gold finance industry in India

NBFCs and banks operate with different underlying objectives in the Gold Loans segment which has been reflected in the margins and profitability for different category of lenders. NBFCs view Gold Loans as their primary business and have invested significantly in building their service offerings and typically command premium yields and attractive profitability. Historically banks viewed Gold Loans for agriculture as a safer means to meet their priority lending targets which typically offer low returns with high defaults. However, recent changes in regulatory norms have precluded gold loans from being classified under the agriculture sector, thereby making such loans ineligible to meet banks' priority lending targets. Despite this banks usually are unable to offer the level of flexibility and rapid disbursals as compared to the specialised NBFCs.

Economics of Gold Loans business for NBFCs and Banks

Key Ratios (as a % of average assets)	Specialised NBFCs*	Banks- Gold Loans for agri**	Banks- Gold Loans for non-agri***
Interest Income	22-23%	10% (includes govt subvention)	11-12%
Interest Expense	11-12%	7-8%	7-8%
Net Interest Margin	11%	2-3%	4% (approx)
Operating Expenses	5.5% (approx)	1.5%	1.5%
Provisions for bad debts	0.2%	0.1%	0.1%
Return on Assets (post tax)	3.3-3.5%	0.4-1.4%	2.2 % (approx)
Return on Net Worth	27-30%	2-7%	16-18% (approx)

**Risk Weightage of 100%, Capital Adequacy Ratio of 12%*
*** Risk Weightage of 50%, Capital Adequacy Ratio of 10%*
**** Risk Weightage of 100%, Capital Adequacy Ratio of 10%*

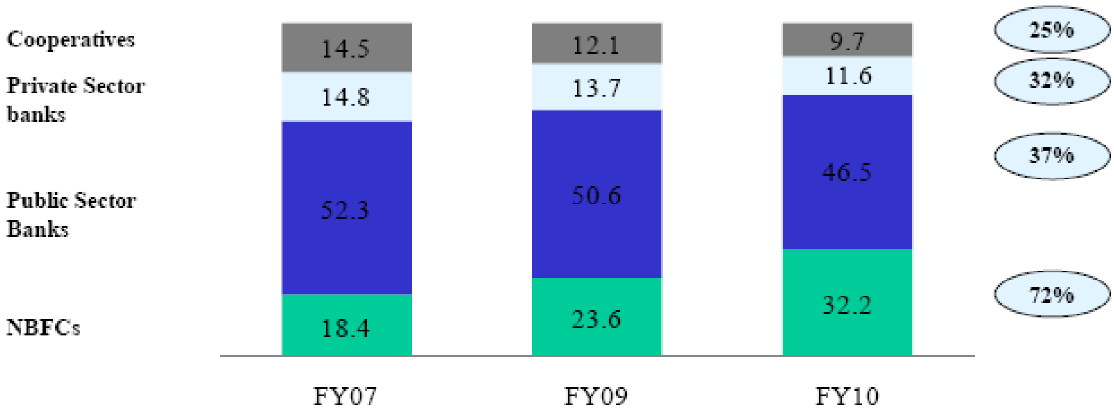
Source:IMaCS Industry Report 2009

Competition

The Gold Loans market has been dominated by SCBs focused on southern India, and NBFCs with market shares of approximately 58% and 32%, respectively in fiscal 2010, while the remaining market share has been held by small co-operative banks. In addition, there has been a rapid expansion in the market Gold Loans between fiscal 2002 and fiscal 2010 *(Source: IMaCS Industry Report (2010 Update))*.

NBFCs offer flexibility, quick disbursal and an informal environment to their customers in return for a premium on the rates of interest offered. The loan-to-value ratio for 22 carat jewellery piece typically varies from 55-65% by banks while it varies from 70-80% by NBFCs, which may be further adjusted subject to the purity of gold. Further, the interest rates charged by the banks vary from 8-10% in case of loans for agricultural purposes and approximately 12-13% on loans for non-agricultural purposes while NBFCs charge interest rates between 22% and 26% *(Source: IMaCS Industry Report 2009)*. However, recent changes in regulatory norms have precluded gold loans from being classified under the agriculture sector, thereby increasing the cost of funds of gold loan companies, including our Company.

Market share of Gold Loan lenders and respective growth rates



Source:IMaCS Industry Report (2010 Update)

The estimated Gold Loan portfolio and the market share of key gold finance companies for fiscal 2007, fiscal 2009 and fiscal 2010 are set out below:

Gold Loans Provider	Estimated Gold Loans Portfolio (Rs. Billion)			Gold Loans Market Share (%)		
	FY 07	FY 09	FY 10	FY 07	FY 09	FY 10
Muthoot Finance	14.2	33.0	73.42	11.0%	13.4%	19.5%
Muthoot Fincorp	4.7	11.8	22.2	3.6%	4.8%	5.9%
Manappuram *	4.8	12.0	25.6	3.7%	4.9%	6.8%
Indian Bank	17.0	32.5	39.2	13.2%	13.2%	10.4%
Indian Overseas Bank	16.9	31.0	52.2	13.1%	12.6%	13.9%
Federal Bank	6.0	10.7	8.6	4.7%	4.3%	2.3%
South Indian Bank	6.0	15.0	23.5	4.7%	6.1%	6.3%
State Bank Of Travancore	11.4	16.0	19.3	8.9%	6.4%	5.1%
Andhra Bank	4.0	9.0	14.0	3.1%	3.6%	3.7%

**Including Manappuram Finance Tamil Nadu Limited (MAFIT)*

Source:IMaCS Industry Report (2010 Update)

Role of NBFC's in the competitive landscape of the gold finance industry in India

A typical Gold Loan customer expects high loan-to-value ratios, easy access, low levels of documentation and formalities, quick approval and disbursal of loans, lockers to ensure safety of their pledged gold and a team of expert valuers. Specialized NBFCs have created a niche in the Gold Loans capabilities by meeting these requirements of the typical Gold Loan customers, who require Gold Loans primarily to meet their urgent cash requirements*(Source: IMaCS Industry Report 2009)*.

NBFCs specializing in Gold Loans continue to perform strongly in the Gold Loans market and the overall statistics demonstrate that the relative share of traditional gold finance NBFCs in the market has not changed significantly over the last three years. In fiscal 2010, the Gold Loans market was largely concentrated between two categories of lenders: south India based SCBs and NBFCs specializing in Gold Loans which held approximately 58%and 32%, respectively,of the total market.The rest of the Gold Loans portfolio was held by several small co-operative banks.*(Source: IMaCS Industry Report 2009)*.

Outlook of the Gold Loans Market in India

Based on the assessment of the emerging dynamics and competitive landscape, the Gold Loans market is expected to grow at between 35% and 40% over the next three years. Moreover, as the market is currently under-penetrated, it is expected that the Gold Loans market will offer enough opportunities for portfolio expansion and retain attractive margins for all existing specialised NBFCs, banks and new entrants *(Source: IMaCS Industry Report 2009)*.

The branch expansion and marketing initiatives of various specialized NBFCs are anticipated to give a strong boost to the acceptability of Gold Loans and lead to further growth in the Gold Loans market.

NBFCs in the Indian Gold Loans market

Serial No:in gng	Parameters	Sub Parameters	Traditional NBFCs	Traditional old private and public	Co-operative Banks	New private sector banks	New NBFC entrants*
1	Focus on Gold Loans		High	Medium	Medium	Low	Medium
2	Branch Network in high potential geographies		High	High	Low	Low	Medium
3	Understanding of target customer segments		High	Low	Medium	Low	Medium
4	Capabilities and service Offerings	Product features	High	Medium	Medium	Medium	Medium
		Service	High	Low	Low	Low	Medium
		Infrastructure	High	Medium	Low	Low	Low
5	Ability to offer competitive rates	Interest charged	Low	High	Medium	Medium	Low

Expected Threats to Specialised NBFCS

Key areas of strength of Specialised NBFCs

Source:IMaCS Industry Report 2009

In addition, it is anticipated that the large public sector banks in southern India will continue to be amongst the leading lenders, but considering the various regulatory and operational processes, it would be challenging for the banks to match the flexible service regime of the specialised NBFCs (*Source: IMaCS Industry Report 2009*).

New NBFC entrants in the market are currently in a cautious preparatory mode to enter the Gold Loans market but it will take some time for these NBFCs to emerge as formidable competitors to specialized existing NBFCs.This is because it will take time for these new NBFCs to build the requisite focus, infrastructure (valuers, lockers, etc,) and branch network (*Source: IMaCS Industry Report 2009*).

Specialized NBFCs are expected to continue to hold their share of the Gold Loans market with their ability to provide superior and niche servicing capabilities to their existing and future customers. The following factors will be crucial in contributing to the continued growth of specialized NBFCs:

- Ability to maintain their strong hold in the southern India markets in terms of reach and customer services;
- Strengthening brand image in the target customer segments with a special emphasis on markets beyond the southern region in India;
- Developing related products such as education loans and offering fee based services such as money transfers or financial products distribution; and
- Capturing a strong market position in other regions of India, including in the northern and western regions *(Source: IMaCS Industry Report 2009)*.

OUR BUSINESS

Overview

We are the largest gold financing company in India in terms of loan portfolio, according to the 2010 update to the IMaCS Research & Analytics Industry Reports, Gold Loans Market in India, 2009 ("**IMaCS Industry Report, (2010 Update)**"). We provide 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. According to the IMaCS Industry Report (2010 update), as of March 31, 2010 our branch network was the largest among gold loan NBFCs in India. Our Gold Loan portfolio as of September 30, 2011 comprised approximately 5.5 million loan accounts in India that we serviced through 3,274 branches across 20 states, the national capital territory of Delhi and four union territories in India. We have since increased our branch network to 3,480 branches as of December 31, 2011. As of December 31, 2011, we employed 23,219 persons in our operations.

We are a "Systemically Important Non-deposit taking NBFC" headquartered in the southern Indian state of Kerala. Our operating history has evolved over a period of 73 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.Since our formation, we have broadened the scale and geographic scope of our retail lending operations so that, as of March 31, 2010, we were India's largest provider of Gold Loans. In the years ended March 31, 2008, 2009, 2010, 2011 and in the period ended September 30, 2011, revenues from our Gold Loan business constituted 95.97%, 96.71%, 98.08%, 98.75% and 99.01%, respectively, of our total income. In addition to our Gold Loans business, we provide money transfer services through our branches as sub-agents of various registered money transfer agencies, and recently have commenced providing collection agency services. We also operate three windmills in the state of Tamil Nadu.

We issue secured non-convertible debentures called "Muthoot Gold Bonds" on a private placement basis. Proceeds from our issuance of Muthoot Gold Bonds form a significant source of funds for our Gold Loan business. We also rely on bank loans and subordinated debt instruments as our sources of funds. As per our audited financial statements as of September 30, 2011 we had ₹ 50,415 million in outstanding Muthoot Gold Bonds and ₹ 122,152 million in other borrowings. We also raise capital by selling a portion of our loan receivables under bilateral assignment agreements with various banks. We also raise capital by issuing commercial paper and listed & credit rated non-convertible debentures under private placement mode to various institutional investors.

Our customers are typically small businessmen, vendors, traders, farmers and salaried individuals, who for reasons of convenience, accessibility or necessity, avail of our credit facilities by pledging their gold jewellery with us rather than by taking loans from banks and other financial institutions. We provide retail loan products, primarily comprising Gold Loans. We also disburse other loans, including those secured by Muthoot Gold Bonds. Our Gold Loans have a maximum 12 month term. As per our audited financial statements, our average disbursed Gold Loan amount outstanding was ₹ 37,765 per loan account as of September 30, 2011. For the period ended September 30, 2011, our retail loan portfolio earned, on average, 1.82% per month, or 21.87% per annum.

As per our audited financial statements, as of March 31, 2008, 2009, 2010, 2011 and as of September 30, 2011, our portfolio of outstanding gross Gold Loans under management was ₹ 21,790.1 million, ₹ 33,000.7 million,₹ 73,417.3 million, ₹ 157,280.7 million and ₹ 207,666.2 million, respectively, and approximately 30.1 tons, 38.9 tons, 65.5 tons, 112.0 tons and 129.5 tons, respectively, of gold jewellery was held by us as security for our Gold Loans. Gross non-performing assets ("NPAs") were at 0.42%, 0.48%, 0.46%, 0.29% and 0.59% of our gross retail loan portfolio under management as of March 31, 2008, 2009, 2010, 2011 and as of September 30, 2011 respectively.

As per our audited financial statements, in the years ended March 31, 2008, 2009, 2010 and 2011, our total income was ₹ 3,686.4 million, ₹ 6,204.0 million, ₹ 10,893.8 million, and ₹ 23,158.7 million, respectively, demonstrating an annual growth rate of 57.56%, 68.29%, 75.59% and 112.59%, respectively. As per our audited financial statements, in the six months ended September 30, 2011, our total income was ₹ 20,245.4 million. As per our audited financial statements in the years ended March 31, 2008, 2009, 2010 and 2011our profit after tax was ₹ 630.6 million, ₹ 978.7 million, ₹ 2,285.2 million and ₹ 4,941.8 million, respectively, demonstrating an annual growth rate of 43.80%, 55.20%, 133.49% and 116.25%, respectively. As per our audited financial statements, our profit after tax in the six months ended September 30, 2011 was ₹ 4,060.06 million. As per our audited financial statements as of March 31, 2008, 2009, 2010, 2011 and September 30, 2011, our networth was ₹ 2,131.1 million, ₹ 3,614.5 million, ₹ 5,841.9 million, ₹ 13,341.9 million, and ₹ 26,120.3 million respectively.

Competitive Strengths

We believe that the following competitive strengths position us well for continued growth:

Market leading position in the Gold Loan business with a strong presence in under-served rural and semi-urban markets

Gold loans are the core products in our asset portfolio. We believe that our experience, through our Promoters, has enabled us to have a leading position in the Gold Loan business in India. Highlights of our market leading position include the following:

- We are the largest gold financing company in India in terms of loan portfolio, according to the IMaCS Industry Report, (2010 Update). As per our audited financial statements, our loan portfolio as of September 30, 2011 comprised approximately 5.5 million loan accounts, in India with Gold Loans outstanding of ₹ 207,666.2 million.

- We have the largest branch network among gold loan NBFCs, according to the IMaCS Industry Report (2010 update). As of December 31, 2011, we operated 3,480 branches across 20 states, the national capital territory of Delhi and four union territories in India. Our branch network has expanded significantly in recent years from 373 branches as of March 31, 2005 to 3,480 branches as of December 31, 2011, comprising 620 branches in northern India, 2,242 branches in southern India, 449 branches in western India and 169 branches in eastern India covering 20 states, the national capital territory of Delhi and four union territories in India.

- We believe that due to our early entry we have built a recognizable brand in the rural and semi-urban markets of India, particularly in the southern Indian states of Tamil Nadu, Kerala, Andhra Pradesh and Karnataka. As of September 30, 2011, the southern Indian states of Tamil Nadu, Kerala, Andhra Pradesh, Karnataka and the Union Territory of Pondicherry constituted 71% of our total Gold Loan portfolio.

- We have a strong presence in under-served rural and semi-urban markets. A large portion of the rural population has limited access to credit either because of their inability to meet the eligibility requirements of banks and financial institutions because credit is not available in a timely manner, or at all. We have positioned ourselves to provide loans targeted at this market.

- We offer products with varying loan amounts, advance rates (per gram of gold) and interest rates. The principal loan amounts we disburse usually range from ₹ 2,000.0 to ₹ 200,000.0 while interest rates on our Gold Loans usually range between 12.00% and 26.00% per annum.

Strong brand name, track record, management expertise and Promoter support

Our operating history has evolved over a period of 73 years since M George Muthoot (the father of our Promoters) founded a gold loan business in 1939. We believe that the experience, skills and goodwill acquired by our Promoters over these years cannot be easily replicated by competitors. We have a highly experienced and motivated management team that capitalizes on this heritage at both the corporate and operational levels. Our senior management team has extensive experience in the Gold Loan industry and has demonstrated the ability to grow our business through their operational leadership, strategic vision and ability to raise capital. Under the current management team, as per our audited financial statements, our retail loan portfolio has grown from ₹ 22,263.8 million as of March 31, 2008 to ₹ 209,404.9 million as of September 30, 2011. Our business is also well supported by our high net-worth Promoters, who are members of the Muthoot family. We believe that our track record, management expertise and Promoter support have established a strong brand name for us in the markets we serve. A strong brand name has contributed to our ability to earn the trust of individuals who entrust us with their gold jewellery, and will be a key in allowing us to expand our growth and consolidate this fragmented industry across India.

High-quality customer service and short response time

We adhere to a strict set of market survey and location guidelines when selecting branch sites to ensure that our branches are set up close to our customers. We believe that our customers appreciate this convenience, as well as extended operating hours that we typically offer, which are often more compatible with our customers' work schedules. We provide our customers a clean, attractive and secure environment to transact their business with us. In addition to the physical environment, it is equally important to have professional and attentive staff at both the branch level and at our centralized customer support centers. Each of our branches across India is staffed with persons who possess local knowledge and understanding of customers' needs and who are adequately trained to appraise collateral and disburse loans within a few minutes. Although disbursement time may vary depending on the loan ticket size and the number of items pledged, we can generally disburse an average loan ticket size of ₹ 20,000.0 within five minutes from the time the gold is tendered to the appraiser. Furthermore, since our loans are all over-collateralized by gold jewellery, there are minimal documentary and credit assessment requirements, thereby shortening our turnaround time. We believe our high quality customer service and short response time are significant competitive strengths that differentiate our services and products from those provided by commercial banks.

Strong capital raising ability

We have a track record of successfully raising capital from various sources. We regularly issue secured redeemable non-convertible debentures to retail investors on a private placement basis as a means to access capital for our Gold Loan business. We have also issued Equity Shares in three tranches to institutional investors and completed an Initial Public Offer of our Equity Shares in the month of May 2011 and made two public issue of secured non-convertible debentures in September 2011 raising ₹ 6,932.8 million and in January 2012 raising ₹ 4,593.1 million. For further information, please refer to the sections titled "History and Main Objects" and "Capital Structure" on pages 117 and 50, respectively. As per our audited financial statements, as of March 31, 2008, 2009, 2010, 2011 and September 30, 2011, our outstanding gross Muthoot Gold Bonds portfolio was ₹ 12,403.3 million, ₹ 19,019.8 million, ₹ 27,192.5 million,₹ 39,832.3 million and ₹ 50,415.4 million, respectively. We have diversified our resource pool by supplementing our proceeds from the issuance of Muthoot Gold Bonds with borrowings from banks and other financial institutions. As per our audited financial statements, as of March 31, 2008, 2009, 2010 2011 and September 30, 2011, our outstanding borrowings from banks were ₹ 5,884.9 million, ₹ 11,067.6 million, ₹ 21,278.7 million ₹ 60,529.1 million and ₹ 76,351.7 million, respectively. We also raise capital by selling our receivables under bilateral assignments to banks. We also issue Subordinated Debt which is considered as Tier II capital of the company under private placement mode to mainly retail investors through our branch network. As per our audited financial statements, as of March 31, 2008, 2009, 2010, 2011 and September 30, 2011, our outstanding Subordinated Debt portfolio was ₹ 400.0 million, ₹ 1,099.2 million, ₹ 3,246.7 million ₹ 7,105.8 million and ₹ 10,309.5 million. As per our audited financial statements, our outstanding amount of sold portfolio under bilateral assignments were ₹ 4,341.0 million, ₹ 8,130.2 million, ₹ 20,083.2 million, ₹ 41,863.9 million and ₹ 25,875 million as of March 31, 2008, 2009, 2010, 2011 and September 30, 2011, respectively. We have been assigned an "[ICRA]A1+" rating by ICRA for commercial paper and for short-term non-convertible debentures of ₹ 2,000.0 million, and an "A1+" rating by CRISIL for short term debt instruments of ₹ 40,000.0

million. As of September 30, 2011, the outstanding amount issued under commercial paper and rated short-term non-convertible debentures, was ₹ 27,630.4 million. We have been assigned an "AA-/Stable" rating by CRISIL for our ₹ 5,000.0 million non-convertible debentures and our ₹ 1,000.0 million subordinated debt. ICRA has assigned "[ICRA]AA-/Stable" rating for our ₹ 2,000.0 million non-convertible debentures and our ₹ 1,000.0 million subordinated debt. We have been assigned a long-term rating of "[ICRA]AA-/Stable" and a short-term rating of "[ICRA]A1+" by ICRA for our ₹ 93,530 million line of credit

In-house training capabilities to meet our branch expansion requirements

Our ability to timely appraise the quality of the gold jewellery collateral is critical to the business. We do not engage third parties to assess the collateral for our Gold Loans, but instead employ in-house staff for this purpose. Assessing gold jewellery quickly is a specialized skill that requires assessing jewellery for gold content and quality manually without damaging the jewellery. We have two staff training colleges, one each in Cochin and in New Delhi, and three regional training centers located in Chennai, Hyderabad and Bangalore. We use our staff training colleges and regional training centers to train new employees in appraisal skills, customer relations and communication skills. We believe that our in-house training has built up a talent pool that enables us to staff new branches with qualified and skilled personnel as we seek to grow our branch network. Our in-house training capabilities also enable us to improve the skill sets of our existing personnel.

Our Strategy

Our business strategy is designed to capitalize on our competitive strengths and enhance our leading market position. Key elements of our strategy include:

Expand branch network and visibility to maintain our market leadership position

We intend to continue to grow our loan portfolio by expanding our network through the addition of new branches. In order to optimize our expansion, we carefully assess potential markets by analyzing demographic, competitive and regulatory factors, site selection and availability, and growth potential.We have a long-standing presence in southern India, and are among the first organized Gold Loan providers in northern and western India.Our strategy for branch expansion includes further strengthening our market leading position in southern Indian states by providing higher accessibility to customers as well as leveraging our expertise and presence in southern India to enhance our presence in other regions of India, particularly in northern India, where we intend to open branches in most states. We have added 1,128 branches in the last fiscal year and 747 branches between April 01, 2011 and December 31, 2011, and expect this growth trend to continue in the future. At the core of our branch expansion strategy, we expect to penetrate new markets and expand our customer base to include customers who otherwise would rely on the unorganized sector. Moreover, our ethics, values and goodwill, which have established our strong brand, will continue to be important factors in our expansion. In addition to increasing the visibility of our brand by sponsoring events and publicity, we will continue to build trust among our customers and enhance our brand with quality services and safety and security of our customers' collateral.

Target new customer segments

The market for our loan products was traditionally confined to lower and middle income groups, who viewed Gold Loans as an option of the last resort in case of emergency. We intend to undertake sustained marketing efforts to diminish the stigma attached to pledging gold jewellery in India. We plan to work to position Gold Loans as a "lifestyle product" and expand our customer base to include upper-middle income and upper income groups. We intend to emphasize our Gold Loan products' key advantages of expediency and minimal documentation, and alter the image of Gold Loans from an option of the last resort to an option of convenience.

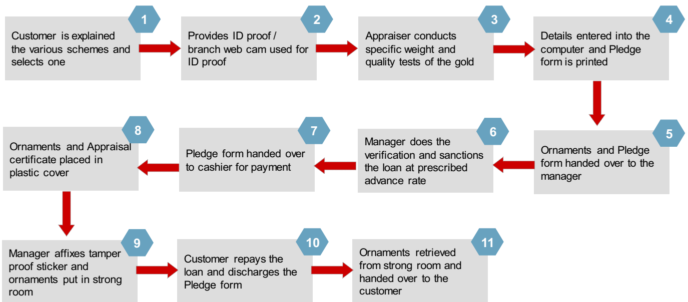
Access low-cost and diversified sources of funds

We source our funds for our Gold Loan business primarily from the proceeds of private placements of debentures in India and from secured and unsecured credit facilities from banks and other financial institutions. We have been assigned a long-term rating of "AA-/Stable" and a short-term rating of "[ICRA]A1+" by ICRA for our ₹ 93,530 million line of credit. We intend to increase our efforts to access low-cost funds through rated debt instruments. In this regard, we have been assigned an "[ICRA]A1+" rating by ICRA for commercial paper and for short-term non-convertible debentures of ₹ 2,000.0 million, and an "A1+" rating by CRISIL for short term debt instruments of ₹ 40,000 million.As of September 30, 2011, the outstanding amount issued under commercial paper and rated short-term non-convertible debentures was ₹ 27,630.4 million. We also intend to raise long-term institutional funding through long-term debt instruments. We have been assigned an "CRISIL AA-/Stable" rating by CRISIL for our ₹ 5,000.0 million non-convertible debentures and our ₹ 1,000.0 million subordinated debt. ICRA has assigned "[ICRA]AA-/Stable" rating for our ₹ 2,000.0 million non-convertible debentures and our ₹ 1,000.0 million subordinated debt. In addition, we intend to expand our program of selling a portion of our receivables under various bilateral assignment agreements with financial institutions. We may also consider the possibility of concluding rated securitization transactions in the future. We intend to increase the levels of our capital adequacy ratios in excess of regulatory requirements and strengthen our balance sheet with a view to have access to other sources of low-cost funds. Furthermore, we also intend to seek strong investments in our Company as another source of funding to expand our business.

Strengthen our operating processes and risk management systems

Risk management forms an integral part of our business as we are exposed to various risks relating to the Gold Loan business. The objective of our risk management systems is to measure and monitor the various risks we are subject to and to implement policies and procedures to address such risks. We intend to continue to improve our operating processes and risk management systems that will further enhance our ability to manage the risks inherent to our business. For example, we have commenced installing offsite surveillance cameras in our branches, and intend to implement this across our branch network. As of December 31, 2011, we had installed surveillance cameras in 2,691 branches across India.

Gold Loan Business



Our core business is disbursement of Gold Loans, which are typically small ticket loans collateralized by gold jewellery. As per our audited financial statements, as of September 30, 2011, we had approximately 5.5 million loan accounts, respectively, representing an aggregate principal balance of ₹ 207,666.2 million. In the period ended September 30, 2011, our retail loan portfolio earned, on average, 1.82% per month, or 21.87% per annum. In the years ended March 31, 2008, 2009, 2010, 2011 and the period ended September 30, 2011 income from interest earned on our Gold Loans constituted 95.97%, 96.71%, 98.08%, 98.75% and 99.01%, respectively, of our total income.

Loan disbursement process

The principal form of collateral accepted by us is gold jewellery. The amount that we finance against the security of gold jewellery is typically based on a fixed rate per gram of gold content in the jewellery. We value the gold jewellery brought by our Gold Loan customers based on our centralized policies and guidelines. We generally lend between 60.0% and 85.0% of the price fixed internally for per gram of gold, which is generally lower than the market price of gold at that time. Within this range, the actual loan amount varies according to the type of jewellery pledged. While jewellery can be appraised based on a variety of factors, such as total weight, weight of gold content, production cost, style, brand and value of any gemstones, we appraise the jewellery collateral solely based on the weight of its gold content. Our Gold Loans are therefore well collateralized because the actual value of the collateral in all cases will be higher than our appraised value.

The amount we lend against an item and the total value of the collaterals we hold fluctuates according to the gold prices. However, an increase in gold price will not result automatically in an increase in our Gold Loan portfolio unless the per gram rate are revised by our corporate office. Similarly, since adequate margins are kept at the time of disbursement of loan, a decrease in the price of gold has little impact on our interest income. However, a sustained decrease in the market price of gold can cause a decrease in the size of our loan portfolio and our interest income.

We rely on the disposition of collateral to recover the principal amount of an overdue Gold Loan and the interest due thereon. We also have recourse against the customer for the loan. Since the disbursement of loans is primarily based on the value of collateral, the customer's creditworthiness is not a factor in the loan decision. However, we comply with 'know your customer' norms adopted by the Board and require proof of identification. We also photograph customers with web-cameras installed in our branches.

All our Gold Loans have terms of 12 months. However, customers may redeem the loan at any time, and our Gold Loans are generally redeemed between 90 and 180 days. Interest is paid only when the principal is repaid. In the event that a loan is not repaid on time and after providing due notice to the customer, the unredeemed collateral is disposed of on behalf of the customer in satisfaction of the principal and all interest charges. In general, a collateral is disposed of only when the recoverable amount is equal to or more than the realizable value of the collateral.

Loan appraisal process

Our Gold Loan approval process is generally linked with the appraisal of gold jewellery that serves as collateral, which takes only a few minutes. Each of our branches is staffed with persons who have been trained and have experience in appraising the gold content of jewellery. The appraisal process begins with weighing the jewellery using calibrated weighing machines. Jewellery is then subject to prescribed primary tests for the quality of gold, including stone tests and acid tests, followed by additional tests, if required, such as salt tests, sound tests, weight tests, pointed scratching tests, flexibility tests, color tests, smell tests, usability tests, magnifying glass tests and finishing tests. Once the jewellery passes these tests, loans are disbursed based on the rates per gram of gold approved by the corporate office, with small levels of discretion given to the branch manager. Although disbursement time may vary depending on the loan ticket size and the number of items pledged, we can generally disburse an average loan ticket size of ₹ 20,000.0 in five minutes from the time the gold is tendered to the appraiser. While our customers are provided the option to accept loan disbursements in cash or by cheque, almost all of our customers prefer disbursements in cash.

At the time of disbursement, an undertaking is signed by the customer. It states the name and address of the Company's relevant branch office and the customer, a detailed description of the gold jewellery provided as collateral, the amount of the loan, the interest rate, the date of the loan, and other terms and conditions.

Where the responsibility for compliance with applicable law relating to loan appraisal and disbursement lies with the Company, the Company is in compliance with the Income Tax Act and other related provisions.

Post-disbursement process

Custody of gold collateral

The pledged gold jewellery are separately packed by staff of the branch, and then placed in a polythene pouch with the relevant documents on the loan and the customer and stored in the safe or strong room of the branch.

The safes and strong rooms in which the gold jewellery is kept are built per industry standards and practices. The strong rooms are vaults with reinforced concrete cement structures. Currently, almost all of our branches are using strong rooms.

Inventory control

The pledged gold jewellery packed in pouches is identified by loan details marked on the cover. Tamper proof stickers are affixed on the jewellery packets to ensure inventory control. Additional stickers are used to seal packets by persons examining packages subsequently, including our internal auditors

Branch security and safety measures

Ensuring the safety and security of the branch premises is vital to our business since our cash reserves and gold inventory are stored in each branch. Our branch security measures mainly comprise the following:

Burglar alarms: Burglar alarms are installed in all branches.

Security guards: Security guards are deployed in branches where management perceived there to be heightened security risks.

Release of the pledge

We monitor our loan accounts and recovery of dues on an ongoing basis. Once a loan is fully repaid, the pledged gold jewellery is returned to the customer. When a customer does not repay a loan on or before its maturity, we initiate the recovery process and dispose of the collateral to satisfy the amount owed to us, including both the principal and the accrued interests. Before starting the recovery process, we inform the customer through registered letters or legal notices.

When a loan is repaid, we give the customer an option to pledge the security again and obtain another loan. The procedure of re-pledging entails the same procedure as that of a pledge and is accompanied by the same mode of documentation that a pledge entails. If the loan is not repaid when the loan falls due, we are able to sell the gold collateral in satisfaction of the amount due to us.

We also reserve the right to sell the collateral even before a loan becomes past due in the event the market value of the underlying collateral is less than amounts outstanding on the loan.

Other Business Initiatives

Money transfer services

We provide fee based services including money transfer and foreign exchange services. As per our audited financial statements, in the years ended March 31, 2008, 2009, 2010, 2011 and six months ended September 30, 2011, our money transfer services business generated ₹ 51.1 million, ₹ 62.9 million, ₹ 64.1 million, ₹ 66.0 million and ₹ 52.0 million, respectively, or 1.39%, 1.01%, 0.59%, 0.28% and 0.26% respectively, of our total income. We act as sub-agents to Indian representatives and enter into representation agreements for inward money transfer remittance. Under these agreements, we are entitled to receive a commission for the services provided depending on the number of transactions or the amount of money transferred and the location from which the money is transferred to us. In terms of applicable law governing the provision of money transfer services in India, as a sub-agent, the Company is not required to obtain any regulatory approvals for engaging in such business.

Collection services

We recently commenced providing collection agency services to clients. We act as collection agents by receiving money for and on behalf of our clients who issue invoices to their customers for goods sold or service rendered. We receive commissions for each invoice for which remittance by a customer is made and money is collected by us. We commenced our collection services business in the last fiscal, and accordingly have not generated any revenues in prior financial years. As per our audited financial statements, for the year ended March 31, 2011 and period ended September 30, 2011, we generated ₹ 4.79 million and ₹ 1.34 million respectively from our collection services business.

Wind mills business

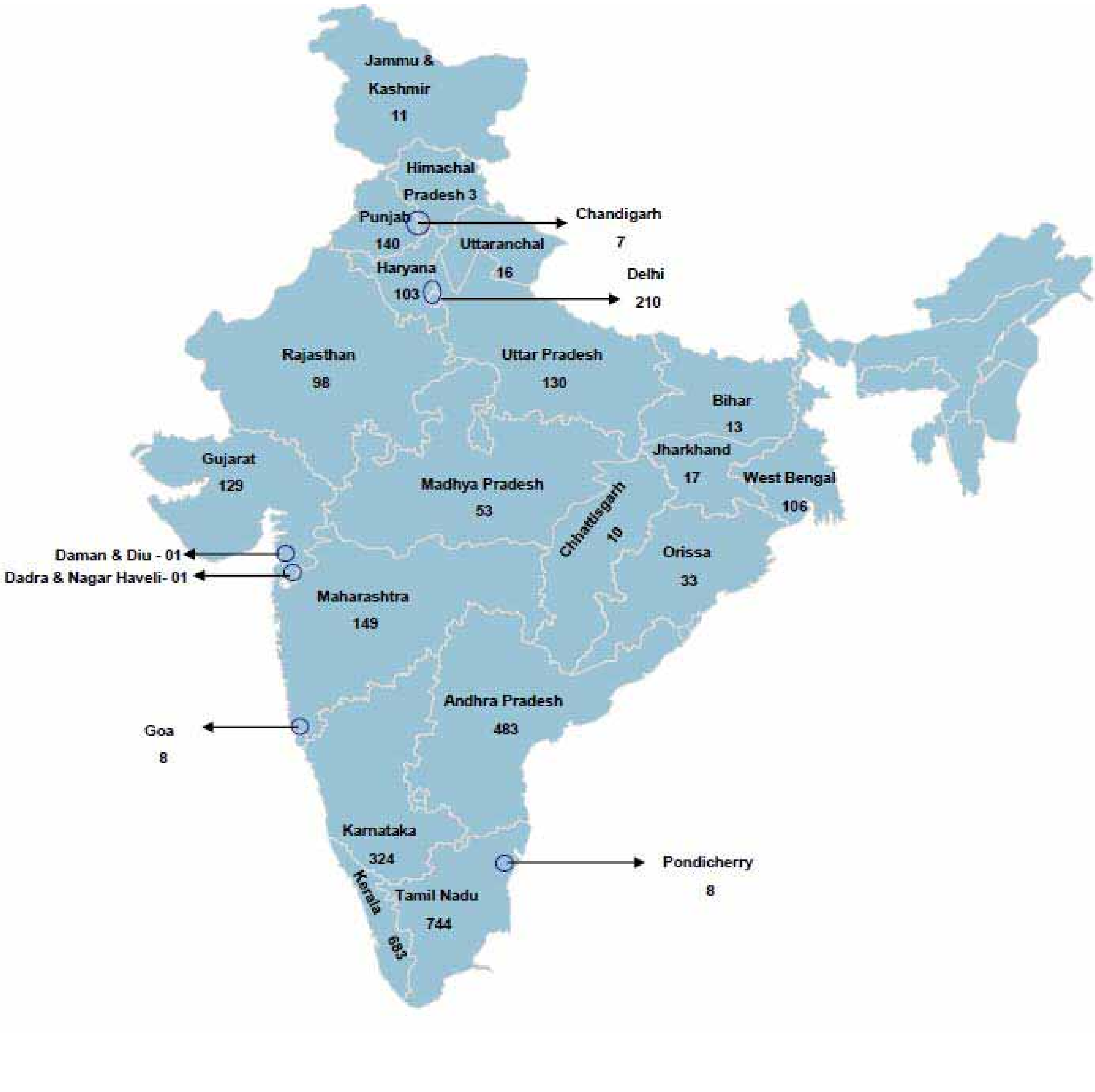
We operate three windmills of 1.25 MW each in the southern Indian state of Tamil Nadu. As per our audited financial statements, in the years ended March 31, 2008, 2009, 2010, 2011 and period ended September 30, 2011, income from our wind mills was ₹ 17.4 million, ₹ 22.1 million, ₹ 25.1 million, ₹ 22.1million and ₹ 15.2 million, respectively, or 0.47%, 0.36%, 0.23%, 0.10% and 0.08%, respectively, of total income.

Branch Network and Customer Service

As of December 31, 2011, we had 3,480 branches located in 20 states, the national capital territory of Delhi and four union territories in India. The distribution of branches across India by region as of March 31, 2008, 2009, 2010, 2011 and as of December 31, 2011 is as set out in the following table:

	As of March 31,				As of December 31, 2011
	2008	2009	2010	2011	
Northern India	56	100	266	488	620
Southern India	602	796	1,119	1,814	2,242
Western India	41	71	166	324	449
Eastern India	8	18	54	107	169
Total Branches	**707**	**985**	**1,605**	**2,733**	**3,480**

A diagrammatic representation of the branch network across India, as of December 31, 2011 is as set out below:



In addition to our branches, we have more than 1,449 customer relation executives in charge of carrying out customer loyalty programs and a Customer Relations Department which provides support over the phone servicing the needs of our customers.

Marketing, Sales and Customer Care

Our marketing and sales efforts centers around promoting our brand and positioning Gold Loans as a "lifestyle product." In promoting our brand, our campaigns focus on the concept of "gold power" to differentiate our products from other financial institutions and stress the convenience, accessibility and expediency of Gold Loans. We also work to position Gold Loans as a "lifestyle product" because the market for Gold Loans was traditionally confined to lower and middle income groups, who viewed such loans as an option of the last resort in case of emergency. We have implemented aggressive marketing strategies to diminish the stigma attached to pledging gold jewellery. Furthermore, we target our efforts at small businessmen, vendors, traders and farmers, who may require credit on a regular basis.

Our sales and marketing efforts are led by a team of 48 managers who guide the marketing and sales efforts of their respective regions and who are supported by more than 233 marketing executives and more than 1,449 customer relation executives. Marketing executives make personal visits and direct their sales efforts at high net-worth clients. Customer relation executives are responsible for product promotion and telemarketing. In addition, we carry out advertising campaigns with TV ads, print ads and road shows to increase the visibility of our brand and our Gold Loans products.

Future Expansion

We have expanded by establishing new locations, and our business strategy is to continue expanding our lending business within our existing geographic markets and into other markets that meet our risk/reward considerations. We have added 1,128 branches in the last fiscal year and 747 branches between April 01, 2011 and December 31, 2011. Our Board believes that such expansion will continue to provide economies of scale in supervision, administration and marketing by decreasing the overall average cost of such functions per branch. By concentrating on multiple lending units in regional and local markets, we seek to expand market penetration, enhance brand recognition and reinforce marketing programs.

A new branch can be ready for business within four to six weeks. The construction of a new location involves construction of secured counters and installation of strong rooms or safe and security systems. Our branches are generally established on leased premises, thus requiring a lower set-up cost. The set-up cost required for furnishing the premises and purchasing equipment generally ranges between ₹ 0.5 million to ₹ 1.5 million

Regional Credit Exposure

The table below sets forth an analysis of our Gold Loan portfolio by region as of March 31, 2008, 2009, 2010, 2011 and September 30, 2011.

(₹ in million; as per our audited financial statements)

	As of March 31,				As of
	2008	**2009**	**2010**	**2011**	**September 30, 2011**
Northern India	2,912.4	4,494.6	10,664.2	23,037.8	32,510.5
Southern India	17,778.5	26,393.2	55,340.6	1,15,788.4	148,182.5
Western India	933.7	1,647.4	5,736.7	13,640.4	19,447.4
Eastern India	165.5	465.4	1,675.8	4,814.2	7,525.7
Total Credit Exposure	**21,790.1**	**33,000.7**	**73,417.3**	**1,57,280.7**	**207,666.2**

Average Gold Loan Outstanding Per Branch

The average gold loan outstanding per branch has increased from ₹ 30.8 million as of March 31, 2008 to ₹ 33.5 million as of March 31, 2009, ₹ 45.7 million as of March 31, 2010, ₹ 57.5 million as of March 31, 2011 and ₹ 63.4 million as of September 30, 2011

Profitability Ratios

The table below sets forth an analysis of yield, interest expense, operating expense, return on retail loan assets, return on equity and earnings per share for the years ended March 31, 2008, 2009, 2010, 2011 and period ended September 30, 2011.

	Years ended March 31,				Period ended
	2008	2009	2010	2011	September 30, 2011
Interest income to average retail loans	19.4%	21.6%	19.9%	19.7%	21.8%
Interest expense to average retail loans	9.7%	11.0%	8.7%	8.8%	10.7%
Net Interest Margin	9.6%	10.6%	11.1%	10.8%	11.1%
Operating expenses to average retail loans	4.5%	5.4%	4.7%	4.3%	4.5%
Profit Before Tax to average retail loans	5.2%	5.3%	6.3%	6.5%	6.6%
Profit After Tax to average retail loans	3.4%	3.4%	4.2%	4.2%	4.4%
Return on Average Equity	34.0%	33.9%	48.1%	51.5%	41.1%
Earnings Per Share(₹)	2.57	3.49	7.59	15.78	11.19

Non-performing Assets (NPAs)

Based on the existing RBI guidelines for asset classification, details of the classification of our gross NPAs as of March 31, 2008, 2009, 2010, 2011 and September 30, 2011:

(₹ in million; as per our audited financial statements)

Asset Type	As of March 31,				As of September 30, 2011
	2008	2009	2010	2011	
Sub-standard [1]	92.6	161.1	324.6	433.8	1,208.2
Doubtful [2]	-	-	18.9	26.3	25.0
Loss [3]	-	-	-	-	-
Gross NPA	92.6	161.1	343.6	460.1	1,233.2

1. Sub-standard assets are assets which have been classified as an NPA for a period of 18 months or less, or where the terms of the agreement regarding interest and/or principal have been renegotiated or rescheduled or restructured after commencement of operations until the expiry of one year of satisfactory performance under the renegotiated or rescheduled or restructured terms.

2. Doubtful assets are assets which have been classified as an NPA for a period exceeding 18 months.

3. Loss assets mean (a) assets which have been identified as a loss asset by us or our internal or external auditor or by the RBI to the extent that they are not written-off by us; and (b) assets which are adversely affected by a potential threat of non-recoverability due to either erosion in the value of security or non-availability of security, or due to any fraudulent act or omission on the part of the customer.

Provisioning policy

Our provisioning in respect of our NPA accounts is in accordance with the norms prescribed by the RBI, with emphasis on the realizable value of the security and the period of overdue payments.

Statutory provisions are required to be made in respect of standard, sub-standard, doubtful and loss assets as per RBI directives. Set out below is a brief description of applicable RBI guidelines on provisioning and write-offs for loans, advances and other credit facilities including bills purchased and discounted:

Standard assets: A general provision of 0.25% of the total outstanding assets classified as standard assets is required to be made.

Sub-standard assets: A general provision of 10.0% of the total outstanding assets classified as sub-standard assets is required to be made.

Doubtful assets: 100.0% provision to the extent to which the advance is not covered by the realizable value of the security to which the NBFC has a valid recourse is required to be made. The realizable value is to be estimated on a realistic basis. In addition to the foregoing, depending upon the period for which the asset has remained doubtful, provision is required to be made as follows:

- if the asset has been considered doubtful for up to one year, provision to the extent of 20.0% of the secured portion is required to be made;
- if the asset has been considered doubtful for one to three years, provision to the extent of 30.0% of the secured portion is required to be made; and
- if the asset has been considered doubtful for more than three years, provision to the extent of 50.0% of the secured portion is required to be made.

Loss assets: The entire asset is required to be written off. If the assets are permitted to remain in the books for any reason, 100.0% of the outstanding assets classified as Loss assets should be provided for.

For further information on RBI guidelines on provisioning and write-offs, please refer the section titled "*Regulations and Policies*" on page 244.

No specific provisions in respect of our NPAs were made as at September 30, 2011. However, as per our audited financial statements, we have written-off ₹ 26.2 million as of September 30, 2011. As per the provisioning norms prescribed by RBI, as per our audited financial statements, as of September 30, 2011, we have made a total provision of ₹ 174.3 million, which constituted 14.1% of our NPAs. Details of provisions and amounts written off as of March 31, 2008, 2009, 2010, 2011 and September 30, 2011 are set out in the table below:

(₹ in million; as per our audited financial statements)

	As of March 31,				As of
	2008	**2009**	**2010**	**2011**	**September 30, 2011**
Gross NPAs	92.6	161.1	343.6	460.1	1,233.1
Provisions	9.3	16.1	37.1	69.6	174.3
Net NPAs	83.3	145.0	306.4	390.5	1,058.9
Net Retail loans	17,921.8	25,559.8	54,298.3	116,820.6	183,529.9
Net NPAs/Net Retail loans (%)	0.46%	0.57%	0.56%	0.33%	0.58%
Gross Retail Loans	22,262.8	33,690.1	74,381.5	158,684.5	209,404.9
Gross NPAs/Gross Retail Loans (%)	0.42%	0.48%	0.46%	0.29%	0.59%
Amounts Written-off	-	-	6.2	18.3	26.2

NPA Recovery

Our credit department assigns interest collection targets for each branch, reviews performance against targets, makes visits to the branches, and advises on timely corrective measures and repossession action. We also have procedures in place to penalize branches for loans overdue beyond three months. We maintain strict control over recovery procedures followed in our various branches by linking employee compensation to the performance of the branch (loans disbursed, NPA levels, etc.,) in which the employee is working.Once repossession is advised by our credit department, we conduct public auctions of the jewellery collateral after serving requisite legal notices.

The following table sets forth information relating to recovery from NPA accounts, written-off accounts and other overdue accounts for the years ended March 31, 2008, 2009, 2010, 2011 and period ended September 30, 2011:

(₹ in million; as per our audited financial statements)

Recoveries From	2008	2009	2010	2011	Period ended September 30, 2011
		Year ended March 31,			
NPA, overdue and written off accounts	221.2	521.2	911.9	551.3	685.7

Capital Adequacy Ratio

We are subject to the capital adequacy requirements of the RBI. With effect from April 1, 2010, RBI has increased the minimum capital adequacy ratio to 12.0% and to 15.0% from March 31, 2011. We maintain a capital adequacy ratio above the minimum levels prescribed by the RBI and had a capital adequacy ratio of 12.56%, 16.30% 14.79%, 15.82% and 18.24% as of March 31, 2008, 2009, 2010, 2011 and September 30, 2011 respectively.

Treasury Operations

Our treasury department undertakes liquidity management by seeking to maintain an optimum level of liquidity and monitors cash and bank balances. The objective is to ensure the sufficient cash reserves at all our branches while at the same time avoid holding cash in excess of what may be required in the ordinary course. Since almost all disbursements are made in cash, we maintain an average of ₹ 0.5 million in cash across our branches. Each regional office has the primary responsibility for directing branches within the region to move surplus funds to deficit branches. If there is a surplus of funds in the region as a whole, such surpluses are deposited in cash credit/overdraft accounts at the corporate level. Deficits at a region level are managed by cash transfers from our treasury department. We monitor cash and balances on daily basis using our management information systems, and have arrangements with various banks for the transfer of bank balances between locations. Cost of movement of cash also is taken into consideration while deciding optimum cash levels in each location. We use a real time gross settlement ("RTGS") facility if the remitting and receiving banks are different, or through internal transfer if both the branches belong to the same bank.

Risk Management

Risk management forms an integral element of our business strategy. As a lending institution, we are exposed to various risks that are related to our gold lending business and operating environment. Our objective in our risk management processes is to appreciate, measure and monitor the various risks we are subject to and to follow the policies and procedures to address these risks.The major types of risk we face are credit risk, operational risk, liquidity risk and market risk (which includes interest rate risk).

Collateral risk

Collateral risk arises from the decline in the value of the gold collateral due to fluctuation in gold prices.This risk is in part mitigated by the 10% to 40% margin we build in to our rate per gram used to calculate the loan amount. Furthermore, we could further reduce this risk because the price of gold jewellery is higher given the production costs, design cost and the gemstones associated with making the item, but we appraise the collateral and fund loans solely based on the weight of its gold content. In addition, the sentimental value of the gold jewellery to the customers may induce repayment and redemption of the collateral even if the value of the collateral falls below the value of the repayment amount.

Credit risk

Credit risk is the possibility of loss due to the failure of any counterparty to abide by the terms and conditions of any financial contract with us. We aim to reduce credit risk through a rigorous loan approval and collateral appraisal process, as well as a strong NPA monitoring and collection strategy. This risk is diminished because the gold jewellery used as a collateral for our loans can be readily liquidated, and there is only a remote possibility of recovering less than the amounts due to us.

Operational risk

Operational risk is broadly defined as the risk of direct or indirect loss due to the failure of systems, people or processes, or due to external events.

We have instituted a series of checks and balances, including an operating manual, and both internal and external audit reviews. Although we disburse loans in very short periods of time, we have clearly defined appraisal methods as well as 'know your customer' compliance procedures in place to mitigate operational risks. Any loss on account of failure by employees to comply with defined appraisal mechanism is recovered out of their variable incentive. We also have detailed guidelines on movement of cash or gold. We have also introduced centralized software which automates inter-branch transactions, enabling branches to be monitored centrally and thus reducing the risk of un-reconciled entries. In addition, we are in the process of installing surveillance cameras across our various branches, and subscribe insurance covers employee theft or fraud and burglary. Our internal audit department and our centralized monitoring systems assist in the management of operational risk.

Market risk

Market risk refers to potential losses arising from the movement in market values of interest rates in our business. The objective of market risk management is to avoid excessive exposure of our earnings and equity to loss and to reduce our exposure to the volatility inherent in financial instruments. The majority of our borrowings, and all the loans and advances we make, are at fixed rates of interest. Our interest rate risk is therefore minimal at present.

Liquidity risk

Liquidity risk is the risk of being unable to raise necessary funds from the market to meet operational and debt servicing requirements. The purpose of liquidity management is to ensure sufficient cash flow to meet all financial commitments and to capitalize on opportunities for business expansion. An Asset and Liabilities Committee ("ALCO") meeting is held regularly to review the liquidity position based on historic data. In addition, we also track the potential impact of prepayment of loans at a realistic estimate of our near to medium-term liquidity position. We have developed and implemented comprehensive policies and procedures to identify, monitor and manage liquidity risks. The nature of our business is such that our source of funds (proceeds from the issue of debentures of term loans) has longer maturities than the loans and advances we make, resulting in low liquidity risk in our operations.

Business cycle risk

Business cycle risk is the risk associated with the seasonal or cyclical nature of a business.As our customers include both individuals and business and our loan products are used by customers in various industries, trade cycles have limited impact on our business.Furthermore, the geographic spread of our branches will allow us to mitigate the cyclical pressures in the economic development of different regions.

Funding Sources

We have depended on term loans from banks and issuance of redeemable non-convertible debentures as the primary sources of our funding. The following table sets forth the principal components of our secured loans as of the periods indicated:

(₹ in million; as per our audited financial statements)

Secured loans	As of March 31				As of September 30,
	2008	2009	2010	2011	2011
Redeemable non-convertible debentures	12,403.3	19,019.8	27,192.5	39,832.3	50,415.4
Redeemable non-convertible debentures (Listed)	-	-	-	2,150.0	8,082.8
Term loans from banks	385.0	468.0	451.0	433.6	424.8
Cash credit from banks including working capital demand loans	5,499.9	10,599.6	17,827.7	59,695.6	75,926.9
Collateralised Borrowing and Lending Obligation from Banks	112.0	-	-	-	-
Total	**18,400.2**	**30,087.5**	**45,471.2**	**102,111.5**	**134,849.9**

We have developed stable long-term relationships with our lenders, and established a track record of timely servicing our debts.

Since our inception, we have relied on the proceeds of secured non-convertible debentures called "Muthoot Gold Bonds" placed through our branches. These debentures are issued on a private placement basis and are subscribed to, mainly by retail investors. We believe that mobilization through this mode is possible on account of our leadership, goodwill, trust, reputation, track record, performance, stability in our business and strong quality asset portfolio. We have been able to mobilize these bonds in the newer geographies that we have entered into as can be seen from the below table:

Mobilisation of bonds	As of March 31,				As of September 30, 2011
	2008	2009	2010	2011	
Southern India	93%	92%	86%	81%	78%
Northern India	5%	6%	9%	12%	13%
Western India	2%	2%	4%	6%	7%
Eastern India	0%	0%	1%	1%	2%
Total	100%	100%	100%	100%	100%
Muthoot Gold Bond Portfolio (₹ In Millions)	**12,403**	**19,019**	**21,792**	**39,832**	**50,415**

We also raise funds by selling our receivables under bilateral assignment agreements with banks. As per our audited financial statements, as of March 31, 2008, 2009, 2010, 2011 and as of September 30, 2011, the outstanding amounts of capital raised from selling our receivables were ₹ 4,341.0 million, ₹ 8,130.2 million, ₹ 20,083.2 million, ₹ 41,863.9 million and ₹ 25,875.0 million, respectively. We have been assigned an "[ICRA]A1+" rating by ICRA for commercial paper and for short-term non-convertible debentures of ₹ 2,000.0 million, and an "A1+" rating by CRISIL for short term debt instruments of ₹ 40,000.0 million. Further, CRISIL has assigned "AA-/Stable" to our ₹ 5,000.0 million non-convertible debentures and to our ₹ 1,000.0 million subordinated debt. ICRA has assigned "[ICRA]AA-/Stable" rating for our ₹ 2,000.0 million non-convertible debentures and our ₹ 1,000.0 million subordinated debt. Further, ICRA has assigned a long term rating of "[ICRA]AA-/Stable" and a short term rating of "[ICRA]A1+" to our ₹ 93,530 million line of credit.

We also raise capital by issuing shares from time to time, particularly to various institutional investors.

Asset and Liability Management

ALCO monitors and manages our asset and liability mix. Most of our liabilities are short-to-medium-term and assets are short-term. We may in the future decide to pursue loan products with longer term maturities. We have a structural liquidity management system which measures our liquidity positions on an ongoing basis and also scrutinizes the reasons behind liquidity requirements evolving under different assumptions. For measuring net funding requirements, we prepare regular maturity gap analyses and use a maturity ladder to calculate the cumulative surplus or deficit of funds at selected maturity dates. Based on this analysis we re-price its assets and liabilities.

Technology

We use information technology as a strategic tool for our business operations to improve our overall productivity and efficiency. We believe that through our information systems currently in place, we are able to manage our nationwide operations efficiently, market effectively to our target customers, and effectively monitor and control risks. We believe that this system has improved customer service by reducing transaction time and has allowed us to manage loan-collection efforts better and to comply with regulatory record-keeping and reporting requirements.

As of December 31, 2011, all our branches are computerised. Our business does not require a real time connection to a central server since a customer must necessarily return to the same branch to redeem the gold jewellery collateral. At the close of each Working Day, all our branches send records of transactions to a central server through file transfer protocols for branch data to be consolidated. In the case of inter-branch reconciliation, branches connect to our central server from time to time, and relevant data is transferred between the branches. At the branch level, we have automated systems to backup data in all client machines in the branch. In addition, we back-up our central database.

Security threats and measures

The security threats we face can be broadly classified as external and internal threats. The principal security risks to our operations are robbery (external threat) and employee theft or fraud (internal threat). We have extensive security and surveillance systems and dedicated security personnel to counter external security threats. To mitigate internal threats, we undertake careful pre-employment screening, including obtaining references before appointment. We also have installed management information systems to minimize the scope for employee theft or fraud. We also have started installing offsite surveillance cameras across our branches, which will be connected to a centrally located database and allow the corporate office to remotely monitor the branches.

To protect against robbery, all branch employees work behind wooden, glass and steel counters, and the back office, strong-room and computer areas are locked and closed to customers. Each branch's security measures include strong rooms with concrete walls, strong room door made of iron bars, burglary alarm systems, controlled entry to teller areas, and the tracking of employee movement in and out of secured areas. While we provide around the clock armed security guards for risk prone branches, the majority of our branches do not require security guards as the gold jewellery are stored securely in strong rooms.

Since we handle high volumes of cash and gold jewellery at our locations, daily monitoring, spot audits and immediate responses to irregularities are critical to our operations. We have an internal auditing program that includes unannounced branch audits and cash counts at randomly selected branches. We have an internal audit team of 940 persons who conduct audits on branches either weekly or fortnightly or monthly depending on the size of the branch.

Competition

Although the business of making loans secured by gold is a time-honored industry (unorganized pawn-broking shops being the main participants), the Gold Loan industry in India remains very fragmented. Our Board believes that we can achieve economies of scale and increased operating efficiencies by increasing the number of branches under operation and utilizing modern point-of-sale systems and proven operating methods. We operate in largely un-tapped markets in various regions in India where banks operate actively in the Gold Loan business. We compete with pawnshops and financial institutions, such as consumer finance companies. Other lenders may lend money on an unsecured basis, at interest rates that may be lower than our service charges and on other terms that may be more favorable than ours. We believe that the primary elements of competition are the quality of customer service and relationship management, branch location and the ability to loan competitive amounts at competitive rates. In addition, we believe the ability to compete effectively will be based increasingly on strong general management, regional market focus, automated management information systems and access to capital.

Our main competition is from Manappuram Finance Limited, various Kerala based banks, including Federal Bank, South Indian Bank and Catholic Syrian Bank, and from other Gold Loan NBFCs, including deposit accepting NBFCs.

Insurance Coverage

We maintain insurance coverage on all our assets located at our head office and on all our movable assets in branch premises owned by us against fire, earthquake and related perils. We also maintain insurance against burglaries at our head office and at our branches, and against loss by riots, strikes or terrorist activities, cash in transit and employee theft. We maintain special contingency insurance covering gold in transit, gold in branches and cash in transit against burglary. Our insurance policies are generally annual policies that we renew regularly.

Employees

As of December 31, 2011 we employed 23,219 persons in our operations. Our employee strength has grown to its present size from 3,999 persons as of March 31, 2008, 5,979 persons as of March 31, 2009, 9,745 persons as of March 31, 2010 and 16,688 persons as of March 31, 2011. None of our employees is represented by a labour union, and we believe that our relations with our employees are good.

Remuneration to our employees comprises a fixed component as well as variable pay. Variable pay consists of direct incentives and shared incentives. Our direct and shared incentives are linked to performance targets being achieved by employees and branches. We have an annual performance appraisal system for all employees. Annual increments are awarded only for employees who meet minimum performance standards in their job.

Training

Our ability to timely appraise the quality of the gold jewellery collateral is critical to the business, and requires us to employ persons possessing specialized skill sets in our various branches. We provide extensive training to our branch employees through training programs that are tailored to appraising the gold content in gold jewellery. A new employee is introduced to the business through an orientation program and through training programs covering job-appropriate topics. The experienced branch employee receives additional training and an introduction to the fundamentals of management to acquire the skills necessary to move into management positions within the organization. Manager training involves a program that includes additional management principles and more extensive training in topics such as income maximization, business development, staff motivation, customer relations and cost efficiency. We have two staff training colleges, one each in Cochin and in New Delhi, and three regional training centers located in Chennai, Hyderabad and in Bangalore, and we are in the process of establishing staff training colleges at our other regional locations.

Litigation

Except as disclosed elsewhere in this Prospectus, we have no material litigation pending against us, our Promoters or Directors. For details, please see the section titled "*Outstanding Litigation and Material Developments*".

Intellectual Property Rights

The brand and trademark "Muthoot", as also related marks and associated logos ("**Muthoot Trademarks**") are currently registered in the name of our Company. Our Company proposes to register the Muthoot Trademarks jointly in the name of our Promoters through a rectification process or an assignment (or irrevocably grant ownership rights by alternate, legally compliant means).For further details see "*Risk Factors*" on page 8.

Property

Our registered and corporate office is located in Ernakulam, Kerala, is owned by us. We acquired land in New Delhi, and constructed an office building to serve as an administrative base for our operations in the northern, eastern and western states of India. Except for 14 branch offices, which are owned by us, all our other branch offices are located at premises leased or licensed to us. We also own 26 guest houses all across India for use by our employees. We also hold 13 other properties used for various purposes by the Company.

HISTORY AND MAIN OBJECTS

Brief background of our Company

Our Company was originally incorporated as a private limited company on March 14, 1997 with the name "The Muthoot Finance Private Limited" under the Companies Act.Subsequently, by fresh certificate of incorporation dated May 16, 2007, our name was changed to "Muthoot Finance Private Limited".The Company was converted into a public limited company on November 18, 2008 with the name "Muthoot Finance Limited" and received a fresh certificate of incorporation consequent upon change in status on December 02, 2008 from the RoC.

Our Company has obtained a certificate of registration dated December 12, 2008 bearing registration no. N. 16.00167 issued by the RBI to carry on the activities of a non-banking financial company without accepting public deposits under section 45 IA of the RBI Act, 1934.

Registered office

The registered office of our Company is located at Muthoot Chambers, 2nd Floor, Opposite Saritha Theatre Complex, Banerji Road, Kochi 682 018, India.

Amalgamation of Muthoot Enterprises Private Limited with our Company

Our Company, along with Muthoot Enterprises Private Limited, filed a composite scheme of arrangement bearing C.P. Nos. 48 and 50 of 2004 under the Companies Act before the High Court of Kerala ("**Scheme of Amalgamation**"). The Scheme of Amalgamation was approved by the board of directors of our Company through the board resolution dated April 28, 2004.

Pursuant to the approval of the Scheme of Amalgamation by the High Court of Kerala by an order dated January 31, 2005, Muthoot Enterprises Private Limited was merged with our Company, with effect from April 01, 2004 and the High Court of Kerala had instructed all the parties to comply with the statutory and other legal requirements to make the Scheme of Amalgamation effective.

The company on March 22, 2005 filed a certified copy of the order of the High Court of Kerala with the RoC. With the successful implementation of the Scheme of Amalgamation, the undertaking of Muthoot Enterprises Private Limited along with its assets and liabilities was transferred to and vested in our Company.

Demerger of Radio Business

Our Company filed a scheme of de-merger dated March 17, 2010 under Sections 391 to 394 of the Companies Act, with the High Court of Kerala at Ernakulam for the demerger of the radio business of the Company to Muthoot Broadcasting Private Limited. By an order dated April 09, 2010, the High Court of Kerala sanctioned the scheme of demerger.In terms of the scheme of demerger, all existing properties, rights, powers, liabilities and assets as detailed in the scheme, duties of the radio business of the Company, have been transferred to Muthoot Broadcasting Private Limited with effect from January 01, 2010, which was the appointed date as per the scheme of arrangement.Further, in terms of the order, all proceedings pending by or against the Company relating to radio business will be continued by or against Muthoot Broadcasting Private Limited.Thereafter, pursuant to order of the Ministry of Information and Broadcasting dated July 20, 2010, the Company obtained approval for the transfer of the FM radio licence to Muthoot Broadcasting Private Limited subject to certain conditions.

Change in registered office of our Company

At the time of incorporation, the registered office of the company was situated at Supremo Complex, Toll Junction, Edapally, Kochi 682 024. With effect from November 20, 2001, the registered office of the Company was shifted to its present registered office, at Muthoot Chambers, 2nd Floor, Opposite Saritha Theatre Complex, Banerji Road, Kochi 682 018, India, for administrative convenience.

Key events, milestones and achievements

Year	Particulars
2001	RBI license obtained to function as an NBFC.
2004	Obtained highest rating of F1 from Fitch Ratings for short term debt of ₹ 200 million.
2005	▪ Retail loan and debenture portfolio of the Company exceeds ₹ 5 billion. ▪ Merger of Muthoot Enterprises Private Limited with the Company. ▪ F1 rating obtained from Fitch Ratings affirmed with an enhanced short term debt of ₹ 400 million.
2006	▪ Retail loan and debenture portfolio crosses ₹ 7 billion and ₹ 6 billion respectively. ▪ Overall credit limits from banks crosses ₹ 1 billion.
2007	▪ Retail loan portfolio of the Company crosses ₹ 10 billion. ▪ RBI accords status of Systemically Important ND-NBFC. ▪ Branch network of the Company crosses 500 branches. ▪ Net owned funds of the Company crosses ₹ 1 billion.
2008	▪ Retail loan and debenture portfolio crosses ₹ 20 billion and ₹ 10 billion respectively. ▪ Net owned funds of the Company crosses ₹ 2 billion. ▪ F1 rating obtained from Fitch Ratings affirmed with an enhanced short term debt of ₹ 800 million. ▪ Overall credit limits from lending banks crosses ₹ 5 billion. ▪ Conversion of the Company into a public limited company. ▪ Fresh RBI license obtained to function as an NBFC without accepting public deposits, consequent to change in name.
2009	▪ Retail loan and debenture portfolio crosses ₹ 30 billion and ₹ 15 billion respectively. ▪ Net owned funds of the Company crosses ₹ 3 billion. ▪ Gross annual income crosses ₹ 5 billion. ▪ Overall credit limits from lending banks crosses ₹ 10 billion. ▪ Branch network of the Company crosses 1,000 branches.
2010	▪ Retail loan and debenture portfolio crosses ₹ 74 billion and ₹ 27 billion respectively. ▪ Net owned funds of the Company crosses ₹ 5 billion. ▪ Overall credit limits from lending banks crosses ₹ 20 billion. ▪ ICRA assigns 'A1+' rating for short term debt of ₹ 2 billion. ▪ CRISIL assigns 'P1+' rating for short term debt of ₹ 4 billion. ▪ Branch network of the Company crosses 2,000 branches. ▪ Demerger of the FM radio business into Muthoot Broadcasting Private Limited. ▪ Private equity investment of an aggregate of ₹ 1,575.45 million from Matrix Partners India Investments, LLC and Baring India Private Equity Fund III Limited. ▪ Private equity investment of an aggregate of ₹ 425.83 million from Kotak India Private Equity Fund and Kotak Investment Advisors Limited. ▪ Private equity investment of an aggregate of ₹ 555.57 million from Matrix Partners India Investments, LLC and The Wellcome Trust Limited (as trustee of The Wellcome Trust, United Kingdom).
2011	▪ Retail loan and debenture portfolio crosses ₹ 158 billion and ₹ 39 billion respectively. ▪ CRISIL assigns "AA-/Stable" rating for ₹ 4 billion non convertible debenture issue. ▪ CRISIL assigns "AA-/Stable" rating for ₹ 1 billion subordinated debts issue. ▪ ICRA assigns long term rating of "LAA-/Stable" and short term rating of "A1+" for ₹ 60 billion line of credit of the Company. ▪ Branch network crossed 2,700 branches. ▪ Overall credit limits from lending banks crosses ₹ 72 billion. ▪ Raised ₹ 9,012.50 million through a public issue of 51,500,000 Equity Shares. ▪ Listing of Equity Shares in BSE and NSE. ▪ Raised ₹ 6.93 billion through a public issue of 6.93 million secured non-convertible debentures under Series I.
2012	▪ Raised ₹ 4.59 billion through a public issue of 4.59 million secured non-convertible debentures under Series II.

Main objects of our Company

The main objects of our Company as contained in our Memorandum of Association are:

- To carry on the business of money lending and financing, whether by making loans or advances or by purchasing, discounting or accepting bills of exchange, promissory notes or other negotiable instruments or by giving guarantees or otherwise, for any industrial, trade, commercial, agricultural or economic activities of individuals, firms, companies, associations of persons or bodies of individuals, whether incorporated or not.

- To carry on the business as acceptance houses, confirming houses, venture capital funds, merchant bankers, underwriters or investors. However, the Company shall not carry on the business of banking as defined under the Banking Regulation Act, 1949.

- To carry on the business of marketing and dealing of financial products.

- To engage in micro finance activities and thereby provide financial assistance to that segment of the population belonging to the rural and urban poor so as to enable them to engage themselves in productive ventures and thus uplift their overall well being.

OUR MANAGEMENT

Board of Directors

The general superintendence, direction and management of our affairs and business are vested in our Board of Directors. We have not appointed any 'manager' within the meaning thereof under the provisions of the Act.

Under the Articles of Association, we are required to have not less than three Directors and not more than 12 Directors. We currently have 8 Directors on the Board out of which 4 Directors, i. e. 50% of the total strength of Directors are independent directors.

Details relating to Directors

Name, Designation, Age and DIN	Nationality	Date of Appointment	Address	Other Directorships
M. G. George Muthoot Age: 62 Whole Time Director and Chairman Director Identification Number: 00018201	Indian	April 01, 2010	Muthoot House G 74, East of Kailash New Delhi 110 065	1. Muthoot Gold Funds Limited 2. M.G.M Muthoot Medical Centre Private Limited 3. Muthoot Farms India Private Limited 4. Muthoot Vehicle & Asset Finance Limited 5. Muthoot Broadcasting Private Limited 6. Emgee Board and Paper Mills Private Limited 7. Muthoot M George Chits (India) Limited 8. Marari Beach Resorts Private Limited 9. Muthoot Securities Limited 10. Muthoot Commodities Limited 11. Muthoot M George Institute of Technology 12. Dukanvadi Plantations Private Limited 13. Kunkeshwar Plantations Private Limited 14. Muthoot Homefin (India) Limited 15. Muthoot Precious Metals Limited
George Thomas Muthoot Age: 61 Whole Time Director Director Identification Number: 00018281	Indian	April 01, 2010	Muthoot House House No. 9/324 A, Miss East Lane, Baker Junction, Kottayam Kerala 686 001	1. Emgee Muthoot Benefit Fund (India) Limited 2. Muthoot Leisure and Hospitality Services Private Limited 3. M.G.M Muthoot Medical Centre Private Limited 4. Muthoot Holiday Homes and Resorts

Name, Designation, Age and DIN	Nationality	Date of Appointment	Address	Other Directorships
				Private Limited 5. Muthoot Vehicle & Asset Finance Limited 6. Unisom Rubber and Plantations Private Limited 7. Muthoot Broadcasting Private Limited 8. Muthoot M George Chits (India) Limited 9. Muthoot Travelsmart Private Limited 10. Muthoot Investment Advisory Services Private Limited 11. Marari Beach Resorts Private Limited 12. Venus Diagnostics Limited 13. Adams Properties Private Limited 14. Muthoot M George Institute of Technology 15. Avalegaon Plantations Private Limited 16. Juyathi Plantations Private Limited 17. Muthoot Homefin (India) Limited 18. Muthoot Precious Metals Limited
George Jacob Muthoot Age: 59 Designation: Whole Time Director Director's Identification Number: 00018235	Indian	April 01, 2010	Muthoot House House No. TC/4/25154 Marappalam, Pattom P. O. Thiruvananthapuram Kerala 695 004	1. Geo Bros Muthoot Funds (India) Limited 2. Muthoot Leisure and Hospitality Services Private Limited 3. Muthoot Infotech Private Limited 4. Muthoot Insurance Brokers Private Limited 5. Muthoot Exchange Company Private Limited 6. M.G.M Muthoot Medical Centre Private Limited 7. Muthoot Holiday Homes and Resorts Private Limited 8. Muthoot Marketing Services Private Limited 9. Muthoot Vehicle & Asset Finance Limited 10. Muthoot Broadcasting Private Limited 11. Muthoot Systems and Technologies Private Limited

Name, Designation, Age and DIN	Nationality	Date of Appointment	Address	Other Directorships
				12. Emgee Board and Paper Mills Private Limited 13. Muthoot M George Chits (India) Limited 14. Marari Beach Resorts Private Limited 15. Muthoot Developers Private Limited 16. Udeli Rubber and Plantations Private Limited 17. Venus Diagnostics Limited 18. Muthoot Securities Limited 19. Muthoot Commodities Limited 20. Adams Properties Private Limited 21. Oxbow Properties Private Limited 22. Muthoot Global Money Transfers Private Limted 23. Muthoot M George Institute of Technology 24. Kanedi Plantations Private Limited 25. Kharepaten Plantations Private Limited 26. Muthoot Homefin (India) Limited 27. Muthoot Precious Metals Limited 28. Muthoot Anchor House Hotels Private Limited
George Alexander Muthoot Age: 56 Managing Director Director Identification Number: 00016787	Indian	April 01, 2010	Muthoot House G 343, Panampilly Nagar, Ernakulam Kerala 682 036	1. Muthoot M George Permanent Fund Limited 2. Muthoot Infotech Private Limited 3. Muthoot Exchange Company Private Limited 4. M.G.M Muthoot Medical Centre Private Limited 5. Muthoot Insurance Brokers Private Limited 6. Muthoot Vehicle & Asset Finance Limited 7. Muthoot Broadcasting Private Limited 8. Muthoot Systems and Technologies Private Limited

Name, Designation, Age and DIN	Nationality	Date of Appointment	Address	Other Directorships
				9. Muthoot M George Chits (India) Limited 10. Marari Beach Resorts Private Limited 11. Adams Properties Private Limited 12. Rangana Rubber and Plantations Private Limited 13. Maneri Rubber and Plantations Private Limited 14. Amboli Rubber and Plantations Private Limited 15. Unix Properties Private Limited 16. Oxbow Properties Private Limited 17. Muthoot Developers Private Limited 18. Venus Diagnostics Limited 19. Muthoot Securities Limited 20. Muthoot Commodities Limited 21. Sawanthavadi Rubber And Plantation Private Limited 22. Muthoot Marketing Services Private Limited 23. Muthoot M George Institute of Technology 24. Moroshi Plantations Private Limited 25. Varavade Plantations Private Limited 26. Muthoot Homefin (India) Limited 27. Muthoot Precious Metals Limited 28. Muthoot Anchor House Hotels Private Limited
P. George Varghese Age: 62 Independent Director Director's Identification Number: 00317319	Indian	January 23, 2008.	9B, Amber Park, Canon Shed Road, Cochin, Kerala 682 011	1. FCI OEN Connectors Limited 2. FCI Technology Services Limited 3. Geomaths Stocks & Shares Trading Private Limited 4. Yoj-Ujar Stocks & Shares Trading Private Limited 5. Prima Components Limited 6. Prime Business Private Limited 7. Fina Corporate Solutions &

Name, Designation, Age and DIN	Nationality	Date of Appointment	Address	Other Directorships
				Technologies Private Limited
K. John Mathew Age: 78 Independent Director Director's Identification Number: 00371128	Indian	January 23, 2008	1445, Kattapurath 41 Division, Veekshanam Road, Kochi Corporation, Ernakulam Kerala 682 018	Nil
John K. Paul Age: 58 Independent Director Director Identification Number: 00016513	Indian	July 21, 2010	Kuttukaran House St Benedict Road, Ernakulam Kerala 682 018	1. Popular Vehicles and Services Limited 2. Popular Kuttukaran Cars Private Limited 3. Popular Auto Dealers Private Limited 4. Popular Auto Spares Private Limited 5. Popular Autoworks Private Limited 6. Prabal Motors Private Limited 7. Keracon Equipments Private Limited
George Joseph Age: 61 Independent Director Director Identification Number: 00253754	Indian	July 21, 2010	1/362, Melazhakath House, Alanickal Estate Road, Arakulam P.O.,Idukki district Kerala 685 591	Wonderla Holiday Private Limited

Profile of Directors

M.G. George Muthoot

M.G. George Muthoot is a graduate in engineering from Manipal University, and is a businessman by profession. He is the National Executive Committee Member of the Federation of Indian Chamber of Commerce and Industry ("**FICCI**") and the current Chairman of FICCI-Kerala State Council. He was conferred the Mahatma Gandhi National Award for social service for the year 2001 by the Mahatma Gandhi National Foundation. He is an active member of various social organisations including the Delhi Malayalee Association, Kerala Club, Rotary Club, National Sports Club and has been chosen for several awards by the Rotary International and the Y's Mens International for community development and social service. He has been the member of the Managing Committee of Malankara Orthodox Syrian Church for over 31 years and is presently the lay trustee of the Malankara Orthodox Syrian Church and a member of the working committee of the Indian Orthodox Church. Recently, he was conferred the HH Baselios Mathew I Award by Catholicate of the Syrian Orthodox Church Mathews the First Foundation for the year 2008 for his services to the Church.

George Thomas Muthoot

George Thomas Muthoot is a businessman by profession. He is an undergraduate. He has over 30 years of experience in managing businesses operating in the field of financial services.

George Jacob Muthoot

George Jacob Muthoot has a degree in civil engineering from Manipal University and is a businessman by profession. He is a member of the Trivandrum Management Association, the Confederation of Real Estate Developers Association of India (Trivandrum) and the Trivandrum Agenda Task Force. He is also a member of the Rotary Club, Trivandrum (South), governing body member of the Charitable and Educational Society of Trivandrum Orthodox Diocese, Ulloor, Trivandrum, Finance Committee Member, Mar Diocese College of Pharmacy, Althara, Trivandrum and Mar Gregorious Orthodox Christian Mercy Fellowship, Trivandrum. He has over 30 years of experience in managing businesses operating in the field of financial services

George Alexander Muthoot

George Alexander Muthoot is a chartered accountant who qualified with a first rank in Kerala and ranked 20th overall in India, in 1978. He has a bachelor degree in Commerce from Kerala University where he was a rank holder and gold medalist. He was also awarded the Times of India group Business Excellence Award in customised Financial Services in March 2009. He served as the Chairman of the Kerala Non-banking Finance Companies Welfare Association from 2004 to 2007 and is currently its Vice Chairman. He is also the Member Secretary of Finance Companies Association, Chennai. He is the founder member for The Indus Entrepreneurs International, Kochi Chapter and is now a member of the Core Committee of The Indus Entrepreneurs International Kochi Chapter. He has over 30 years of experience in managing businesses operating in the field of financial services

K. John Mathew

K. John Mathew is a graduate in law from the Government Law College, Ernakulam and is a retired judge of the High Court of Kerala. He has served as the Chairman of the Cochin Stock Exchange and was a SEBI nominee director of the Cochin Stock Exchange from 2002 to 2007. He is currently the President of the Peoples Council for Social Justice, Kerala.

P. George Varghese

P. George Varghese is a graduate in mechanical engineering from Kerala University and holds a masters degree in business administration from Cochin University of Science and Technology. He is the managing director of FCI OEN Connectors Limited and FCI Technology Services Limited. He is a trustee of the IMA Blood Bank, Kochi and is a member of the governing council of DC School of Management and Technology. He has served as the vice-president of the Kerala Management Association from 2006 to 2007 and has been on the managing committee of the Indo American Chamber of Commerce from 1992 to 1999. He is also a member of the CII-Kerala.

John K Paul

John K Paul is a graduate in engineering from the Regional Engineering College, Kozhikode and a businessman by profession. He is a director of Popular Automobiles Limited, Popular Vehicles & Services Limited, in Kerala and of Popular Mega Motors (India) Limited, the dealer for TATA Commercial Vehicles. He is trustee of the Kuttukaran Institute for HRD, which is a leading institution offering professional courses. He was the president of the Kerala Chamber of Commerce and Industry from 2005 to 2006. He was also the president of both the Kerala Hockey Association from 2005 onwards and the Ernakulam District Hockey Association from 2004 onwards.

George Joseph

George Joseph is a first rank holder commerce graduate from Kerala University. He is also a certified associate of the Indian Institute of Banking and Finance. He is the former chairman and managing director of Syndicate Bank. He joined Syndicate Bank as an executive director on April 01, 2006 and was elevated to the post of Chairman and Managing Director on August 02, 2008 and subsequently retired from office on April 30, 2009. Before joining the Syndicate Bank, George Joseph was employed with Canara Bank for over 36 years.

Remuneration of the Directors

Terms and Conditions of Employment of Executive Directors

M. G. George Muthoot was appointed for a period of 5 years, with effect from April 01, 2010 as the Whole-Time Director of the Company by a resolution of the Board dated March 01, 2010, approval of the members dated July 21, 2010 and duly executed employment agreement with the Company dated March 31, 2010.

The remuneration paid to M. G. George Muthoot for Fiscal 2011 is ₹ 48,000,000.

George Thomas Muthoot was appointed for a period of 5 years, with effect from April 01, 2010 as the Whole-Time Director of the Company by a resolution of the Board dated March 01, 2010, approval of the members dated July 21, 2010 and duly executed employment agreement with the Company dated March 31, 2010.

The remuneration paid to George Thomas Muthoot for Fiscal 2011 is ₹ 48,000,000.

George Jacob Muthoot was appointed for a period of 5 years, with effect from April 01, 2010 as the Whole-Time Director of the Company by a resolution of the Board dated March 01, 2010, approval of the members dated July 21, 2010 and duly executed employment agreement with the Company dated March 31, 2010.

The remuneration paid to George Jacob Muthoot for Fiscal 2011 is ₹ 48,000,000.

George Alexander Muthoot was appointed for a period of 5 years, with effect from April 01, 2010 as the Managing Director of the Company by a resolution of the Board dated March 01, 2010, approval of the members dated July 21, 2010 and duly executed employment agreement with the Company dated March 31, 2010.

The remuneration paid to George Alexander Muthoot for Fiscal 2011 is ₹ 48,000,000.

The general terms of the employment agreements executed by the Company with the Managing Director and each of the Whole-Time Directors are as under:

S No.	Category	Description
		Remuneration
1.	Basic salary	₹ 1,000,000 per month with such increments as may be decided by the Board from time to time, subject to a ceiling of 25% per annum.
2.	Special allowance	₹ 1,000,000 per month with such increments as may be decided by the Board from time to time, subject to a ceiling of 25% per annum.
3.	Annual performance incentive	₹ 18,000,000 per annum or 1% of profit before tax before charging annual performance incentive whichever is higher, payable quarterly or at other intervals, subject to a maximum amount as may be decided by the Board from time to time.
		Perquisites
1.	Residential accommodation	Company's owned / hired / leased accommodation or house rent allowance @ 50% of the basic salary in lieu of Company provided accommodation.
2.	Expenses relating to residential accommodation	Reimbursement of expenses on actuals, pertaining to gas, fuel, water, electricity and telephones as also reasonable reimbursement of upkeep and maintenance expenses in respect of residential accommodation.
3.	Others	Other perquisites such as furnishing of residential accommodation, security guards at residence, attendants at home, reimbursement of medical expenses for self and family, travelling expenses, leave travel allowance for self and family, club fees, personal accident insurance, provident fund contribution and superannuation fund, gratuity contribution, encashment of earned/privilege leave, cars and conveyance facilities, provision for driver or driver's salary and other policies and benefits that may be introduced from time to time by the Company shall be provided to the whole time Director and Managing Director as per the rules of the Company subject to approval of

		the Board.

Terms and Conditions of Employment of Non-Executive Directors

Subject to powers conferred under Article 105 and 106 of the Articles of Association and pursuant to a resolution passed at the meeting of the Board of the Company on July 23, 2010 a sitting fees of ₹ 10,000 is payable to Non-Executive Directors for attending each meeting of the Board and a sitting fees of ₹ 5,000 is payable to Non-Executive Directors for attending each meeting of a Committee. Further, if any Director is called upon to advice the Company as an expert or is called upon to perform certain services, the Board is entitled to pay the director such remuneration as it thinks fit. Save as provided in this section, except for the sitting fees and any remuneration payable for advising the Company as an expert or for performing certain services, our non-executive directors are not entitled to any other remuneration from the Company.

In accordance with the resolution of the members dated July 21, 2010, the Directors (excluding the Managing Director and Whole Time Directors) are entitled to, as Commission, an aggregate sum not exceeding 1% per annum of the net profits of the Company calculated in accordance with the provisions of the Act. Subject to the above, payments and distribution amongst the Directors shall be at the discretion of the Board and such payments are payable in respect of the profits of the Company for each year of the period of five years commencing from August 01, 2010.

Borrowing powers of the Board

Pursuant to a resolution passed by the shareholders at the AGM held on September 28, 2011, in accordance with the provisions of the Companies Act, our Board has been authorised to borrow sums of money for the business of the Company, whether unsecured or secured, in Indian or foreign currency, or by way of issue of debentures/bonds or any other securities, from time to time, from any banks/financial institutions or any other institutions(s), firms, body corporate(s) or other persons, in India or abroad, apart from temporary loans obtained/ to be obtained from the Company's bankers in the ordinary course of business, provided that the sum(s) so borrowed under this resolutions and remaining outstanding at any time shall not exceed the aggregate of ₹ 500,000 million in excess of and in addition to the paid up capital and free reserves of the Company for the time being.

Interest of the Directors

All our Directors, including Independent Directors, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof, to the extent of other remuneration and reimbursement of expenses payable to them pursuant to our Articles of Association. In addition, save for our Independent Directors, our Directors would be deemed to be interested to the extent of interest receivable on loans advanced by the Directors, rent received from the Company for lease of immovable properties owned by Directors and to the extent of remuneration paid to them for services rendered as officers of the Company.

Our Directors may also be deemed to be interested to the extent of Equity Shares, if any, held by them and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares. Our Directors, excluding independent directors, may also be regarded as interested in the Equity Shares, if any, held by the companies, firms and trusts, in which they are interested as directors, members, partners or trustees and promoters.

Some of our Directors may be deemed to be interested to the extent of consideration received/paid or any loans or advances provided to any body corporate, including companies, firms, and trusts, in which they are interested as directors, members, partners or trustees. For details, refer "*Financial Information*" beginning on page 142.

Except as disclosed hereinabove and the section titled "*Risk Factors*" on page 8, the Directors do not have an interest in any venture that is involved in any activities similar to those conducted by the Company.

Except as stated in the section titled 'Financial Information' and to the extent of compensation and commission if any, and their shareholding in the Company, our Directors do not have any other interest in our business.

Our Directors have no interest in any property acquired or proposed to be acquired by the Company in the preceding two years of filing this Prospectus with the Designated Stock Exchange nor do they have any interest in any transaction regarding the acquisition of land, construction of buildings and supply of machinery, etc. with respect to the Company.

M.G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot, are our Promoters as well as Non-Independent, Executive Directors.

Debenture/Subordinated Debt holding of Directors:

Details of the debentures/subordinated debts held in our Company by our Directors, as on December 31, 2011 are provided below:

The details of the secured non convertible debentures of the face value of ₹ 1,000 each held by the director of the Company is set out below:

Name of Director	Number of Debentures	Amount (in ₹ Million)
P George Varghese	5,700	5.70

The details of subordinated debts of the face value of ₹ 1,000 each held by the directors of the Company is set out below:

Name of Director	Number of Subordinated Debts	Amount (in ₹ Million)
P George Varghese	400	0.40
George Thomas Muthoot	950	0.95
George Jacob Muthoot	2,214	2.21
George Alexander Muthooot	4,622	4.62

The details of the subordinated debts of face value of ₹ 1 each held by the directors of the Company is set out below:

Name of Director	Number of Subordinated Debts	Amount (in ₹ Millions)
M G George Muthoot	83,000,000	83.00
George Thomas Muthoot	82,500,000	82.50
George Jacob Muthoot	82,500,000	82.50
George Alexander Muthoot	83,000,000	83.00

Changes in the Directors of our Company during the last three years:

The Changes in the Board of Directors of our Company in the three years preceding the date of this Prospectus are as follows:

Name of the Director	Date of Change	Reason
Sara George	July 21, 2010	Resignation
Anna Alexander	July 21, 2010	Resignation
George M. Alexander	July 25, 2009	Resignation
George Alexander Muthoot	April 01, 2010	Change in designation
M G George Muthoot	April 01, 2010	Change in designation
George Jacob Muthoot	April 01, 2010	Change in designation
George Thomas Muthoot	April 01, 2010	Change in designation
George Joseph	July 21, 2010	Appointment
John K. Paul	July 21, 2010	Appointment

Shareholding of Directors

As per our Articles of Association, our Directors are not required to hold any qualification Equity Shares in the Company.

Details of the shares held in our Company by our Directors, as on December 31, 2011 are provided in the table given below:

Sr. No.	Name of Director	No. of Shares	Percentage Shareholding(%) in the total Share Capital
1.	M.G. George Muthoot	47,385,132	12.75
2.	George Thomas Muthoot	44,464,400	11.96
3.	George Jacob Muthoot	44,464,400	11.96
4.	George Alexander Muthoot	44,464,400	11.96
5.	George Joseph	1,134	Negligible
6.	P. George Varghese	135	Negligible
	Total	**180,779,601**	**48.63**

Corporate Governance

We are in compliance with the requirements of corporate governance as mandated in Clause 49 of the Listing Agreements entered into by the Company with the Stock Exchanges, particularly those in relation to the composition of the Board of Directors, constitution of committees such as audit committee, remuneration committee and investor/shareholders grievance committee. The Board has laid down a Code of Conduct for all Board members and senior management of the Company and the same is posted on the web site of the Company in accordance with Clause 49 of the Listing Agreements entered into with the Stock Exchanges. In addition, pursuant to a RBI Circular dated May 08, 2007, all NBFC-ND-SIs are required to adhere to certain corporate governance norms including constitution of an audit committee, a nomination committee, a risk management committee and certain other norms in connection with disclosure and transparency and connected lending. We have complied with these corporate governance requirements.

Currently our Board has eight Directors, and the Chairman of the Board is an Executive Director. In compliance with the requirements of Clause 49 of the Listing Agreement, our Board has an optimum combination of executive and non-executive directors consisting of (i) 50% Non-Executive Directors and (ii) 50% Independent Directors. None of the Directors on the Board are members of more than ten committees or Chairman of more than five Committees across all companies in which they are directors as required under the Clause 49 of the Listing Agreement. Our Board has constituted the following committees:

(a) Audit Committee;

(b) Shareholders'/Investors' Grievance Committee;

(c) Remuneration Committee;

(d) Asset Liability Management Committee;

(e) Risk Management Committee;

(f) Nomination Committee; and

(g) NCD Public Issue Committee.

Audit Committee

The Audit Committee of our Board was reconstituted by our Directors by a board resolution dated July 23, 2010 pursuant to Section 292A of the Companies Act. The Audit Committee comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
George Joseph	Chairman	Independent Director
John K Paul	Member	Independent Director
George Alexander Muthoot	Member	Managing Director

Terms of reference of the Audit Committee include:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
    - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act.
    - Changes, if any, in accounting policies and practices and reasons for the same.
    - Major accounting entries involving estimates based on the exercise of judgment by management.
    - Significant adjustments made in the financial statements arising out of audit findings.
    - Compliance with listing and other legal requirements relating to financial statements.
    - Disclosure of any related party transactions.
    - Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

- Discussion with internal auditors on any significant findings and follow up there on.

- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.

- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

- To look into the reasons for substantial defaults in the payment to the debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

- To review the functioning of the Whistle Blower mechanism, in case the same exists.

- To approve the appointment of Chief Financial Officer, if any.

- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Shareholders'/Investors' Grievance Committee

The Shareholders'/Investors' Grievance Committee was constituted by our Directors by a board resolution dated July 23, 2010 and comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
K John Mathew	Chairman	Independent Director
John K Paul	Member	Independent Director
George Thomas Muthoot	Member	Whole Time Director

Terms of reference of the Shareholders'/Investors' Grievance Committee include the following:

- To approve or otherwise deal with applications for transfer, transmission, transposition and mutation of shares and certificates including duplicate, split, sub-division or consolidation of certificates and to deal with all related matters; and also to deal with all the matters related to de-materialisation or re-materialisation of shares, change in the beneficial holders of de-mat shares and granting of necessary approvals wherever required.

- To look into and redress shareholders / investors grievances relating to:

    - Transfer/Transmission of shares

    - Non-receipt of declared dividends

    - Non-receipt of annual reports

    - All such complaints directly concerning the shareholders / investors as stakeholders of the Company

    - Any such matters that may be considered necessary in relation to shareholders and investors of the Company.

Remuneration Committee

The Remuneration Committee was reconstituted by our Directors by a board resolution dated July 23, 2010 and comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
K John Mathew	Chairman	Independent Director

Name of the Director	Designation in the Committee	Nature of Directorship
P George Varghese	Member	Independent Director
John K Paul	Member	Independent Director

Terms of reference of the Remuneration Committee include the following:

- Determine and agree with the Board the framework for broad policy for the remuneration of executive and non-executive directors of the Company.
- Review the on-going appropriateness and relevance of the remuneration policy.
- Ensure that contractual terms of the agreement that Company enters into with Directors as part of their employment in the Company are fair to the individual and the Company.
- Ensure that all provisions regarding disclosure of remuneration as required under the Companies Act, 1956 or such other acts, rules, regulations or guidelines are complied with.

Asset Liability Management Committee

The Asset Liability Management Committee was reconstituted by a board resolution dated July 23, 2010 and comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
George Joseph	Chairman	Independent Director
P George Varghese	Member	Independent Director
George Alexander Muthoot	Member	Managing Director

Terms of reference of the Asset Liability Management Committee includes the following:

- To ensure that the asset liability management strategy and Company's market risk management policies are implemented;
- To provide a strategic framework to identify, asses, quality and manage market risk, liquidity risk, interest rate risk, price risk etc.
- To ensure adherence to the risk limits;
- To articulate current interest rate view of the Company and base its decisions on future business strategy on this view;
- To decide product pricing, desired maturity profile of assets and liabilities and also the mix of incremental assets and liabilities such as fixed versus floating rate funds, domestic vs. foreign currency funds etc;
- To monitor the risk levels of the Company;
- To review the results of and progress in implementation of the decisions;
- To report to the Board of Directors on the adequacy of the Company's systems and controls for managing risk, and for recommending any changes or improvements, as necessary;
- To ensure that all activities are within the overall regulatory framework and government regulation;
- To ensure proper management within defined control parameters set by the Board, of the Company's net interest income and its structural exposure to movements in external environment;
- To review and assess the management of funding undertaken by Company and formulate appropriate

actions;

- To review and assess the management of the Company's liquidity with the framework and policies established by the Board, as the case may be, and formulate appropriate actions to be taken;

- To consider the significance of ALM of any changes in customer behaviour and formulate appropriate actions;

- To consider, if appropriate, the composition of the Company's capital structure, taking account of future regulatory requirements and rating agency views and formulate actions wherever required

Risk Management Committee

Risk Management Committee was reconstituted by a board resolution dated July 23, 2010 and comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
P George Varghese	Chairman	Independent Director
K John Mathew	Member	Independent Director
George Jacob Muthoot	Member	Whole Time Director

The Risk Management Committee shall have overall responsibility for overseeing the risk management activities of the Company, approving appropriate risk management procedures and measurement methodologies across the organization as well as identification and management of strategic business risks. Terms of reference of Risk Management Committee includes the following:

- To champion and promote the enterprise risk management and to ensure that the risk management process and culture are embedded throughout the Company.

- To ensure the implementation of the objectives outlined in the Risk Management Policy and compliance with them.

- To provide adequate information to the Board on key risk management matters.

- To identify new strategic risks including corporate matters. Eg. Regulatory, business development etc.

Nomination Committee

Nomination Committee was reconstituted by a board resolution dated July 23, 2010 and comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
John K Paul	Chairman	Independent Director
K John Mathew	Member	Independent Director
George Jacob Muthoot	Member	Whole Time Director

The terms of reference of Nomination Committee includes the following:

- Regularly review the structure, size and composition including skills, knowledge and experience required of the Board compared to its current position and make recommendations to the Board with regard to any changes;

- Ensure persons proposed to be appointed on the Board does not suffer any disqualifications for being appointed as a director under the Companies Act, 1956;

- Ensure that the proposed appointees have given their consent in writing to the Company;

- Plan for the succession planning for directors in the course of its work, taking into account the challenges and opportunities facing the Company, and what skills and expertise are therefore needed on the Board in the future;

- Be responsible for identifying and nominating for the approval of the Board, candidates to fill board vacancies as and when they arise;

- Keep under review the leadership needs of the organization, both executive and non-executive, with a view to ensuring the continued ability of the organization to compete efficiently in the market place;

- Ensure that on appointment to the Board, non-executive directors receive a formal letter of appointment setting out clearly what is expected of them in terms of committee services and involvement outside board meetings;

NCD Public Issue Committee

The NCD Public Issue Committee constituted by our Directors by a board resolution dated July 25, 2011 and comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
George Alexander Muthoot	Chairman	Managing Director
George Thomas Muthoot	Member	Whole Time Director
George Jacob Muthoot	Member	Whole Time Director

Terms of reference of the NCD Public Issue Committee include the following:

- To determine and approve the terms and conditions and nature of the debentures to be issued;

- To determine and approve the nature/type/pricing of the issue;

- To approve the Draft Prospectus, Prospectus and/or Offer Document(s) and issue thereof; and

- To approve all other matters relating to the issue and do all such acts, deeds, matters and things as it may, at its discretion, deem necessary for such purpose including without limitation the utilisation of the issue proceeds.

OUR PROMOTER

Profile of our Promoters

The following individuals are the Promoters of the Company:

1. M.G. George Muthoot;
2. George Thomas Muthoot;
3. George Jacob Muthoot; and
4. George Alexander Muthoot;

The details of our Promoters are provided below:

M.G. George Muthoot

Voter ID Number: **ARE0335588**
Driving License: **P03092001281725**

George Thomas Muthoot

Voter ID Number: **KL/13/090/048241**
Driving License: **5/2968/1983**

George Jacob Muthoot

Voter ID Number: **KL/20/134/123133**
Driving License: **3/190/1984**

George Alexander Muthoot

Voter ID Number: **BXD1345453**
Driving License: **3/730/1973**

For additional details on the age, background, personal address, educational qualifications, experience, experience in the business of the Company, positions/posts held in the past, terms of appointment as Directors and other directorships of our Promoters, see section titled "*Our Management*" on page 121.

Other understandings and confirmations

Our Promoters and relatives of the Promoters (as per the Companies Act) have confirmed that they have not been identified as wilful defaulters by the RBI or any other governmental authority.

No violations of securities laws have been committed by our Promoters in the past or are currently pending against them. None of our Promoters are debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.

Common Pursuits of Promoters and Group Companies

Our Promoters and Group Companies have interests in the following entities that are engaged in businesses similar to ours and this may result in potential conflicts of interest with the Company.

Companies:

1. Muthoot Vehicle & Asset Finance Limited
2. Geo Bros Muthoot Funds (India) Limited
3. Emgee Muthoot Benefit Fund (India) Limited
4. Muthoot M George Permanent Fund Limited
5. Muthoot Gold Funds Limited
6. Muthoot Synergy Fund Limited
7. Muthoot M George Chits (India) Limited
8. Muthoot Finance UK Limited

Partnership firms:

1. Muthoot General Finance
2. Muthoot Insurance Advisory Services
3. Emgee Insurance Services
4. Geo Financial Services
5. Muthoot Bankers (Kottayam)
6. Muthoot Bankers (Quilon)
7. Muthoot Bankers (Edapally)
8. Muthoot Investments
9. Muthoot Bankers (Alleppey)
10. Muthoot M George Chitty Fund
11. Muthoot M George Bankers (Trivandrum)
12. Muthoot M George Chits (Bangalore)
13. Muthoot Bankers (Pathanapuram)
14. Muthoot Financiers (Pathanapuram)
15. Muthoot M George Financiers (Faridabad)
16. Muthoot Bankers (Faridabad)
17. Muthoot Bankers (Pathanamthitta)
18. Muthoot Bankers (Cochin)
19. Muthoot Bankers (Bangalore)

The Company has not adopted any measures for mitigating such conflict situations. For further details on the related party transactions, to the extent of which the Company is involved, see section titled "*Financial Information*" beginning on page 142.

Interest of Promoters in our Company

Except as disclosed below, other than as our shareholders, Promoters, to the extent of the dividend that may be declared by our Company and to the extent of the remuneration received by them in their capacity as Executive Directors, to the extent of interest receivable on loans advanced/subordinated debts, rent received from the Company for lease of immovable properties owned by Promoters, our Promoters do not have any other interest in the Company. Further, our Promoters have given certain personal guarantees in relation to loan facilities availed by our Company. For details see "*Disclosures on existing financial indebtedness*" on page 179.

Name of Promoter	Nature of interest
M. G. George Muthoot	1. Agreement dated April 04, 2009 between the Company and, M. G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot for lease of the HauzKhas Branch, Delhi. 2. Agreement dated April 04, 2009 between the Company and M. G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot for the lease of Andheri Branch, Mumbai. 3. Agreement dated April 04, 2009 between the Company and M. G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot for lease of the Vashi Branch, Mumbai.

	4. Agreement dated April 04, 2009 between the Company and M. G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot for lease of the Edapallykotta Branch. 5. Agreement dated April 04, 2009 between the Company and M. G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot for lease of the Kozhancherry Branch, Kerala. 6. Agreement dated March 01, 2010 between the Company and M.G George Muthoot, George Alexander Muthoot, George Jacob Muthoot, George Thomas Muthoot for the lease of the Karuganappally Branch, Kerala. 7. Agreement dated March 01, 2010 between the Company and, M. G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot for lease of the Chavara Branch, Kerala. 8. Agreement dated April 04, 2009 between the Company and George Alexander Muthoot for lease of the guest house of the Company in Mumbai. 9. Agreement dated April 04, 2009 between the Company and George Thomas Muthoot for lease of the guest house of the Company in Cochin. 10. Agreement dated March 01, 2010 between and the Company and George Jacob Muthoot for the lease of the Kulasekharam Branch, Tamil Nadu.
George Thomas Muthoot	1. Agreement dated April 04, 2009 between the Company and, M. G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot for lease of the HauzKhas Branch, Delhi. 2. Agreement dated April 04, 2009 between the Company and, Muthoot Properties & Investments represented by George Jacob Muthoot, Managing Partner for lease of KottayamZonal Office and Regional office. 3. Agreement dated April 04, 2009 between Muthoot Properties & Investments represented by George Jacob, Managing Partner and the Company for lease of the Kollam Regional Office and Vadayattukotta Branch. 4. Agreement dated April 04, 2009 between the Company and M. G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot for the lease of Andheri Branch, Mumbai. 5. Agreement dated April 04, 2009 between the Company and M. G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot for lease of the Vashi Branch, Mumbai. 6. Agreement dated April 04, 2009 between the Company and M. G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot for lease of the Edapallykotta Branch. 7. Agreement dated April 04, 2009 between the Company and M. G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot for lease of the Kozhancherry Branch, Kerala. 8. Agreement dated March 01, 2010 between the Company and M.G George Muthoot, George Alexander Muthoot, George Jacob Muthoot, George Thomas Muthoot for the lease of the Karuganappally Branch, Kerala. 9. Agreement dated April 04, 2009 between the Company and George Thomas Muthoot for lease of the guest house of the Company in Cochin. 10. Agreement dated April 04, 2009 between the Company and George Jacob Muthoot for lease of the Thycadu Branch, Kerala. 11. Agreement dated March 01, 2010 between the Company and, M. G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot for lease of the Chavara Branch, Kerala. 12. Agreement dated April 04, 2009 between the Company and George Alexander Muthoot for lease of the guest house of the Company in Mumbai. 13. Agreement dated March 01, 2010 between and the Company and George Jacob Muthoot for the lease of the Kulasekharam Branch, Tamil Nadu.
George Jacob Muthoot	1. Agreement dated April 04, 2009 between the Company and, M. G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George

	Alexander Muthoot for lease of the HauzKhas Branch, Delhi. 2. Agreement dated April 04, 2009 between the Company and M. G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot for the lease of Andheri Branch, Mumbai. 3. Agreement dated April 04, 2009 between the Company and M. G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot for lease of the Vashi Branch, Mumbai. 4. Agreement dated April 04, 2009 between the Company and M. G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot for lease of the Edapallykotta Branch. 5. Agreement dated April 04, 2009 between the Company and M. G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot for lease of the Kozhancherry Branch, Kerala. 6. Agreement dated March 01, 2010 between and the Company and George Jacob Muthoot for the lease of the Kulasekharam Branch, Tamil Nadu. 7. Agreement dated March 01, 2010 between the Company and M.G George Muthoot, George Alexander Muthoot, George Jacob Muthoot, George Thomas Muthoot for the lease of the Karuganappally Branch, Kerala. 8. Agreement dated April 04, 2009 between the Company and George Jacob Muthoot for lease of the Thycadu Branch, Kerala. 9. Agreement dated March 01, 2010 between the Company and, M. G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot for lease of the Chavara Branch, Kerala. 10. Agreement dated April 04, 2009 between the Company and George Thomas Muthoot for lease of the guest house of the Company in Cochin.
George Alexander Muthoot	1. Agreement dated April 04, 2009 between the Company and, M. G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot for lease of the HauzKhas Branch, Delhi. 2. Agreement dated April 04, 2009 between the Company and M. G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot for the lease of Andheri Branch, Mumbai. 3. Agreement dated April 04, 2009 between the Company and M. G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot for lease of the Vashi Branch, Mumbai. 4. Agreement dated April 04, 2009 between the Company and M. G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot for lease of the Edapallykotta Branch. 5. Agreement dated April 04, 2009 between the Company and M. G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot for lease of the Kozhancherry Branch, Kerala. 6. Agreement dated March 01, 2010 between the Company and M.G George Muthoot, George Alexander Muthoot, George Jacob Muthoot, George Thomas Muthoot for the lease of the Karuganappally Branch, Kerala. 7. Agreement dated April 04, 2009 between the Company and George Alexander Muthoot for lease of the guest house of the Company in Mumbai. 8. Agreement dated March 01, 2010 between the Company and, M. G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot for lease of the Chavara Branch, Kerala. 9. Agreement dated March 01, 2010 between and the Company and George Jacob Muthoot for the lease of the Kulasekharam Branch, Tamil Nadu. 10. Agreement dated April 04, 2009 between the Company and George Thomas Muthoot for lease of the guest house of the Company in Cochin.

Our Promoters do not propose to subscribe to this Issue.

Details of Shares allotted to our Promoters during the last three Financial Years

Name of Promoter	Date on which Equity Shares were allotted/acquired	Issue price per Equity Share	Number of Equity Shares
M.G. George Muthoot	July 31, 2008	250	120,000
	October 21, 2008	Nil*	10,828,300
	December 31, 2008	250	120,000
	August 29, 2009	Nil*	37,800,000
	January 25, 2010	Nil **	2,920,732
TOTAL			**51,784,032**
George Thomas Muthoot	July 31, 2008	250	120,000
	October 21, 2008	Nil*	4,525,962
	December 31, 2008	250	120,000
	July 25, 2009	10	2,057,472
	August 29, 2009	Nil*	37,800,000
TOTAL			**44,623,434**
George Jacob Muthoot	July 31, 2008	250	120,000
	October 21, 2008	Nil*	5,264,700
	December 31, 2008	250	120,000
	July 25, 2009	10	1,213,200
	August 29, 2009	Nil*	37,800,000
TOTAL			**44,517,900**
George Alexander Muthoot	July 31, 2008	250	120,000
	October 21, 2008	Nil*	10,519,852
	December 31, 2008	250	120,000
	August 29, 2009	Nil*	37,800,000
TOTAL			**48,559,852**
TOTAL			**189,490,218**

* Equity shares issued pursuant to a bonus issue.

** Transmission of equity shares.

Shareholding Pattern of our Promoters as on the date of this Prospectus

Sr. No.	Name of Shareholder	No. of Shares	Percentage Shareholding(%)
1.	M.G. George Muthoot	47,385,132	12.75
2.	George Thomas Muthoot	44,464,400	11.96
3.	George Jacob Muthoot	44,464,400	11.96
4.	George Alexander Muthoot	44,464,400	11.96
Total		**180,778,332**	**48.63**

Interest of our Promoters in Property, Land and Construction

Except as stated in this section "*Our Promoter*" and the section titled "*Financial Information*" beginning on pages 136, and 142, our Promoters do not have any interest in any property acquired by the Company within two years preceding the date of filing this Prospectus with the Designated Stock Exchange or any property proposed to be acquired by the Company or in any transaction with respect to the acquisition of land, construction of building or supply of machinery.

Payment of benefits to our Promoters during the last two years

Except as stated in this section "*Our Promoter*" and the section titled "*Financial Information*" beginning on pages 136 and 142, there has been no amounts or benefits paid or given or intended to be paid or given to our Promoters within the two years preceding the date of filing of this Prospectus with the ROC. As on the date of the Prospectus, except as stated in the section "Our Management" with respect to the Promoter Directors, there is no bonus or profit sharing plan for our Promoters.

SECTION V: FINANCIAL INFORMATION

Auditors' Report as required by Part II of Schedule II to the Companies Act, 1956

The Board of Directors
Muthoot Finance Limited
Muthoot Chambers, Kuriens Tower
Opp. Saritha Theater,
Banerji Road
Cochin – 682 018
India

Dear Sirs,

1. We have examined the reformatted financial information of Muthoot Finance Limited (the "Company") annexed to this report for the purposes of inclusion in the offer document prepared by the Company in connection with its proposed Public Issue of Debt Securities. Such financial information, which has been approved by the Board of Directors of the Company, has been prepared in accordance with the requirements of:

a) paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 ("the Act"); and
b) the Securities & Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended (the "Regulations") issued by the Securities and Exchange Board of India ("SEBI"), as amended from time to time in pursuance of Section 11 of the Securities and Exchange Board of India Act, 1992;

2. We have examined such reformatted financial information taking into consideration:
a) the terms of reference received from the Company vide their letter dated November 1, 2011 requesting us to carry out work on such financial information, proposed to be included in the offer document of the Company in connection with its proposed Public Issue of Debt Securities; and
b) the Guidance Note (Revised) on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India.

Reformatted Financial information as per Audited Financial Statements

3. The reformatted financial information has been extracted by the management from the audited balance sheets of the Company as at September 30, 2011, March 31, 2011, March 31, 2010, March 31, 2009, March 31, 2008 and March 31, 2007 and the related audited profit and loss accounts and cash flow statements for the six months ended September 30, 2011 and years ended March 31, 2011, March 31, 2010, March 31, 2009, March 31, 2008 and March 31, 2007, which have been audited by us;

4. In accordance with the requirements of Paragraph B of Part II of Schedule II of the Act, the Regulations and the terms of our engagement agreed with you, we further report that:

   The reformatted summary statement of assets and liabilities and Schedules forming part thereof, the reformatted summary statement of profits and losses and schedules forming part thereof and the reformatted summary statement of Cash Flows (together referred to as "reformatted summary statements") of the Company, including as at and for the six months ended September 30, 2011 and years ended March 31, 2011, March 31, 2010, March 31, 2009, March 31, 2008 and March 31, 2007, examined by us are set out in Annexure I to VI to this report. These reformatted summary statements are after making adjustments and regrouping as in our opinion, were appropriate and more fully described in Significant Accounting Policies, Notes and Changes in Significant Accounting Policies (refer Annexure IV);

5. Based on our examination as above, we further report that:

a) the figures of earlier periods have been regrouped (but not restated retrospectively for changes in accounting policies), wherever necessary, to confirm to the classification adopted by the Company for the Reformatted Summary Statements as at and for the six months ended September 30, 2011;
b) adjustments for the material amounts in the respective financial years to which they relate;
c) there are no extraordinary items which need to be disclosed separately in the attached Reformatted Summary Statements; and
d) there are no qualifications in the auditors' reports, which require any adjustments to the Reformatted Summary Statements;

6. We have not audited any financial statements of the Company as of any date or for any period subsequent to September 30, 2011. Accordingly, we express no opinion on the financial position, results of operations or cash flows of the Company as of any date or for any period subsequent to September 30, 2011.

Other Financial Information

7. We have also examined the following financial information proposed to be included in the Offer document prepared by the management and approved by the Board of Directors of the Company and annexed to this report relating to the Company as at and for the six months ended September 30, 2011 and years ended March 2011, March 31, 2010, March 31, 2009, March 31, 2008 and March 31, 2007:

a) Capitalization Statement, as appearing in Annexure VII ;
b) Details of Secured and Unsecured Loans, as appearing in Annexure VIII;
c) Statement of Accounting Ratios, as appearing in Annexure IX;
d) Details of Rates of Dividend, as appearing in Annexure X;
e) Details of Contingent Liabilities, as appearing in Annexure XI; and
f) Statement of Tax Shelters, as appearing in Annexure XII;

8. In our opinion, the financial information as disclosed in the Annexures to this report read with respective significant accounting policies and notes disclosed in Annexure IV and after making adjustments and regrouping as considered appropriate and disclosed in Annexure IV has been prepared in accordance with Part II of Schedule II of the Act and the Regulations.

9. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us nor should this be construed as a new opinion on any of the financial statements referred to herein.

10. We did not perform audit tests for the purpose of expressing an opinion on individual balances of account or summaries of selected transactions, and accordingly, we express no such opinion thereon.

11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

12. This report is intended solely for your information and for inclusion in the offer document prepared in connection with the proposed Public Issue of Debt Securities of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

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

Sd/-

Place: **Camp at Houston, USA**
Date: **February 08, 2012**

R. Sreenivasan
M. No. 020566

ANNEXURE-I: REFORMATTED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(₹ in Millions)

	Particulars	Schedule No.	As at September 30, 2011	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
I	**Fixed Assets**	I						
	Gross Block		2,911.60	2,463.34	1,691.09	1,482.66	1,215.25	646.37
	Less : Accumulated Depreciation / Amortization		760.69	627.77	449.04	320.76	222.74	149.48
	Net Block		2,150.91	1,835.57	1,242.05	1,161.90	992.51	496.89
	Capital Work in Progress		473.94	505.27	290.65	131.19	93.64	135.40
			2,624.85	**2,340.84**	**1,532.71**	**1,293.10**	**1,086.15**	**632.29**
II	**Investments**	II	**75.05**	**75.05**	**75.05**	**85.31**	**183.43**	**242.15**
III	**Deferred Tax Assets, (Net)**		**5.06**	**(24.73)**	**(-24.84)**	**(-37.87)**	**(-41.73)**	**(-47.31)**
IV	**Current Assets, Loans and Advances**							
	Sundry Debtors	III	159.37	53.94	33.45	40.95	34.92	21.66
	Cash and Bank Balances	IV	13,322.22	13,754.95	5,759.92	8,825.32	2,580.38	563.21
	Other Current Assets	V	6,521.71	5,919.68	2,408.14	1,658.09	967.91	787.06
	Loans and Advances	VI	1,84,504.85	1,17,517.75	54,616.99	25,735.53	18,046.59	13,893.02
			2,04,508.15	*1,37,246.32*	*62,818.49*	*36,259.89*	*21,629.80*	*15,264.95*
	A= (I+II+III+IV)		**2,07,213.11**	**1,39,637.48**	**64,401.41**	**37,600.43**	**22,857.65**	**16,092.08**
V	**Liabilities and Provisions**							
	Secured Loans	VII	1,34,849.95	1,02,111.55	45,471.22	30,087.45	18,400.19	13,117.52
	Unsecured Loans	VIII	37,717.95	17,274.31	7,334.03	1,568.48	752.87	709.00
	Current Liabilities	IX	5,842.72	3,878.71	4,524.35	1,805.57	1,224.88	459.10
	Provisions	X	2,682.22	3,031.00	1,229.90	524.46	348.65	214.43
	B=(V)		**1,81,092.84**	**1,26,295.56**	**58,559.50**	**33,985.96**	**20,726.59**	**14,500.06**
	NET WORTH A-B		**26,120.27**	**13,341.92**	**5,841.92**	**3,614.47**	**2,131.07**	**1,592.03**
	Net Worth Represented by							
	Share Capital	XI						
	- Equity Shares		3,717.13	3,202.13	3,010.00	490.00	50.00	50.00
	Reserves and Surplus							
	- Securities Premium	XII	10,570.78	2,364.77	-	755.00	275.00	275.00
	- Statutory Reserve	XIII	2,794.04	1,982.02	993.67	538.52	343.08	215.89
	- Surplus/ (Deficit) in Profit and Loss Account	XIV	9,043.25	5,795.20	1,841.79	1,918.75	1,555.50	1,052.04
	Miscellaneous Expenditure (to the extent not written off)	XV	(4.93)	(2.21)	(3.54)	(87.80)	(92.51)	(0.90)
	NET WORTH		**26,120.27**	**13,341.92**	**5,841.92**	**3,614.47**	**2,131.07**	**1,592.03**

Note:
The above statement should be read with the Notes to the Reformatted Summary Statements of Assets and Liabilities, Profits and Losses and Cash Flows as appearing in Annexure IV.

As per our report of even date

PER PRO RANGAMANI & CO. **For and on behalf of the Board of Directors**

Chartered Accountants
(FRN: 003050 S)

Sd/-

R .SREENIVASAN
Membership No. 20566

Sd/-

George Alexander Muthoot
Managing Director

Place: **Cochin, India**
Date: **February 08, 2012**

ANNEXURE-II: REFORMATTED SUMMARY STATEMENT OF PROFITS AND LOSSES

(₹ in Millions)

Particulars	Sch. No.	For the period ended September 30, 2011	For the year ended March 31, 2011	For the year ended March 31, 2010	For the year ended March 31, 2009	For the year ended March 31, 2008	For the year ended March 31, 2007
INCOME							
Interest Income	XVI	20,126.05	22,983.44	10,774.52	6,062.39	3,579.37	2,235.85
Other Income	XVII	119.39	175.24	119.28	141.63	107.01	103.80
Total Income		**20,245.44**	**23,158.68**	**10,893.80**	**6,204.02**	**3,686.38**	**2,339.65**
EXPENDITURE							
Interest Expense	XVIII	9,858.76	10,326.44	4,737.28	3,097.70	1,797.99	998.95
Personnel Expenses	XIX	1,751.90	2,209.49	1,169.44	677.01	405.35	266.31
Administrative & Other Expenses	XX	2,322.82	2,638.99	1,190.43	727.93	390.21	284.96
Salary to Whole Time Directors		96.00	192.00	192.23	120.90	48.90	48.90
Depreciation		133.51	179.64	148.90	98.78	74.14	70.97
Total Expenditure		**14,162.99**	**15,546.57**	**7,438.27**	**4,722.32**	**2,716.59**	**1,670.09**
Profit/(Loss) before Tax and Prior Period Items		**6,082.44**	**7,612.11**	**3,455.53**	**1,481.70**	**969.78**	**669.57**
Prior Period Items [Expenses / (Income)]		-	-	-	-	-	-
Net Profit/(Loss) before Tax		**6,082.44**	**7,612.11**	**3,455.53**	**1,481.70**	**969.78**	**669.57**
Provision for tax							
Current Tax		2,052.17	2,670.45	1,192.81	507.94	336.07	207.68
Deferred Tax Charge/(Credit)		(29.79)	(0.11)	(13.03)	(3.86)	(5.58)	17.70
Fringe Benefit Tax			-	-	0.42	3.32	4.40
Total Tax Expense/(Credit)		**2,022.38**	**2,670.34**	**1,179.78**	**504.50**	**333.82**	**229.78**
Net Profit/(Loss) for the period/year as per audited financials		**4,060.06**	**4,941.76**	**2,275.75**	**977.20**	**635.97**	**439.79**
Adjustments to the Financial Statements			-	9.41	(4.46)	(5.32)	(1.23)
Less: Deferred Tax Impact on Adjustments considered above			-	-	-	-	-
Adjustment of excess provision of income tax, for earlier years written back			-	-	5.95	-	-
Net Adjustments (Refer note C of Annexure IV)		-	-	**9.41**	**1.49**	**(5.32)**	**(1.23)**
Net Profit/(Loss)		**4,060.06**	**4,941.76**	**2,285.16**	**978.69**	**630.65**	**438.56**
Less: Transfer to Statutory Reserve		812.01	988.35	455.15	195.44	127.19	87.96
Surplus/ (Deficit) brought forward from previous period/year		5,795.20	1,841.79	1,918.75	1,555.50	1,052.04	705.80
Impact of reformatting of prior period expenses relating to periods prior to 01.04.2006							(4.36)
Surplus / (Deficit) available for Appropriation		**9,043.25**	**5,795.20**	**3,748.76**	**2,338.75**	**1,555.50**	**1,052.04**
Appropriation:							
Issue of Bonus Shares			-	1,765.00	420.00	-	-
Reduction on account of demerger of radio business			-	141.98	-	-	-
Surplus/ (Deficit) carried to Balance Sheet		**9,043.25**	**5,795.20**	**1,841.79**	**1,918.75**	**1,555.50**	**1,052.04**

Note:
The above statement should be read with the Notes to the Reformatted Summary Statements of Assets and Liabilities, Profits and Losses and Cash Flows as appearing in Annexure IV.

As per our report of even date

PER PRO RANGAMANI & CO.	**For and on behalf of the Board of Directors**
Chartered Accountants	
(FRN: 003050 S)	
Sd/-	**Sd/-**
R .SREENIVASAN	**George Alexander Muthoot**
Membership No. 20566	**Managing Director**
	Place: **Cochin, India**
	Date: **February 08, 2012**

ANNEXURE-III: REFORMATTED STATEMENT OF CASH FLOWS

(₹ in Millions)

Particulars	For the period ended September 30, 2011	For the year ended March 31, 2011	For the year ended March 31, 2010	For the year ended March 31, 2009	For the year ended March 31, 2008	For the year ended March 31, 2007
Cash flow from operating activities						
Profit / (Loss) before tax	**6,082.44**	**7,612.11**	**3,455.53**	**1,481.70**	**969.78**	**669.57**
Adjustments for :						
Depreciation	133.51	179.64	148.90	98.78	74.14	70.97
Provision for NPA	269.50	32.56	20.98	6.85	6.91	0.75
Provision for Standard Assets	-	290.90	-	-	-	-
Preliminary expenses written off	-	-	-	-	-	-
Amortisation of FM Radio License	-	-	7.05	9.40	2.35	-
Amortisation of Computer Software	1.04	1.34	1.56	1.51	0.27	0.22
Interest on Bank Deposits	(109.18)	(142.92)	(77.96)	(78.66)	(21.04)	(20.36)
Interest on income tax paid	-	32.27	-	-	-	-
Prior period interest on income tax written off (Non Cash)	-	-	9.41	-	-	-
(Profit)/Loss on Sale of Fixed Assets	(0.16)	0.13	(4.60)	(0.18)	(0.08)	(2.79)
Income from Investments	-	-	(0.03)	(10.54)	(1.40)	-
Interest paid	9,858.76	10,326.44	4,737.28	3,097.70	1,797.99	998.95
Operating profit before working capital changes	**16,235.91**	**18,332.47**	**8,298.13**	**4,606.54**	**2,828.92**	**1,717.31**
Movements in working capital :						
(Increase) / Decrease in Loans and Advances	(66,987.11)	(62,900.76)	(28,898.83)	(7,688.93)	(4,153.57)	(5,946.46)
(Increase) / Decrease in other receivables	(1,667.38)	(2,151.80)	(173.64)	(527.94)	(93.00)	(230.86)
Increase / (Decrease) in Current liabilities	1,964.02	(645.64)	2,722.44	580.69	765.78	136.21
Cash from/ (used in) operations	**(50,454.56)**	**(47,365.73)**	**(18,051.91)**	**(3,029.63)**	**(651.87)**	**(4,323.80)**
Financial Expenses	(9,858.76)	(10,326.44)	(4,737.28)	(3,097.70)	(1,797.99)	(998.95)
Taxes paid	(1,710.53)	(2,605.32)	(1,077.25)	(506.19)	(318.52)	(212.81)
Net cash from/ (used in) operating activities - (A)	**(62,023.85)**	**(60,297.50)**	**(23,866.43)**	**(6,633.52)**	**(2,768.38)**	**(5,535.56)**
Cash flows from investing activities						
Purchase of fixed assets	(448.96)	(773.86)	(326.88)	(268.60)	(570.36)	(71.45)
Capital Work in Progress	31.33	(214.62)	(159.46)	(37.55)	41.76	(127.05)
Proceeds from sale / transfer of Fixed Assets	0.27	0.58	50.48	0.62	0.68	10.22
Investments	-	-	10.26	98.12	58.73	(119.25)
Income from Investments	-	-	0.03	10.54	1.40	-
Addition to Computer Software/ FM Radio Licence Fee	(3.76)	-	(0.67)	(6.20)	(94.23)	(1.12)
Interest on Bank Deposits	109.18	142.92	77.96	78.66	21.04	20.36
Net cash (used in) investing activities - (B)	**(311.94)**	**(844.98)**	**(348.28)**	**(124.41)**	**(540.98)**	**(288.29)**
Cash flows from financing activities						
Net Proceeds from Issue of Debentures	16,515.99	14,789.75	8,672.68	6,616.55	3,571.15	2,651.96
Increase / (Decrease) in Loan from Directors / Relatives of Directors	97.94	246.99	103.49	114.24	44.97	19.53

Particulars	For the period ended September 30, 2011	For the year ended March 31, 2011	For the year ended March 31, 2010	For the year ended March 31, 2009	For the year ended March 31, 2008	For the year ended March 31, 2007
Increase / (Decrease) in Bank Borrowings	16,222.41	41,850.59	10,211.09	5,070.71	1,711.52	3,095.16
Increase / (Decrease) in Unsecurred loans	2,100.00	(1,100.00)	-	-	-	-
Increase / (Decrease) in Inter Corporate Loan	9.50	(13.70)	14.53	2.22	(1.10)	1.10
Increase / (Decrease) in Subordinated debt	3,203.61	3,859.18	2,147.53	699.15		
Increase / (Decrease) in Commercial Paper	15,032.60	6,947.81	-	-	-	-
Proceeds from issuance of equity share capital (including securities premium)	9,012.50	2,556.90	-	500.00	-	250.03
IPO Expenses	(291.49)					
Net cash from/ (used in) financing activities - (C)	**61,903.06**	**69,137.51**	**21,149.32**	**13,002.87**	**5,326.54**	**6,017.78**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**(432.73)**	**7,995.03**	**(3,065.40)**	**6,244.94**	**2,017.18**	**193.93**
Cash and cash equivalents as at the beginning of the year	13,754.95	5,759.92	8,825.32	2,580.38	563.21	369.28
Cash and cash equivalents as at the end of the year	**13,322.22**	**13,754.95**	**5,759.92**	**8,825.32**	**2,580.38**	**563.21**
Components of cash & cash equivalents						
Cash in Hand	1,134.54	1,350.09	1,079.49	468.51	271.65	167.38
With scheduled banks :						
On current accounts	9,544.96	9,329.38	3,552.13	1,475.80	311.26	77.57
On deposit accounts	2,642.72	3,075.48	1,128.30	6,881.01	1,997.47	318.26
Total	**13,322.22**	**13,754.95**	**5,759.92**	**8,825.32**	**2,580.38**	**563.21**

Note:

1. The above statement should be read with the Notes to the Reformatted Summary Statements of Assets and Liabilities, Profits and Losses and Cash Flows as appearing in Annexure IV.
2. The Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard - 3 on Cash Flow Statements of the Companies (Accounting Standard) Rules, 2006.
3. Negative figures represents Cash outflow.

As per our report of even date

PER PRO RANGAMANI & CO.

Chartered Accountants

(FRN: 003050 S)

Sd/-

R .SREENIVASAN

Membership No. 20566

For and on behalf of the Board of Directors

Sd/-

George Alexander Muthoot
Managing Director
Place: **Cochin, India**
Date: **February 08, 2012**

ANNEXURE IV: NOTES TO THE REFORMATTED SUMMARY STATEMENTS OF ASSETS AND LIABILITIES, PROFITS AND LOSSES AND CASH FLOWS, AS REFORMATTED UNDER INDIAN GAAP, FOR MUTHOOT FINANCE LIMITED

A. BACKGROUND

1. Muthoot Finance Ltd. was incorporated as a private limited company on 14th March 1997 and was converted into a public limited company on 18th November 2008. The company is promoted by Mr. M. G. George Muthoot, Mr. George Thomas Muthoot, Mr. George Jacob Muthoot and Mr. George Alexander Muthoot collectively operating under the brand name of 'The Muthoot Group', which has diversified interests in the fields of Financial Services, Healthcare, Education, Plantations, Real Estate, Foreign Exchange, Information Technology, Insurance Distribution, Hospitality etc. The Company obtained permission from the Reserve Bank of India for carrying on the business of Non-Banking Financial Institutions on November 13, 2001 vide Regn No. N 16.00167. The company is presently classified as Systemically Important Non-Deposit Taking NBFC (NBFC-ND-SI).

2. The reformatted summary statement of assets and liabilities of the Company as at September 30, 2011, March 31, 2011, March 31, 2010, March 31, 2009, March 31, 2008 and March 31, 2007 and the related reformatted summary statement of profits and losses and cash flows for the six months ended September 30, 2011 and years ended at March 31, 2011, March 31, 2010, March 31, 2009, March 31, 2008 and March 31, 2007 (hereinafter collectively referred to as "Reformatted Summary Statements") relate to Muthoot Finance Limited ("the Company") and have been prepared specifically for inclusion in the Prospectus to be filed by the Company with the Registrar of Companies, Kerala and Lakshadweep ("RoC") in connection with its proposed public issue of Non-Convertible Debentures.

3. These Reformatted Summary Statements have been prepared to comply in all material respects with the requirements of Schedule II to the Companies Act, 1956 ("the Act") and the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (the "Debt Regulations").

B. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE COMPANY IN THE PREPARATION OF FINANCIAL STATEMENTS AS AT AND FOR THE SIX MONTHS ENDED SEPTEMBER 30,2011.

1. ACCOUNTING CONCEPTS

The financial statements are prepared on historical cost convention complying with the relevant provisions of the Companies Act, 1956 and the Accounting Standards issued by the Institute of Chartered Accountants of India, as applicable. The company follows prudential norms for income recognition, asset classification and provisioning for non-performing assets as prescribed by Reserve Bank of India vide Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Direction 2007.

2. USE OF ESTIMATES

The preparation of the financial statements requires use of estimates and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of income and expenses during the reporting period and disclosure of contingent liabilities as at that date. The estimates and assumptions used in these financial statements are based upon the management evaluation of the relevant facts and circumstances as of the date of the financial statements. Management believes that these estimates and assumptions used are prudent and reasonable. Future results may vary from these estimates.

3. REVENUE RECOGNITION

Revenues are recognized and expenses are accounted on accrual basis with necessary provisions for all known liabilities and losses. Income from Non- Performing Assets is recognized only when it is realized. Income and expense under bilateral assignment of receivables accrue over the life of the related receivables assigned. Interest income and expenses on bilateral assignment of receivables are accounted on gross basis.

4. EMPLOYEE BENEFITS

A) Short Term Employee Benefits:

Short Term Employee Benefits for services rendered by employees are recognized during the period when the services are rendered.

B) Post employment benefits:

a) Defined Contribution Plan

Provident Fund

Contributions are made to Employees Provident Fund Organization in respect of Provident Fund, Pension Fund and Employees Deposit Linked Insurance Scheme at the prescribed rates and are charged to Profit & Loss Account at actuals.

b) Defined Benefit Plan

Gratuity

The Company makes annual contribution to a Gratuity Fund administered by Trustees and managed by ICICI Prudential Life Insurance Co. Ltd. The Company accounts for its liability for future gratuity benefits based on actuarial valuation determined every year by the Insurance Company.

5. FIXED ASSETS

Fixed assets are stated at historical cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation is charged at the rates specified in Schedule XIV of the Companies Act, 1956 on Written Down Value method.

6. FOREIGN EXCHANGE TRANSACTIONS

Foreign currency transactions are recorded, on initial recognition, by applying to the foreign currency amount the exchange rate at the date of the transaction. Foreign currency monetary assets and liabilities are reported using the exchange rate as on the Balance Sheet date. Non-monetary items, which are carried in terms of historical cost denominated in foreign currency, are reported using the exchange rate at the date of the transaction. Exchange differences arising on the settlement of monetary items are recognised as income or as expenses in the period in which they arise.

7. INTANGIBLE ASSETS

Intangible Assets are amortized over their expected useful life. It is stated at cost, net of amortization. Computer Software is amortized over a period of five years on straight line basis.

8. TAXES ON INCOME

Income Tax expenses comprises of current tax and deferred tax (asset or liability). Current tax is the amount of tax payable on the taxable income for the year and determined in accordance with the provisions of the Income Tax Act 1961. Deferred tax is recognized, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

9. INVESTMENTS

Investments intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost or market value/realizable value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline, other than temporary, in the value of the investments.

10. IMPAIRMENT OF ASSETS

The carrying amounts of assets are reviewed at each balance sheet date to ascertain impairment based on internal / external factors. An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the net selling price of the assets or their value in use. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

11. PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS

Provisions are recognized only when the company has present, legal, or constructive obligations as a result of past events, for which it is probable that an outflow of economic benefit will be required to settle the transaction and a reliable estimate can be made for the amount of the obligation.

Contingent liability is disclosed for (i) possible obligations which will be confirmed only by future events not wholly within the control of the company or (ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

12. DEBENTURE REDEMPTION RESERVE

As per the Circular dated 18.04.2002 of Ministry of Corporate Affairs, no Debenture Redemption Reserve is to be created for privately placed debentures of Non-Banking Finance Companies and hence no reserve is created.

13. PROVISION FOR NON PERFORMING ASSETS

Loan receivables are written off / provided for, as per management estimates, subject to the minimum provision required as per Non- Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

14. LEASES

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets, are classified as operating leases.

Where the Company is the Lessor:

Assets given on operating leases are included in fixed assets. Lease income is recognised in the Profit and Loss Account on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the Profit and Loss Account. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Profit and Loss Account.

Where the Company is the lessee:

Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term.

15. SEGMENT REPORTING

Identification of segments:

a) The Company's operating businesses are organized and managed separately according to the nature of services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The Company has identified three business segments - Financing, Power Generation and FM Radio.

b) In the context of Accounting Standard 17 on Segment Reporting, issued by the Institute of Chartered Accountants of India, company has identified business segment as the primary segment for the purpose of disclosure.

c) Company operates in a single geographical segment. Hence, secondary geographical segment information disclosure is not applicable

d) The segment revenues, results, assets and liabilities include the respective amounts identifiable to each of the segment and amounts allocated on a reasonable basis.

Unallocated items:

Unallocated items include income and expenses, which are not allocated to any reportable business segment.

Segment Policies:

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

C. MATERIAL ADJUSTMENTS

a) Summary of results of restatements made in the audited financial statements of the Company for the respective years/ period and their impact on the (losses)/ profits of the Company is are under:

(₹ in Millions)

Adjustments made in Reformatted Profit & Loss Account	Period ended September 30, 2011	Year ended March 31, 2011	Year ended March 31, 2010	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007
Profit after tax as per audited financials	**4,060.06**	**4,941.76**	**2,275.75**	**977.20**	**635.97**	**439.79**
Adjustments for :						
Prior Period Item - Expenses (prior period interest on income tax) (see note b below)	0.00	0.00	9.41	(4.46)	(5.32)	(1.23)
Total Adjustments	**0.00**	**0.00**	**9.41**	**(4.46)**	**(5.32)**	**(1.23)**
Adjustment of excess provision of income tax, for earlier years written back	0.00	0.00	0.00	5.95	0.00	0.00
Profit after tax, as per Financial Statements as reformatted	**4,060.06**	**4,941.76**	**2,285.16**	**978.69**	**630.65**	**438.56**

b) Prior Period Items

In the audited financial statements of the Company for the year ended March 31, 2010, the Company has written off certain items relating to prior periods. Accordingly, in the preparation of the Reformatted Summary Statements, the effect of these prior period items has been appropriately adjusted to the results of the respective year/ period to which these items pertain with a corresponding restatement of the respective assets/liabilities. Being permanent differences, there was no impact on deferred tax assets/ liabilities.

c) Excess Provision written back

In respect of the year ended March 31, 2009, the company has recomputed the provision for income tax considering the deduction available under section 80IA of the Income Tax Act, 1961 with respect of the profit from operation of its windmill. Accordingly, in the preparation of the Reformatted Summary Statements, adjustment of excess provision of income tax, for earlier years written back the effect of reduction in has been appropriately adjusted to the results of the respective year/ period to which these items pertain with a corresponding restatement of the respective assets/liabilities.

D. BALANCE SHEET

1. Non-Convertible Debentures & Subordinated Debts

The Company had privately placed Secured Non-Convertible Debentures under Non-Cumulative Scheme for a maturity period upto 5 years and under Cumulative scheme for a maturity period ranging from 36 months to 90 months.

Subordinated Debt is subordinated to the claims of other creditors and qualifies as Tier II capital under the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2007. These amounts were raised from promoters and investors other than promoter group, through private placement route.

(₹ in Millions)

Particulars	Period ended September 30, 2011	Year ended March 31, 2011	Year ended March 31, 2010	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007
Secured Non-Convertible Debentures	58,498.25	41,982.27	27,192.52	19,019.85	12403.29	8832.16
Unsecured Non-Convertible Debentures	4,500.00	2,000.00	500.00	0.00	0.00	0.00
Subordinated Debt	10,309.46	7,105.86	3246.68	1099.15	400.00	400.00

2. Investments

Long term investments in fully paid equity shares are as under:

(₹ in Millions)

Particulars	Period ended September 30, 2011	Year ended March 31, 2011	Year ended March 31, 2010	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007
Trade Investments, Unquoted						
Long Term Investments (At cost)						
A. In Wholly Owned Subsidiary Companies	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
B. In Other Subsidiaries	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
C. In Other Companies						
28,500 equity shares of Rs 10 each in Muthoot Broadcasting Private Limited	0.00	0.00	0.00	0.26	0.26	0.26
4,500,000 equity shares of ₹ 10 each in Muthoot Exchange Company Private Limited	45.00	45.00	45.00	45.00	55.00	55.00
3,000,000 equity shares of ₹ 10 each in Muthoot Securities Limited	30.00	30.00	30.00	30.00	0.00	0.00
Total	75.00	75.00	75.00	75.26	55.26	55.26
Trade Investments, Quoted						

Particulars	Period ended September 30, 2011	Year ended March 31, 2011	Year ended March 31, 2010	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007
Long Term Investments (At cost)						
A. In Wholly Owned Subsidiary Companies	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
B. In Other Subsidiaries	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
C. In Other Companies						
454 equity shares of ₹ 10 each in Union Bank of India	0.05	0.05	0.05	0.05	0.05	0.05
Total	**0.05**	**0.05**	**0.05**	**0.05**	**0.05**	**0.05**
Non-Trade Investments, Quoted						
Nil (10.25% Govt. of India Bonds)	0.00	0.00	0.00	0.00	118.12	116.84
Nil (LIC Mutual Fund - Liquid Fund)	0.00	0.00	0.00	10.00	10.00	70.00
Total	**0.00**	**0.00**	**0.00**	**10.00**	**128.12**	**186.84**
Grand Total	**75.05**	**75.05**	**75.05**	**85.31**	**183.43**	**242.15**
Aggregate amount of Unquoted investments	**75.00**	**75.00**	**75.00**	**75.26**	**55.26**	**55.26**
Aggregate amount of Quoted investments	**0.05**	**0.05**	**0.05**	**10.05**	**128.17**	**186.89**

3. FM Radio Station

The company had obtained license from Government of India for establishing and operating FM Radio Station in Chennai, Tamil Nadu (Radio Business). Radio Station commenced its operations on 1st January 2008.

In accordance with a Scheme of Arrangement and Demerger of Radio Business, which was approved by the Honourable High Court of Kerala, vide Order dated 09.04.2010, the Radio Business of the Company was demerged and became vested with M/s Muthoot Broadcasting Private Limited on a going concern basis with effect from the appointed date i.e. 01st January 2010.

Accordingly, assets and liabilities of demerged undertaking have been transferred to Muthoot Broadcasting Private Limited at book value and excess of assets over liabilities, ₹ 141.98 Millions was adjusted against Profit & Loss Account, as per the Scheme.

Necessary effects in respect of the above have been given in the books of accounts of the company during the year ended 31st March 2010 and the amount due from Muthoot Broadcasting Private Limited as on 31.03.2010, ₹ 7.54 Millions, was shown under 'Other Loans and Deposits'.

Licence Fee of ₹ 94.02 Millions was being amortized over a period of 10 years starting from 1st January 2008 on straight-line basis and the amortization of the year ended 31st March 2010 was made for a period of nine months only, being amortization upto the appointed date.

4. Balances with Scheduled banks in Deposit Accounts

Out of the balances with Scheduled banks in Deposit Accounts, lien has been marked as under:

(₹ in Millions)

Purpose	Period ended September 30, 2011	Year ended March 31, 2011	Year ended March 31, 2010	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007
As security for the purpose of counter guarantee	2.99	2.24	Nil	3.07	3.10	Nil
As security for purpose of overdraft facility	19.73	20.06	20.01	19.89	20.50	17.28
As credit enhancement for bilateral assignment of receivables	2,464.70	2,743.16	1,037.11	1,313.94	813.87	Nil
Others	0.26	0.24	0.21	0.35	Nil	26.34

5. Current Assets, Loans & Advances

In the opinion of the Board of Directors, Current Assets, Loans and Advances have a value as stated in the Balance Sheet, if realized in its ordinary course of business.

6. Loans and Advances

(₹ in Millions)

	Purpose	Period ended September 30, 2011	Year ended March 31, 2011	Year ended March 31, 2010	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007
(a)	Loans considered good in respect of which Company is fully secured	1,82,182.51	116,267.28	53,920.77	25,379.59	17,812.03	13,644.24
(b)	Loans considered good in respect of which Company holds no security other than the borrower's personal security	114.28	93.23	33.96	19.18	17.22	37.12
(c)	Loans considered doubtful or bad	1,233.16	460.11	343.58	161.07	92.57	23.43
(d)	Sundry Debtors, Considered good, Unsecured						
	i. Exceeding six months	Nil	Nil	Nil	Nil	Nil	Nil
	ii. Other Debts	159.37	53.94	33.45	40.95	34.92	21.66
(e)	Debts due by directors	Nil	Nil	Nil	Nil		
(f)	Loans and advances due by directors or other officers of the Company or any of them either jointly or severally with any other person	Nil	Nil	Nil	Nil	Nil	Nil
(g)	Loans and advances due by firms or private limited companies in which such director is a partner or a director or a member	Nil	Nil	7.54	Nil	Nil	Nil
(h)	Loans and advances due from companies under same management within the meaning of section 370(1B) of the Companies Act	Nil	Nil	Nil	Nil	Nil	Nil
(i)	Maximum amount due by directors or other officers of the Company any time during the year	Nil	Nil	Nil	Nil	Nil	Nil
(j)	Deposits / Loans from Directors and relatives	915.53	817.59	570.60	467.11	352.87	307.90

7. Retail Loans

(₹ in Millions)

Particulars	Period ended September 30, 2011	Year ended March 31, 2011	Year ended March 31, 2010	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007
Gross Retail Loan assets under management	2,09,404.93	158,684.55	74,381.48	33,690.08	22,262.80	14,512.54
Less: Sell down of receivables under bilateral assignment	25,874.98	41,863.93	20,083.16	8,130.25	4,340.97	8,07.76
Net Retail Loan assets as per Balance Sheet	1,83,529.95	116,820.62	54,298.31	25,559.83	17,921.82	13,704.79
<u>Break-up of Gross Retail Loan assets under management</u>						
Gold Loan Receivables	2,07,666.19	157,280.72	73,417.35	33,000.73	21,790.07	14,200.57
Loan against Muthoot Gold Bonds	1,624.46	1,310.59	930.17	670.16	455.51	277.15
Other Loans	114.28	93.23	33.96	19.18	17.22	34.83

8. Deferred Tax Asset / (Liability)

As per the requirement of the Accounting Standard - 22, the company has created a deferred tax provision which consist of the following:

(₹ in Millions)

Particulars	Period ended September 30, 2011	Year ended March 31, 2011	Year ended March 31, 2010	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007
Deferred Tax Asset:						
Timing Difference on account of :						
Depreciation	(4.51)	(48.00)	(36.85)	(43.35)	(44.63)	(47.86)
Provision for NPA	33.96	23.26	12.45	5.48	2.90	0.55
Deferred Tax Liability:	-					
Timing Difference on account of:	-					
Amortization of software	0.34	0.01	(0.44)	Nil	Nil	Nil
Total	29.79	**(24.73)**	**(24.84)**	**(37.87)**	**(41.73)**	**(47.31)**

E. PROFIT AND LOSS ACCOUNT

1. Provision for Non-Performing Assets

(₹ in Millions)

Particulars	Period ended September 30, 2011	Year ended March 31, 2011	Year ended March 31, 2010	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007
Substandard Assets	1,208.17	433.84	324.64	161.07	92.57	23.43
Doubtful Assets	24.99	26.26	18.94	Nil	Nil	Nil
Total Non Performing Assets	1,233.16	460.11	343.58	161.07	92.57	23.43
Provision required as per Prudential Norms	174.31	69.65	37.08	16.11	9.26	2.34
Provision already available	69.65	37.08	16.11	9.26	2.34	1.59
Additional provision made during the year	104.66	32.56	20.98	6.85	6.91	0.75

2. Remuneration to Directors:

(₹ in Millions)

Particulars	Period ended September 30, 2011	Year ended March 31, 2011	Year ended March 31, 2010	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007
Salary to Whole Time Directors	96.00	192.00	192.23	120.90	48.90	48.90
Commission to Non Executive Directors	0.00	0.53	-	-	-	
Sitting fee to Non Executive Directors	0.19	0.57	0.08	0.13	0.00	0.00
Total	**96.19**	**193.10**	**192.31**	**121.03**	**48.90**	**48.90**

The above remuneration is within the limits specified under section 198 of the Companies Act, 1956.

3. Leases

The Company has not taken or let out any assets on financial lease.

All operating lease agreements entered into by the Company are cancellable in nature. Hence Company has debited/credited the lease rent paid/received to the Profit and Loss Account.

Consequently, disclosure requirement of future minimum lease payments in respect of non-cancellable operating lease as per AS 19 is not applicable to the company.

Lease rentals received for assets let out on operating lease are recognized as income in the Profit and Loss Account under the head 'Other Income' and lease payments for assets taken on an operating lease are recognized as 'Rent Paid' in the Profit and Loss Account. The amounts are given below:

(₹ in Millions)

Particulars	Period ended September 30, 2011	Year ended March 31, 2011	Year ended March 31, 2010	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007
Rent Received	0.37	0.59	0.52	0.37	0.13	0.02
Rent Paid	460.85	602.69	290.13	130.72	81.88	47.36

4. Statutory Reserve

Statutory Reserve represents the Reserve Fund created under Section 45-IC of the Reserve Bank of India Act, 1934. An amount representing 20% of Net Profit is transferred to the Fund for each year. No appropriation was made from the Reserve Fund during the period under restatement.

5. Employee Benefits

a) Defined Contribution Plan

Company has recognized in the Profit and Loss account in Schedule 12 – Administrative and Other Expenses:

(₹ in Millions)

Particulars	Period ended September 30, 2011	Year ended March 31, 2011	Year ended March 31, 2010	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007
Contribution to Provident Fund	90.61	67.88	35.62	22.57	14.53	9.81
Contribution to Employees State Insurance Scheme	25.47	20.91	9.32	4.16	3.04	0.00

b) Defined Benefit Plan

Gratuity liability is funded through a Gratuity Fund managed by ICICI Prudential Life Insurance Company Limited. Company has remitted the following amounts:

(₹ in Millions)

Particulars	Period ended September 30, 2011	Year ended March 31, 2011	Year ended March 31, 2010	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007
Contribution to Group Gratuity Premium	25.00	46.31	39.48	14.11	8.13	1.49

F. GENERAL

1. Contingent liabilities not provided for:

(₹ in Millions)

Particulars	Period ended September 30, 2011	Year ended March 31, 2011	Year ended March 31, 2010	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007
<u>Claims against the Company, not acknowledged as debts</u>						
i) Service Tax demand for the period-2003-2008, pending in appeal with CESTAT *Commissioner of Central Excise, Customs and Service Tax, Cochin has raised a demand of ₹ 22.12 Millions as Service tax liability and equal amount as penalty. During the course of the proceedings, Company paid ₹ 2.09 Millions. The Appellate Authority admitted the Appeal preferred by the company and granted stay of recovery, on pre-deposit of ₹ 4.30 Millions. Pending disposal of appeal, no provision has been made by the company during the year .*	15.73	15.73	15.73	9.19	Nil	Nil
ii) Income tax demand for Assessment Year 2004-05, pending in appeal with ITAT *Assistant Commissioner of Income Tax, Circle 1(3), Ernakulam has filed an appeal before ITAT against the order of Commissioner of Income Tax (Appeals) – II,*	Nil	Nil	Nil	Nil	Nil	Nil

Particulars	Period ended September 30, 2011	Year ended March 31, 2011	Year ended March 31, 2010	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007
Cochin demanding ₹ 5.09 Millions. Pending disposal of appeal, no provision has been made by the company during the year .						
iii) Income tax demand for *Assessment Year 2006-07, pending in appeal with ITAT* *Company has filed an appeal before ITAT against the order of Commissioner of Income Tax (Appeals) – II, Cochin demanding ₹ 1.05 Millions. Pending disposal of appeal, no provision has been made by the company during the year .*	Nil	Nil	Nil	Nil	Nil	Nil
Estimated amount of contracts remaining to be executed on capital accounts and not provided for	61.06	24.73	26.90	Nil	Nil	Nil
Other money for which company is contingently liable:						
i) Counter Guarantee provided to Banks	163.42	32.54	30.30	33.37	3.07	Nil
ii) Cash collateral provided as credit enhancement for bilateral assignment of receivables	2,464.70	2,743.16	1,037.11	1,313.94	813.87	Nil
iii) Over collateral provided as credit enhancement for bilateral assignment of receivables	Nil	63.57	80.12	77.51	141.18	Nil
iv) Corporate guarantee provided as credit enhancement for bilateral assignment of receivables	524.47	751.55	1,500.01	Nil	Nil	Nil

2. Earning Per Share

As per Accounting Standard 20, earning per share is calculated by dividing the net profit or loss for the year attributable to equity share holders by the weighted average number of equity shares outstanding during the year. The details of calculation of the basic and diluted earnings per share are stated below:

(₹ in Millions)

Particulars	Period ended September 30, 2011	Year ended March 31, 2011	Year ended March 31, 2010	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007
Net Profit/(Loss) after tax as Reformatted (₹ Millions)	4,060.06	4,941.76	2,285.16	978.69	630.65	438.56
Weighted average number of equity shares outstanding during the year (Millions)	362.71	313.26	301.00	280.10	245.71	216.91
Adjusted Face Value per share	₹ 10	₹ 10	₹ 10	₹ 10	₹ 10	₹ 10
Earnings Per Share (₹)	**11.19**	**15.78**	**7.59**	**3.49**	**2.57**	**2.02**

Weighted average number of equity shares outstanding during the period and for all periods presented, are adjusted for bonus issues made during the periods.

3. Disclosure with regard to dues to Micro and Small Enterprises

Based on the information available with the Company and has been relied upon by the auditors, none of the suppliers have confirmed to be registered under "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Accordingly, no disclosures relating to amounts unpaid as at the period ended 30th November, 2010 together with interest paid /payable are required to be furnished.

4. Disclosure of related party's transaction in accordance with Accounting Standard (AS-18) "Related Party Disclosures" issued by The Institute of Chartered Accountants of India.

A) List of Related Parties

(a) **Key Managerial Personnel (with whom transactions have taken place during the year/period)**

Sl. No.	Period ended September 30, 2011	Year ended March 31, 2011	Year ended March 31, 2010	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007
1	M. G. George Muthoot (Chairman)	M. G. George Muthoot (Chairman)	M. G. George Muthoot (Chairman)	M. G. George Muthoot (Chairman)	M. G. George Muthoot (Chairman)	M. G. George Muthoot (Chairman)
2	George Alexander Muthoot (Managing Director)	George Alexander Muthoot (Managing Director)	George Alexander Muthoot (Managing Director)	George Alexander Muthoot (Managing Director)	George Alexander Muthoot (Managing Director)	George Alexander Muthoot (Managing Director)
3	George Thomas Muthoot (Director)	George Thomas Muthoot (Director)	George Thomas Muthoot (Director)	George Thomas Muthoot (Director)	George Thomas Muthoot (Director)	George Thomas Muthoot (Director)
4	George Jacob Muthoot (Director)	George Jacob Muthoot (Director)	George Jacob Muthoot (Director)	George Jacob Muthoot (Director)	George Jacob Muthoot (Director)	George Jacob Muthoot (Director)

(b) **Relatives of key managerial personnel (with whom transactions have taken place during the year/period)**

Sl. No.	Period ended September 30, 2011	Year ended March 31, 2011	Year ended March 31, 2010	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007
1	Sara George w/o M. G. George Muthoot	Sara George w/o M. G. George Muthoot	Sara George w/o M. G. George Muthoot	Sara George w/o M. G. George Muthoot	Sara George w/o M. G. George Muthoot	Sara George w/o M. G. George Muthoot
2	Susan Thomas w/o George Thomas Muthoot	Susan Thomas w/o George Thomas Muthoot	Susan Thomas w/o George Thomas Muthoot	Susan Thomas w/o George Thomas Muthoot	Susan Thomas w/o George Thomas Muthoot	Susan Thomas w/o George Thomas Muthoot
3	Elizabeth Jacob w/o George Jacob Muthoot	Elizabeth Jacob w/o George Jacob Muthoot	Elizabeth Jacob w/o George Jacob Muthoot	Elizabeth Jacob w/o George Jacob Muthoot	Elizabeth Jacob w/o George Jacob Muthoot	Elizabeth Jacob w/o George Jacob Muthoot
4	Anna Alexander w/o George Alexander Muthoot	Anna Alexander w/o George Alexander Muthoot	Anna Alexander w/o George Alexander Muthoot	Anna Alexander w/o George Alexander Muthoot	Anna Alexander w/o George Alexander Muthoot	Anna Alexander w/o George Alexander Muthoot
5	George M. George s/o M. G. George Muthoot	George M. George s/o M. G. George Muthoot	George M. George s/o M. G. George Muthoot	George M. George s/o M. G. George Muthoot	George M. George s/o M. G. George Muthoot	George M. George s/o M. G. George Muthoot
6	Alexander M. George s/o M. G. George Muthoot	Alexander M. George s/o M. G. George Muthoot	Alexander M. George s/o M. G. George Muthoot	Alexander M. George s/o M. G. George Muthoot	Alexander M. George s/o M. G. George Muthoot	Alexander M. George s/o M. G. George Muthoot
7	George M. Jacob s/o George Jacob Muthoot	George M. Jacob s/o George Jacob Muthoot	George M. Jacob s/o George Jacob Muthoot	George M. Jacob s/o George Jacob Muthoot	George M. Jacob s/o George Jacob Muthoot	George M. Jacob s/o George Jacob Muthoot
8	George Alexander (Jr.) s/o George Alexander Muthoot	George Alexander (Jr.) s/o George Alexander Muthoot	George Alexander (Jr.) s/o George Alexander Muthoot	George Alexander (Jr.) s/o George Alexander Muthoot	George Alexander (Jr.) s/o George Alexander Muthoot	George Alexander (Jr.) s/o George Alexander Muthoot
9	Eapen Alexander s/o George Alexander Muthoot	Eapen Alexander s/o George Alexander Muthoot	Eapen Alexander s/o George Alexander Muthoot	Eapen Alexander s/o George Alexander Muthoot	Eapen Alexander s/o George Alexander Muthoot	Eapen Alexander s/o George Alexander Muthoot

Sl. No.	Period ended September 30, 2011	Year ended March 31, 2011	Year ended March 31, 2010	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007
10	Reshma Susan Jacob d/o George Jacob Muthoot					
11	Anna Thomas d/o George Thomas Muthoot					

(c) **Enterprises that directly or indirectly through one or more intermediaries are controlled by the reporting enterprise (Subsidiaries), irrespective of whether transactions have occurred or not :-**

Sl. No.	Period ended September 30, 2011	Year ended March 31, 2011	Year ended March 31, 2010	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007
				NIL		

(d) **Investing party or venturer in respect of which the reporting entity is an Associate or Joint Venture (with whom transactions have taken place during the period):**

Sl. No.	Period ended September 30, 2011	Year ended March 31, 2011	Year ended March 31, 2010	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007
				NIL		

(e) **Enterprise owned by directors or major shareholders of the reporting enterprise and enterprises that have a member of key management in common with the reporting enterprise (with whom transactions have taken place during the year):**

Sl. No.	Period ended September 30, 2011	Year ended March 31, 2011	Year ended March 31, 2010	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007
1			Muthoot Vehicle And Assets Finance Limited	Muthoot Vehicle And Assets Finance Limited	Muthoot Vehicle And Assets Finance Limited	
2	Muthoot Leisure And Hospitality Services Pvt. Limited	Muthoot Leisure And Hospitality Services Pvt. Limited	Muthoot Leisure And Hospitality Services Pvt. Limited	Muthoot Leisure And Hospitality Services Pvt. Limited	Muthoot Leisure And Hospitality Services Pvt. Limited	
3	M.G.M. Muthoot Medical Centre Pvt. Limited.	M.G.M. Muthoot Medical Centre Pvt. Limited.	MGM Muthoot Medical Centre Pvt. Limited.	MGM Muthoot Medical Centre Pvt. Limited.	MGM Muthoot Medical Centre Pvt. Limited.	
4	Muthoot Marketing Services Pvt. Limited.		Muthoot Marketing Services Pvt. Limited.	Muthoot Marketing Services Pvt. Limited.	Muthoot Marketing Services Pvt. Limited.	Muthoot Marketing Services Pvt. Limited.
5	Muthoot Broadcasting Pvt. Limited	Muthoot Broadcasting Pvt. Limited	Muthoot Broadcasting Pvt. Limited	Muthoot Broadcasting Pvt. Limited	Muthoot Broadcasting Pvt. Limited	
6	Muthoot Exchange Company	Muthoot Exchange Company	Muthoot Exchange Company	Muthoot Exchange Company	Muthoot Exchange Company	

Sl. No.	Period ended September 30, 2011	Year ended March 31, 2011	Year ended March 31, 2010	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007
	Pvt. Limited.	Pvt. Limited.	Pvt. Limited.	Pvt. Limited.	Pvt. Limited.	
7	Backdrop Advertising Pvt. Limited	Backdrop Advertising Pvt. Limited	Backdrop Advertising Pvt. Limited			
8		Muthoot Global Transfers Pvt. Limited	Muthoot Global Transfers Pvt. Limited	Muthoot Global Transfers Pvt. Limited	Muthoot Global Transfers Pvt. Limited	
9	Emgee Board and Paper Mills Pvt. Limited	Emgee Board and Paper Mills Pvt. Limited	Emgee Board and Paper Mills Pvt. Limited	Emgee Board and Paper Mills Pvt. Limited	Emgee Board and Paper Mills Pvt. Limited	
10	MGM Muthoot Medical Centre	MGM Muthoot Medical Centre	MGM Muthoot Medical Centre	MGM Muthoot Medical Centre	MGM Muthoot Medical Centre	
11		Muthoot Precious Metals Corporation	Muthoot Precious Metals Corporation	Muthoot Precious Metals Corporation	Muthoot Precious Metals Corporation	
12	GMG Associates	GMG Associates	GMG Associates	GMG Associates	GMG Associates	
13		St. George's School				

B) Transactions with related parties

(₹ in Millions)

Sl. No.	Particulars	Entities in which the significant influence exists					
		Period ended September 30, 2011	Year ended March 31, 2011	Year ended March 31, 2010	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007
A	**Transactions during the year**						
1	Purchase of Travel Tickets for Company Executives/Directors/Customers	5.21	5.55	2.96	2.30	2.17	
2	Travel Arrangements for Company Executives/Customers	1.70	4.87	0.98	0.70	0.12	
3	Marketing of Money Transfer Business Outside the Country			3.60	1.40	4.80	4.80
4	Accommodation facilities for Company Executives/Clients/Customers	0.19	0.11	0.04	0.08	0.07	
5	Complementary Medical Health Check Ups for Customers/ Employees	0.86	1.86	1.44	1.24	1.22	
6	Release of Advertisements in Outdoor, Print and Electronic Media	38.29	118.74	61.53			
7	Sale of Gold Ornaments in Public Auction			6.41	37.05	13.53	
8	Branding Expenses paid outside India			10.23			
9	Interest on Hire Purchase Loan				0.19	0.16	1.49
10	Hire Purchase Loan Repayment				0.81	0.67	(19.55)
11	Interest to Directors/relatives						
12	Interest on Inter Corporate Deposits	0.63	2.99	0.68	0.43	0.65	1.43
13	Remuneration to Directors						

14	Remuneration to Directors' Relatives						
15	Transaction Charges received	1.29	5.29				
16	Loans accepted						
17	Loans Repaid						
18	Security Deposit Accepted			40.00			
19	Inter Corporate Deposits accepted	12.65	31.50	20.10	11.37	51.77	101.25
20	Inter corporate Deposits repaid	3.15	45.20	5.57	9.15	52.87	100.15
21	Rent paid	1.47	2.94	2.94			
22	Fixed Assets Purchased		0.55				
23	Loans availed by the Company for which guarantee is provided by related parties	400.00	400.00	400.00	400.00	400.00	400.00
24	Loans availed by the Company for which collateral security is provided by related parties	400.00	400.00	400.00	400.00	400.00	400.00

Sl. No.	Particulars	Key Managerial Personnel					
		Period ended September 30, 2011	Year ended March 31, 2011	Year ended March 31, 2010	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007
1	Purchase of Travel Tickets for Company Executives/Directors/Customers						
2	Travel Arrangements for Company Executives/Customers						
3	Marketing of Money Transfer Business Outside the Country						
4	Accommodation facilities for Company Executives/Clients/Customers						
5	Complementary Medical Health Check Ups for Customers/ Employees						
6	Release of Advertisements in Outdoor, Print and Electronic Media						
7	Sale of Gold Ornaments in Public Auction						
8	Branding Expenses paid outside India						
9	Interest on Hire Purchase Loan						
10	Hire Purchase Loan Repayment						
11	Interest to Directors/relatives	58.09	90.35	101.10	104.83	98.46	96.67
12	Interest on Inter Corporate Deposits						
13	Remuneration to Directors	96.00	192.00	192.23	120.90	48.90	48.90
14	Remuneration to Directors' Relatives						
15	Transaction Charges received						
16	Loans accepted	379.48	734.57	162.23	592.48	114.11	419.53

17	Loans Repaid	268.90	726.34	197.04	608.82	69.14	399.00
18	Security Deposit Accepted						
19	Inter Corporate Deposits accepted						
20	Inter corporate Deposits repaid						
21	Rent paid	1.53	3.01	2.40			
22	Fixed Assets Purchased						
23	Loans availed by the Company for which guarantee is provided by related parties	81,030.00	66,840.00	25,475.00	12,435.00	12,435.00	12,435.00
23	Loans availed by the Company for which collateral security is provided by related parties	135.00	135.00	135.00	135.00	135.00	135.00

Sl. No.	Particulars	Relative of Key Managerial Personnel					
		Period ended September 30, 2011	Year ended March 31, 2011	Year ended March 31, 2010	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007
A	**Transactions during the year**						
1	Purchase of Travel Tickets for Company Executives/Directors/Customers						
2	Travel Arrangements for Company Executives/Customers						
3	Marketing of Money Transfer Business Outside the Country						
4	Accommodation facilities for Company Executives/Clients/Customers						
5	Complementary Medical Health Check Ups for Customers/ Employees						
6	Release of Advertisements in Outdoor, Print and Electronic Media						
7	Sale of Gold Ornaments in Public Auction						
8	Branding Expenses paid outside India						
9	Interest on Hire Purchase Loan						
10	Hire Purchase Loan Repayment						
11	Interest to Directors/relatives	26.93	16.03	23.47			
12	Interest on Inter Corporate Deposits						
13	Remuneration to Directors						
14	Remuneration to Directors' Relatives	1.12	1.50	1.23	1.82		
15	Transaction Charges received						
16	Loans accepted		287.96				
17	Loans Repaid		49.20				
18	Security Deposit Accepted						
19	Inter Corporate Deposits accepted						

20	Inter corporate Deposits repaid						
21	Rent paid	0.28	0.18	0.58			
22	Fixed Assets Purchased						
23	Loans availed by the Company for which guarantee is provided by related parties	23,100.00	66,840.00	25,475.00	12,435.00	12,435.00	12,435.00
24	Loans availed by the Company for which collateral security is provided by related parties		135	135			

5. Segment Reporting

a) The Company is engaged in three segments of business – Financing, Power Generation and FM Radio (Up to 31.12.2009)

b) In the context of Accounting Standard 17 on Segment Reporting, issued by the Institute of Chartered Accountants of India, company has identified business segment as the primary segment for the purpose of disclosure. The segment revenues, results, assets and liabilities include the respective amounts identifiable to each of the segment and amounts allocated on a reasonable basis.

c) Company operates in a single geographical segment. Hence, secondary geographical segment information disclosure is not applicable

(₹ in Millions)

Particulars	Financing						Power Generation					
	Period ended September 30, 2011	**Year ended March 31, 2011**	**Year ended March 31, 2010**	**Year ended March 31, 2009**	**Year ended March 31, 2008**	**Year ended March 31, 2007**	**Period ended September 30, 2011**	**Year ended March 31, 2011**	**Year ended March 31, 2010**	**Year ended March 31, 2009**	**Year ended March 31, 2008**	**Year ended March 31, 2007**
REVENUE												
External revenue	20,126.12	22,983.44	10,774.16	6,062.32	3,579.37	2,235.85	15.18	22.13	25.11	22.12	17.37	20.40
Total revenue	20,126.12	**22,983.44**	**10,774.16**	**6,062.32**	**3,579.37**	**2,235.85**	15.18	**22.13**	**25.11**	**22.12**	**17.37**	**20.40**
SEGMENT RESULT	6,068.94	7,686.09	3,424.27	1,526.76	1,393.61	653.57	7.95	3.65	3.12	(2.10)	(22.72)	(18.39)
Other Income	103.61	152.41	84.84	117.87	89.43	80.58	-	-	0.00	0.00	0.00	0.00
Unallocated corporate Income		-						-	0.00			
Unallocated corporate expenses		-						-				
Operating profit	6,172.55	**7,838.49**	**3,509.11**	**1,644.63**	**1,483.04**	**734.15**	7.95	**3.65**	**3.12**	**(2.10)**	**(22.72)**	**(18.39)**
Income taxes												
Profit After Tax	6,172.55	**7,838.49**	**3,509.11**	**1,644.63**	**1,483.04**	**734.15**	7.95	**3.65**	**3.12**	**(2.10)**	**(22.72)**	**(18.39)**
OTHER INFORMATION												
Segment assets	2,05,684.26	137,169.84	63,300.69	37,003.34	22,489.58	15,779.08	58.96	64.89	79.66	98.12	121.21	150.06
Unallocated corporate assets	-						-					
TOTAL ASSETS	2,05,684.26	**137,169.84**	**63,300.69**	**37,003.34**	**22,489.58**	**15,779.08**	58.96	**64.89**	**79.66**	**98.12**	**121.21**	**150.06**
Segment liabilities	1,75,647.60	123,173.22	57,260.64	31,587.93	18,983.04	13,586.52	-	-	0.00	0.00	0.00	0.00
Unallocated corporate liabilities	-						-					
TOTAL LIABILITIES	1,75,647.60	**123,173.22**	**57,260.64**	**31,587.93**	**18,983.04**	**13,586.52**	2,763.02	**-**	**0.00**	**0.00**	**0.00**	**0.00**
Capital expenditure	922.90	505.27	290.07	179.06	464.97	198.51	-	-	0.00	0.00	0.00	0.00
Depreciation	127.59	164.87	123.01	63.73	45.32	35.03	5.93	14.77	18.47	23.08	28.82	35.94

Non cash expenses other than depreciation	296.77	343.09	28.50	8.16	0.13	7.39	-	-	0.00	0.00	0.00	0.00

Particulars	FM Radio						Total					
	Period ended September 30, 2011	**Year ended March 31, 2011**	**Year ended March 31, 2010**	**Year ended March 31, 2009**	**Year ended March 31, 2008**	**Year ended March 31, 2007**	**Period ended September 30, 2011**	**Year ended March 31, 2011**	**Year ended March 31, 2010**	**Year ended March 31, 2009**	**Year ended March 31, 2008**	**Year ended March 31, 2007**
REVENUE												
External revenue			3.96	1.08	0.00	0.00	20,141.30	23,005.57	10,803.24	6,085.52	3,596.74	2,256.25
Total revenue			**3.96**	**1.08**	**0.00**	**0.00**	20,141.30	**23,005.57**	**10,803.24**	**6,085.52**	**3,596.74**	**2,256.25**
SEGMENT RESULT			(38.90)	(40.12)	0.00	0.00	6,076.90	7,689.74	3,388.48	1,484.54	1,370.89	635.18
Other Income			0.36	0.07	0.00	0.00	103.61	152.41	85.20	117.94	89.43	80.58
Unallocated corporate Income							0.53	0.70	5.36	0.56	0.21	2.82
Unallocated corporate expenses							-98.59	(230.74)	(23.52)	(121.34)	(490.75)	(49.02)
Operating profit			**(38.54)**	**(40.05)**	**0.00**	**0.00**	6,082.44	**7,612.11**	**3,455.53**	**1,481.70**	**969.78**	**669.56**
Income taxes							2,022.38	2,670.34	1,179.78	504.50	333.81	229.78
Profit After Tax			**(38.54)**	**(40.05)**	**0.00**	**0.00**	4,060.06	**4,941.76**	**2,275.75**	**977.20**	**635.97**	**439.78**
OTHER INFORMATION							-					
Segment assets			0.00	144.08	68.85	0.00	2,05,743.22	137,234.73	63,380.34	37,245.54	22,679.64	15,929.14
Unallocated corporate assets							1,469.77	2,429.69	1,049.45	489.98	323.17	216.74
TOTAL ASSETS			**0.00**	**77,081.50**	**85,804.23**	**67,764.24**	2,07,212.98	**139,664.42**	**64,429.80**	**37,735.52**	**23,002.81**	**16,145.88**
Segment liabilities			0.00	0.00	9,209.32	4,929.63	1,75,647.60	123,173.22	57,260.64	31,587.93	9,209.32	4,929.63
Unallocated corporate liabilities							2,763.02	91.35	68.97	68.00	85.01	120.00
TOTAL LIABILITIES			**0.00**	**0.00**	9,209.32	4,929.63	1,78,410.63	**123,264.57**	**57,329.6**	**31,655.93**	**9,294.33**	**5,049.63**
Capital expenditure			-	70.58	63.63	0.00	922.90	505.27	290.66	249.64	528.60	198.51
Depreciation			7.42	11.97	0.00	0.00	133.51	179.64	148.90	98.78	74.14	70.97
Non cash expenses other than depreciation			7.28	9.61	9.40	2.35	296.77	343.09	35.78	17.77	9.53	9.74

6. All figures are in Rupees million except otherwise stated and have been rounded off to the second decimal.

As per our report of even date

PER PRO RANGAMANI & CO.

Chartered Accountants

(FRN: 003050 S)

Sd/-

R .SREENIVASAN

Membership No. 20566

For and on behalf of the Board of Directors

Sd/-

George Alexander Muthoot

Managing Director

Place: **Cochin, India**

Date: **February 08, 2012**

ANNEXURE V: SCHEDULES TO THE BALANCE SHEET

SCHEDULE I: FIXED ASSETS

(₹ in Millions)

Description	Gross Block						Accumulated Depreciation						Net Block					
	As at September 30, 2011	**As at March 31, 2011**	**As at March 31, 2010**	**As at March 31, 2009**	**As at March 31, 2008**	**As at March 31, 2007**	**As at September 30, 2011**	**As at March 31, 2011**	**As at March 31, 2010**	**As at March 31, 2009**	**As at March 31, 2008**	**As at March 31, 2007**	**As at September 30, 2011**	**As at March 31, 2011**	**As at March 31, 2010**	**As at March 31, 2009**	**As at March 31, 2008**	**As at March 31, 2007**
Land	545.86	537.16	500.28	545.44	513.80	61.10	-	-	-	-	-	-	545.86	537.16	500.28	545.44	513.80	61.10
Building	265.89	265.89	194.01	182.23	175.91	148.73	55.97	50.57	41.98	34.22	26.59	19.99	209.92	215.31	152.04	148.01	149.32	128.74
Furniture & Fixtures	692.60	553.46	331.72	245.45	198.31	150.11	224.35	184.24	136.33	98.95	73.47	52.61	468.25	369.22	195.39	146.49	124.84	97.50
Plant & Machinery	792.14	599.43	285.35	199.87	80.04	55.83	152.06	111.43	64.04	41.17	22.08	15.11	640.07	487.99	221.31	158.71	57.96	40.72
Computer	386.50	292.08	173.70	107.46	46.48	31.84	181.22	142.60	85.83	46.71	26.65	19.12	205.28	149.48	87.87	60.75	19.83	12.72
Motor Car	48.02	34.73	25.43	21.61	20.11	18.16	19.66	17.42	14.13	11.44	8.76	6.31	28.37	17.31	11.30	10.17	11.35	11.85
Wind Mill	180.60	180.60	180.60	180.60	180.60	180.60	127.43	121.51	106.74	88.27	65.19	36.34	53.16	59.09	73.86	92.33	115.41	144.26
Total	**2,911.61**	**2,463.34**	**1,691.09**	**1,482.66**	**1,215.25**	**646.37**	**760.69**	**627.77**	**449.04**	**320.76**	**222.74**	**149.48**	**2,150.91**	**1,835.57**	**1,242.05**	**1,161.90**	**992.51**	**496.89**

SCHEDULE II: INVESTMENTS

(₹ in Millions)

Particulars	As at September 30, 2011	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
Trade Investments, Unquoted						
Long Term Investments (At cost)						
A. In Wholly Owned Subsidiary Companies	**-**	**-**	**-**	**-**	**-**	**-**
B. In Other Subsidiaries	**-**	**-**	**-**	**-**	**-**	**-**
C. In Other Companies						
25.800 equity shares of ₹ 10 each in Muthoot Broadcasting Private Limited	-	-	-	0.26	0.26	0.26
4,500,000 equity shares of ₹ 10 each in Muthoot Exchange Company Private Limited	45.00	45.00	45.00	45.00	55.00	55.00
3,000,000 equity shares of ₹ 10 each in Muthoot Securities Limited	30.00	30.00	30.00	30.00	-	-
Total	**75.00**	**75.00**	**75.00**	**75.26**	**55.26**	**55.26**
Trade Investments, Quoted						
Long Term Investments (At cost)						
A. In Wholly Owned Subsidiary Companies	**-**	**-**	**-**	**-**	**-**	**-**
B. In Other Subsidiaries	**-**	**-**	**-**	**-**	**-**	**-**
C. In Other Companies						
454 equity shares of ₹ 10 each in Union Bank of India	0.05	0.05	0.05	0.05	0.05	0.05
Total	**0.05**	**0.05**	**0.05**	**0.05**	**0.05**	**0.05**
Non-Trade Investments, Quoted						
Current Investments (At lower of cost or market value)						
Nil (10.25% Govt. of India Bonds)	-	-	-	-	118.12	116.84
Nil (LIC Mutual Fund - Liquid Fund)	-	-	-	10.00	10.00	70.00
Total	**-**	**-**	**-**	**10.00**	**128.12**	**186.84**
Grand Total	**75.05**	**75.05**	**75.05**	**85.31**	**183.43**	**242.15**
Aggregate amount of Unquoted investments	**75.00**	**75.00**	**75.00**	**75.26**	**55.26**	**55.26**
Aggregate amount of Quoted investments	**0.05**	**0.05**	**0.05**	**10.05**	**128.17**	**186.89**

SCHEDULE III: SUNDRY DEBTORS

(₹ in Millions)

Particulars	As at September 30, 2011	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
Unsecured, Considered Good						
Debts Outstanding for a period exceeding six months		-	-	-	-	-
Other Debts	159.37	53.94	33.45	40.95	34.92	21.66
Total	**159.37**	**53.94**	**33.45**	**40.95**	**34.92**	**21.66**
Amount outstanding from Promoters / Promoter Group/ Group Companies / Directors / Relatives of Directors						
From Promoter group companies	-	-	-	-	-	-
From Subsidiary companies	-	-	-	-	-	-
Total	-	-	-	-	-	-

Notes:

1. The List of persons/ entities classified as 'Promoters' and 'Promoter Group Companies' has been determined by the Management and relied upon by Auditors. The Auditors have not performed any procedures to determine whether this list is accurate or complete.

SCHEDULE IV: CASH AND BANK BALANCES

(₹ in Millions)

Particulars	As at September 30, 2011	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
Cash in Hand	1,134.54	1,350.09	1,079.49	468.51	271.65	167.38
With scheduled banks :						
On current accounts	9,347.76	9,329.38	3,552.13	1,475.80	311.26	77.57
In ESCROW account IPO-Equity Shares	14.39	-	-	-	-	-
In ESCROW account IPO - NCD	182.81	-	-	-	-	-
On deposit accounts	2,642.72	3,075.48	1,128.30	6,881.01	1,997.47	318.26
	13,322.22	**13,754.95**	**5,759.92**	**8,825.32**	**2,580.38**	**563.21**

SCHEDULE V: OTHER CURRENT ASSETS

(₹ in Millions)

Particulars	As at September 30, 2011	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
Fully Secured, Considered Good						
Interest Receivable on Loans and Advances	5,051.94	3,489.99	1,358.69	1,177.54	655.65	575.92
Unsecured, Considered Good						
Tax Deducted at source	9.74	21.42	22.45	24.61	9.49	6.30
Advance Income Tax	1,460.03	2,408.27	1,027.01	451.70	299.68	200.29
Advance Fringe Benefit Tax	-	-	-	4.24	3.09	4.55
Unsecured, Considered Doubtful	**-**	**-**	**-**	**-**	**-**	**-**
Total	**6,521.71**	**5,919.68**	**2,408.14**	**1,658.09**	**967.91**	**787.06**

SCHEDULE VI: LOANS AND ADVANCES

(₹ in Millions)

Particulars	As at September 30, 2011	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
Fully Secured, Considered good						
Gold Loans	1,80,558.05	1,14,956.68	52,990.61	24,709.43	17,356.52	13,367.09
Loan against Muthoot Gold Bonds	1,624.46	1,310.60	930.16	670.16	455.51	277.15
Sub-Total	**1,82,182.51**	**1,16,267.28**	**53,920.77**	**25,379.59**	**17,812.03**	**13,644.24**
Unsecured, Considered good						
Retail Loans	114.28	93.23	33.96	19.18	17.22	37.12
Other Loans & Advances	974.91	697.13	318.67	175.69	124.78	188.23
Sub-Total	**1,089.19**	**790.36**	**352.63**	**194.87**	**142.00**	**225.35**
Fully Secured, Considered doubtful						
Gold Loans	1,233.16	460.11	343.58	161.07	92.57	23.43
Sub-Total	**1,233.16**	**460.11**	**343.58**	**161.07**	**92.57**	**23.43**

Particulars	As at September 30, 2011	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
Grand Total	**1,84,504.85**	**1,17,517.75**	**54,616.99**	**25,735.53**	**18,046.59**	**13,893.02**

SCHEDULE VII: SECURED LOANS

(₹ in Millions)

Particulars	As at September 30, 2011	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
Loans from banks:						
Loan against deposit from Bank	-	-	-	-	-	22.60
OD facility from Banks	1.55	1.02	2.83	5.31	8.78	3.82
Cash Credit Facilities	75,925.37	59,694.61	17,824.89	10,594.30	5,491.11	4,138.94
Rupee Term Loans	424.78	433.66	450.97	468.00	385.01	120.00
Debentures						
Redeemable, Non-convertible debentures	58,498.25	41,982.27	27,192.52	19,019.85	12,403.29	8,832.16
Collateralised Borrowing and Lending Obligation						
From Banks	-	-	-	-	112.00	-
Total	**1,34,849.95**	**1,02,111.55**	**45,471.22**	**30,087.45**	**18,400.19**	**13,117.52**

Notes:

1. Cash credit facilities from banks to the extent of ₹ 1.55 million are secured against pledge of fixed deposit with the banks amounting to ₹ 20.06 million together with the interest and all monies payable thereunder.
2. Cash credit facilities from banks amounting to ₹ 75,925.37 million are secured by way of by paripassu floating charge on current assets, book debts, Loans & advances, receivables including gold loan receivables.
3. Rupee term loan of ₹ 400.00 million availed from a bank is secured by mortgage of immovable property and subservient charge on current assets, book debts, Loans & advances, receivables including gold loan receivables.
4. Rupee term loan of ₹ 24.78 million availed from a bank is secured by specific charge on wind mills and land appurtenant thereto.
5. Secured Non Convertible debentures of ₹ 58,441.20 million is secured by mortgage of immovable property and a paripassu floating charge on current assets, book debts, Loans & advances, receivables including gold loan receivables.
7. Secured Non Convertible debentures of ₹ 57.05 million is secured by mortgage of immovable property and a charge on all movable assets.
8. The details of security for loans above have been disclosed only in respect of those loans which were outstanding as at September 30, 2011
9. The figures disclosed above are based on the Reformatted Summary Statement of Assets and Liabilities of the Company.

SCHEDULE VIII: UNSECURED LOANS

(₹ in Millions)

Particulars	As at September 30, 2011	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
Short Term						
From Banks						
- Unsecured Loan from Bank	-	400.00	3,000.00	-	-	-
- Commercial Paper	21,980.41	6,947.81	-	-	-	-
From Others						
- Loan from Directors / Relatives of Directors	915.53	817.59	570.60	467.11	352.87	307.90
- Inter Corporate Loans	12.55	3.05	16.75	2.22	-	1.10
- Debentures	4,500.00	2,000.00	500.00	-	-	-

Long Term						
From Banks		-	-	-	-	-
From Others						
- Subordinate Debts	10,309.46	7,105.86	3,246.68	1,099.15	400.00	400.00

SCHEDULE IX: CURRENT LIABILITIES

(₹ in Millions)

Particulars	As at September 30, 2011	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
Interest accrued but not due	5,156.59	3,516.14	2,034.48	1,156.80	644.60	424.53
Statutory Dues	56.02	56.99	17.71	20.79	15.49	13.94
Other Expenses Payable	505.78	160.51	2,372.70	587.53	536.15	0.12
Other Current Liabilities	124.32	145.06	99.46	40.44	28.63	20.52
Total	**5,842.71**	**3,878.71**	**4,524.35**	**1,805.57**	**1,224.88**	**459.10**

SCHEDULE X: PROVISION

(₹ in Millions)

Particulars	As at September 30, 2011	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
Provision for Non-Performing Assets	174.31	69.65	37.08	16.11	9.26	2.34
Provision for Standard Assets	455.74	290.90	-	-	-	-
Provision for Income Tax	2,052.17	2,670.45	1,192.81	507.94	336.07	207.68
Provision for Fringe Benefit Tax	-	-	-	0.42	3.32	4.40
Total	**2,682.22**	**3,031.00**	**1,229.90**	**524.46**	**348.65**	**214.43**

SCHEDULE XI: SHARE CAPITAL

(₹ in Millions)

Particulars	As at September 30, 2011	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
Authorised						
Equity Shares	4,500.00	4,500.00	3,500.00	500.00	86.00	86.00
450 mn equity shares of ₹ 10 each	450 mn equity shares of ₹ 10 each	350 mn equity shares of ₹ 10 each	50 mn equity shares of ₹ 10 each	8.6 mn equity shares of ₹ 10 each	8.6 mn equity shares of ₹ 10 each	
5,000.00	5,000.00	-	-	-	-	
5 mn preference shares of ₹ 1000 each	5 mn preference shares of ₹ 1000 each	-	-	-	-	
Total	**9,500.00**	**9,500.00**	**3,500.00**	**500.00**	**86.00**	**86.00**
Issued, Subscribed & Paid up	3,717.13	3,202.13	3,010.00	490.00	50.00	50.00
	37,17,12,768 Equity shares of ₹ 10 each fully paid up	32,02,12,768 Equity shares of ₹ 10 each fully paid up	30,10,00,000 Equity shares of ₹ 10 each fully paid up	4,90,00,000 Equity shares of ₹ 10 each fully paid up	50,00,000 Equity shares of ₹ 10 each fully paid up	50,00,000 Equity shares of ₹ 10 each fully paid up
Total	**3,717.13**	**3,202.13**	**3,010.00**	**490.00**	**50.00**	**50.00**

SCHEDULE XII: SECURITIES PREMIUM

(₹ in Millions)

Particulars	As at September 30, 2011	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
As per last Balance Sheet	2,364.77	-	755.00	275.00	275.00	35.00
Add: Proceed on Issue of Shares	8,497.50	2,364.77		480.00	-	240.00
Less: Capitalisation	-	-	755.00	-	-	-
Less: Share Issue Expenses	291.49	-	-	-	-	-
Total	**10,570.78**	**2,364.77**	**-**	**755.00**	**275.00**	**275.00**

SCHEDULE XIII: STATUTORY RESERVE

(₹ in Millions)

Particulars	As at September 30, 2011	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
As per last Balance Sheet	1,982.02	993.67	538.52	343.08	215.89	127.93
Add: Transfer from Profit & Loss Account	812.02	988.35	455.15	195.44	127.19	87.96
Total	2,794.04	**1,982.02**	**993.67**	**538.52**	**343.08**	**215.89**

SCHEDULE XIV: PROFIT AND LOSS ACCOUNT

(₹ in Millions)

Particulars	As at September 30, 2011	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
As per last Balance Sheet	5,795.20	1,841.79	1,918.75	1,555.50	1,052.04	705.80
Add: Transfer from Profit & Loss Account	3,248.05	3,953.41	1,830.01	783.25	503.46	350.60
Impact of reformatting of prior period expenses relating to periods prior to 01.04.2006	-					(4.36)
Issue of Bonus Shares	-	-	(1,765.00)	(420.00)	-	-
Reduction on account of demerger of radio business	-	-	(141.98)	-	-	-
Total	**9,043.25**	**5,795.20**	**1,841.79**	**1,918.75**	**1,555.50**	**1,052.04**

SCHEDULE XV: MISCELLANEOUS EXPENDITURE TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED

(₹ in Millions)

Particulars	As at September 30, 2011	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
Software						
As per last Balance Sheet	2.21	3.54	5.54	0.84	0.90	-
Add: Additions during the year	3.76	-	0.69	6.20	0.21	1.12
Less: Written off during the year	1.04	1.34	1.56	1.51	0.27	0.22
Less: Transfer on account of demerger of radio division	-	-	1.12	-	-	-
Closing Balance	4.93	2.21	3.54	5.54	0.84	0.90
FM Radio License	-	-	-	-	-	-
As per last Balance Sheet	-	-	82.26	91.67	-	-
Add: Additions during the year	-	-	-	-	94.02	-
Less: Written off during the year	-	-	7.05	9.40	2.35	-
Less: Transfer on account of demerger of radio division	-	-	75.21	-	-	-
Closing Balance	-	-	-	***82.26***	***91.67***	-
Total as per Balance Sheet	**4.93**	**2.21**	**3.54**	**87.80**	**92.51**	**0.90**

ANNEXURE VI : SCHEDULES TO THE PROFIT AND LOSS ACCOUNT

SCHEDULE XVI: INTEREST INCOME

(₹ in Millions)

SOURCE OF INCOME	For the period ended September 30, 2011	For the year ended March 31, 2011	For the year ended March 31, 2010	For the year ended March 31, 2009	For the Year ended March 31, 2008	For the year ended March 31, 2007
Interest Income on Retail Loans	20,016.87	22,840.52	10,696.56	5,983.73	3,557.09	2,215.49
Interest on Bank Deposits	109.18	142.92	77.96	78.66	22.28	20.36
Total	**20,126.05**	**22,983.44**	**10,774.52**	**6,062.39**	**3,579.37**	**2,235.85**

SCHEDULE XVII: OTHER INCOME

(₹ in Millions)

Particulars	As at September 30, 2011	For the year ended March 31, 2011	For the year ended March 31, 2010	For the year ended March 31, 2009	For the Year ended March 31, 2008	For the year ended March 31, 2007
Rent Received	0.37	0.59	0.52	0.37	0.13	0.02
Income from Investments	-	-	0.03	10.54	1.40	-
Income from Money Transfer Business	52.41	65.97	64.14	62.91	51.11	31.21
Income from Windmill	15.18	22.13	25.11	22.12	17.37	20.40
Income from Radio Business	-	-	3.96	-	-	-
Profit on sale of fixed assets	-	-	4.60	0.18	0.08	2.79
Postage Collected	0.01	0.03	0.01	19.85	-	16.27
Service Charges Collected	30.60	73.52	18.31	23.05	34.48	27.70
Miscellaneous income	19.32	8.10	2.36	2.60	2.31	2.99
Token Charges Collected	-	-	-	0.01	0.10	2.23
Brokerage from Mutual Funds	-	-	-	-	0.03	0.19
Transaction Charges Collected	1.34	4.79	-	-	-	-
Voice of Wealth Income	0.16	0.11	0.24	-	-	-
Total	**119.39**	**175.24**	**119.28**	**141.63**	**107.01**	**103.80**

SCHEDULE XVIII: INTEREST EXPENSES

(₹ in Millions)

Particulars	As at September 30, 2011	For the year ended March 31, 2011	For the year ended March 31, 2010	For the year ended March 31, 2009	For the year ended March 31, 2008	For the year ended March 31, 2007
On Debentures	2,706.41	3,477.20	2,626.48	1,687.69	1,084.86	657.69
On Shareholders Deposits	0.46	3.33	3.31	2.00	40.86	39.08
On Subordinated Debts, Bank loan etc	7,151,89	6,845.91	2,107.49	1,408.01	672.27	302.18
Total	**9,858.76**	**10,326.44**	**4,737.28**	**3,097.70**	**1,797.99**	**998.95**

SCHEDULE XIX: PERSONNEL EXPENSES

(₹ in Millions)

Particulars	For the period ended September 30, 2011	For the year ended March 31, 2011	For the year ended March 31, 2010	For the year ended March 31, 2009	For the year ended March 31, 2008	For the year ended March 31, 2007
Salaries and Incentives	1,578.50	2,024.89	1,058.80	617.85	367.23	248.69
Contribution to Provident Fund	90.60	67.88	35.62	22.57	14.53	9.81
Contribution to ESI	25.47	20.91	9.32	4.16	3.04	0.00
Contribution to Group Gratuity Premium	25.00	46.31	39.48	14.11	8.13	1.49
Staff Welfare Expenses	32.32	49.50	26.22	18.32	12.42	6.32

Total	**1751.89**	**2,209.49**	**1,169.44**	**677.01**	**405.35**	**266.31**

SCHEDULE XX: ADMINISTRATIVE EXPENSES

(₹ in Millions)

Particulars	For the period ended September 30, 2011	For the year ended March 31, 2011	For the year ended March 31, 2010	For the year ended March 31, 2009	For the year ended March 31, 2008	For the year ended March 31, 2007
Postage, Telegram and Telephone	89.56	115.38	71.78	27.47	17.64	27.85
Director's Sitting Fees	0.19	0.57	0.08	0.13	-	-
Commission to Non-Executive Directors	-	0.53	-	-	-	-
Rent	460.85	602.69	290.13	130.72	81.88	47.36
Travelling and Conveyance	79.00	113.53	67.31	42.34	26.68	18.34
Printing and Stationary	76.44	110.60	68.74	44.46	31.51	19.23
Bank Charges	105.76	72.77	53.02	69.47	25.50	15.03
Electricity Charges	62.51	77.91	45.14	33.58	22.40	15.38
Repairs and Maintenance						
Building	47.11	60.39	22.27	14.33	10.21	8.20
Plant & Machinery	74.49	87.28	40.32	24.19	20.42	14.48
Others	59.51	62.98	33.12	23.19	11.04	11.79
Water Charges	2.93	2.50	1.22	0.75	0.61	0.42
Taxes and License Fee	16.29	16.52	10.24	11.04	11.66	6.27
Legal and Professional Charges	190.82	113.67	33.87	16.36	11.44	9.97
Insurance charges	10.14	13.98	5.17	21.22	13.03	22.39
Hire charges	-	0.01	0.01	0.02	0.04	0.09
Investment Deficit	-		-	-	-	6.02
Newspaper and Periodicals	0.50	0.79	0.12	0.09	0.06	0.09
Business Promotion Expense	196.92	118.74	45.45	25.03	17.63	15.09
Advertisement	514.51	646.69	331.46	207.71	66.75	36.25
Vehicle Hire & Maintenance	4.14	7.53	5.89	5.68	4.91	4.31
Audit and Inspection Expenses	33.90	37.55	19.00	12.09	7.09	5.31
Income Tax Paid	-	32.27	9.41	-	-	-
Audit Remuneration	0.50	0.70	0.40	0.30	0.18	0.12
Loss on Theft	-	-	0.48	-	-	-
Bad Debt Written Off	26.22	18.29	6.19	-	-	-
Foreign Exchange Conversion Loss	-	0.19	-	-	-	-
Loss on Sale of Fixed Assets	-	0.13	-	-	-	-
Miscellaneous Expenses Written off	1.04	1.34	8.62	10.91	2.62	0.22
Provision for Non Performing Assets	104.66	32.56	20.98	6.85	6.91	0.75
Provision For Standard Assets	164.84	290.90	-	-	-	-
Total	**2,322.82**	**2,638.99**	**1,190.43**	**727.93**	**390.21**	**284.96**

ANNEXURE VII: CAPITALIZATION STATEMENT AS AT SEPTEMBER 30, 2011

(₹ in Millions)

PARTICULARS	Pre Issue	Post Issue (See note 5)
Long Term Debts	41,364.70	46,364.70
Short Term Debts	1,31,203.20	1,31,203.20
Total Debts	**1,72,567.90**	**1,77,567.90**
Shareholders' Funds		
- Equity Share Capital	3,717.13	3,717.13
- Preference Share Capital	-	-
Reserves and Surplus, as Reformatted		
- Securities Premium Account	10,570.78	10,570.78
- Profit and Loss Account	9,043.25	9,043.25
Statutory Reserves	2,794.04	2,794.04
Miscellaneous Expenditure (to the extent not written off)	(4.93)	(4.93)

	Total Shareholders' Funds	**26,120.27**	**26,120.27**
	Long Term Debts/ Equity	**1.58**	**1.78**

Notes:

1. Short term debts represent debts which are due within twelve months from September 30, 2011
2. Long term debts represent debts other than short term debts, as defined above.
3. The figures disclosed above are based on the Reformatted Summary Statement of Assets and Liabilities of the Company as at September 30, 2011
4. Long Term Debts/ Equity = $\frac{\text{Long Term Debts}}{\text{Shareholders' Funds}}$
5. The debt-equity ratio post the Issue is indicative and is on account of assumed inflow of ₹ 5,000 millions from the Issue, as on September 30, 2011.

ANNEXURE VIII: SECURED LOANS AND UNSECURED LOANS

A. SECURED LOANS

(₹ in Millions)

Particulars	As at September 30, 2011	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
Loans from banks:						
Loan against deposit from Bank		-	-	-	-	22.60
OD facility from Banks	1.55	1.02	2.83	5.31	8.78	3.82
Cash Credit Facilities	75,925.37	59,694.61	17,824.89	10,594.30	5,491.11	4,138.94
Rupee Term Loans	424.78	433.66	450.97	468.00	385.01	120.00
Debentures						
Redeemable, Non-convertible debentures	58,498.25	41,982.27	27,192.52	19,019.85	12,403.29	8,832.16
Collateralised Borrowing and Lending Obligation						
From Banks		-	-	-	112.00	-
Total	**1,34,849.95**	**1,02,111.55**	**45,471.22**	**30,087.45**	**18,400.19**	**13,117.52**

Notes:-

1. Cash credit facilities from banks to the extent of ₹ 1.55 million are secured against pledge of fixed deposit with the banks amounting to ₹ 20.06 million together with the interest and all monies payable thereunder.
2. Cash credit facilities from banks amounting to ₹ 75,925.37 million are secured by way of by paripassu floating charge on current assets, book debts, Loans & advances, receivables including gold loan receivables.
3. Rupee term loan of ₹ 400.00 million availed from a bank is secured by mortgage of immovable property and subservient charge on current assets, book debts, Loans & advances, receivables including gold loan receivables.
4. Rupee term loan of ₹ 24.78 million availed from a bank is secured by specific charge on wind mills and land appurtenant thereto.
5. Secured Non Convertible debentures of ₹58,441.20 million is secured by mortgage of immovable property and a paripassu floating charge on current assets, book debts, Loans & advances, receivables including gold loan receivables.
6. Secured Non Convertible debentures of ₹ 57.05 million is secured by mortgage of immovable property and a charge on all movable assets.
7. The details of security for loans above have been disclosed only in respect of those loans which were outstanding as at September 30, 2011

8. The figures disclosed above are based on the Reformatted Summary Statement of Assets and Liabilities of the Company.

B. UNSECURED LOANS

(₹ in Millions)

Particulars	As at September 30, 2011	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
Short Term						
From Banks						
- Unsecured Loan from Bank	-	400.00	3,000.00	-	-	-
- Commercial Paper	21,980.41	6,947.81	-	-	-	-
From Others						
- Loan from Directors / Relatives of Directors	915.53	817.59	570.60	467.11	352.87	307.90
- Inter Corporate Loans	12.55	3.05	16.75	2.22	-	1.10
- Debentures	4,500.00	2,000.00	500.00	-	-	-
Long Term						
From Banks	-	-	-	-	-	-
From Others						
- Subordinate Debts	10,309.46	7,105.86	3,246.68	1,099.15	400.00	400.00
Total	**37,717.95**	**17,274.31**	**7,334.03**	**1,568.48**	**752.87**	**709.00**

ANNEXURE IX: STATEMENT OF ACCOUNTING RATIOS

(₹ in Millions)

PARTICULARS	As at September 30, 2011	For the year ended March 31, 2011	For the year ended March 31, 2010	For the year ended March 31, 2009	For the year ended March 31, 2008	For the year ended March 31, 2007
Earnings/ (Loss) per Share – Basic (₹)	11.19	15.78	7.59	3.49	2.57	2.02
Earnings/ (Loss) per Share – Diluted (₹)	11.19	15.78	7.59	3.49	2.57	2.02
Return on Net Worth (%)	15.54%	37.04%	39.12%	27.08%	29.59%	27.55%
Net Asset Value per Equity Share(₹).	70.27	41.67	19.41	73.76	426.21	318.41
Weighted average number of equity shares used in calculating Basic EPS	36,27,07,304	313,255,816	301,000,000	280,097,456	245,714,286	216,912,581
Add: Weighted average numbers of equity shares which would be issued on the allotment against share application money or exercise of option	-	-	-	-	-	-
Weighted average number of equity shares used in calculating Diluted EPS	36,27,07,304	313,255,816	301,000,000	280,097,456	245,714,286	216,912,581
Total number of equity shares outstanding at the end of the year/ period	37,17,12,768	320,212,768	301,000,000	49,000,000	5,000,000	5,000,000

Notes:

1. The ratios have been computed as below:

$$\text{Earnings per Share} = \frac{\text{Net Profit/ (Loss) as reformatted, attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year (reformatted)}}$$

$$\text{Return on Net Worth (\%)} = \frac{\text{Net Profit/ (Loss) after tax, as reformatted}}{\text{Net Worth as reformatted}}$$

$$\text{Net Assets Value per Equity Share (₹)} = \frac{\text{Net Worth as reformatted}}{\text{Number of equity shares outstanding at the end of the year}}$$

2. Net Worth = Equity Share Capital (+) Share Application Money pending allotment (+) Securities Premium Account (+) Surplus/ (Deficit) in Profit and Loss Account (-) Miscellaneous Expenditure (to the extent not written off).

3. Earning per share calculations are in accordance with Accounting Standard 20 "Earning Per share". Basic Earning Per Share and Diluted Earnings Per Share for the years ended March 31, 2011, March 31, 2010, March 31, 2009, March 31, 2008 and March 31, 2007 have been adjusted for the bonus shares issued by the Company during the year ended March 31, 2009 in the ratio of 7:1 and during the year ended March 31, 2010 in the ratio 36:7

ANNEXURE-X: DETAILS OF RATES OF DIVIDEND

(₹ in Millions)

PARTICULARS	Face Value (₹./ Share)	As at September 30, 2011	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
Class of Shares							
Equity Share Capital	10.00	3,717.13	3,202.13	3,010.00	490.00	50.00	50.00
Dividend							
Dividend on Equity Shares							
- Rate on the face value		0%	0%	0%	0%	0%	0%
- Amount		-	-	-	-	-	-
Dividend Tax		-	-	-	-	-	-

Note:

The amount paid as dividends in the past are not necessarily indicative of the Company's dividend policy in the future.

ANNEXURE XI: DETAILS OF CONTINGENT LIABILITIES

(₹ in Millions)

Particulars	As at September 30, 2011	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
Claims against the Company, not acknowledged as debts						
i) Service Tax demand for the period-2003-2008, pending in appeal with CESTAT *Commissioner of Central Excise, Customs and Service Tax, Cochin has raised a demand of ₹ 22.12 Millions (Previous year ₹9.19 Millions) as Service tax liability and equal amount as penalty. During the course of the proceedings Company paid₹.2.09 Millions. The Appellate Authority admitted the Appeal preferred by the company and granted stay of recovery, on pre-deposit of ₹ 4.30 Millions. Pending disposal of appeal, no provision has been made by the company during the year .*	15.73	15.73	15.73	9.19	Nil	Nil
ii) Income tax demand for Assessment Year 2004-05, pending in appeal with ITAT *Assistant Commissioner of Income Tax, Circle 1(3), Ernakulam has filed an appeal before ITAT against the order of Commissioner of Income Tax (Appeals) – II, Cochin demanding.₹ 5.24 Millions (Previous year ₹ 5.24Millions). Pending disposal of appeal, no provision has been made by the company during the year .*	Nil	Nil	Nil	Nil	Nil	Nil
iii) Income tax demand for *Assessment Year 2006-07, pending in appeal with ITAT* *Company has filed an appeal before ITAT against the order of Commissioner of Income Tax (Appeals) – II, Cochin demanding ₹ 1.52 Millions (Previous year ₹ Nil). TPending disposal of appeal, no provision has been made by the company during the year .*	Nil	Nil	Nil	Nil	Nil	Nil
Estimated amount of contracts remaining to be executed on capital accounts and not provided for	61.06	24.73	26.90	-	-	-
Other money for which company is contingently liable:						
i) Counter Guarantee provided to Banks	1,634.19	32.54	30.30	33.37	3.07	

						-
ii) Cash collateral provided as credit enhancement for bilateral assignment of receivables	24,646.96	2,743.16	1,037.11	1,313.94	813.87	-
iii) Over collateral provided as credit enhancement for bilateral assignment of receivables	-	63.57	80.12	77.51	141.18	-
iv) Corporate guarantee provided as credit enhancement for bilateral assignment of receivables	5,244.68	751.55	1,500.01	-	-	-

ANNEXURE-XII: STATEMENT OF TAX SHELTERS

(₹ in Millions)

PARTICULARS	As at September 30, 2011	For the year ended March 31, 2011	For the year ended March 31, 2010	For the year ended March 31, 2009	For the year ended March 31, 2008	For the year ended March 31, 2007	For the Year ended March 31, 2006
Profits/ (Losses) before Current and taxes as per books(A)	**6,082.44**	**7,612.11**	**3,455.53**	**1,481.70**	**969.78**	**669.57**	**413.36**
Income Tax Rates (including surcharge and education cess) applicable (B)	32.45%	33.22%	33.99%	33.99%	33.99%	33.66%	33.66%
Tax at national rates (C)	**1,973.45**	**2,528.55**	**1,174.53**	**503.63**	**329.63**	**225.38**	**139.14**
Permanent Differences							
Preliminary Expenses written off	1.04	1.34	1.56	1.51	2.62	0.22	-
Provision for NPA	269.50	323.46	20.98	6.85	6.91	0.75	0.44
Profit on sale of fixed assets	(0.16)	-	(0.08)	(0.18)	(0.08)	(2.79)	-
Fee for Capital increase	-	2.40	15.00	-	-	-	-
Income tax charged in Profit & loss account	-	32.27	9.41	-	-	-	-
Loss of sale of Fixed Assets	-	0.13					
Short term Capital gain on sale of land	-	-	-	-	-	2.79	-
Total Permanent Differences (D)	**270.38**	**359.60**	**46.87**	**8.18**	**9.45**	**0.97**	**0.44**
Timing Differences							
Differences between book depreciation and tax depreciation	(13.89)	(33.58)	16.66	4.51	9.49	(53.32)	(73.04)
Total Timing Differences (E)	**(13.89)**	**(33.58)**	**16.66**	**4.51**	**9.49**	**(53.32)**	**(73.04)**
Profit set off against brought forward losses and unabsorbed depreciation of previous years (F)	-	-	-	-	-	-	-
Net Adjustments (G) = (D+E+F)	**256.49**	**326.02**	**63.53**	**12.69**	**18.94**	**(52.35)**	**(72.60)**
Tax impact of adjustments (H) = (G)*(B)	83.22	108.30	21.59	4.31	6.44	(17.62)	(24.44)
Deduction u/s 80IA **(I)**	13.86	18.29	20.89	17.51	-	-	-
Taxable Income (J) = (A+G-I)	**6,325.06**	**7,919.84**	**3,498.17**	**1,476.88**	**988.72**	**617.22**	**340.76**
Tax provision based on taxable income (K) = (J * B)	**2,052.17**	**2,670.45**	**1,189.03**	**501.99**	**336.07**	**207.76**	**114.70**
Round off made in provisioning	-	-	-	-	-	(0.07)	(0.10)
Error in provisioning	-	-	3.78	-	-	-	-
Excess provision on account of non claiming of Sec 80 IA in the previous year	-	-	-	5.95	-	-	-
Total tax provision for current tax (L)	**2,052.17**	**2,670.45**	**1,192.81**	**507.94**	**336.07**	**207.68**	**114.60**
Deferred tax Charges/ (Credit) on differences between book depreciation and depreciation under the Income Tax Act, 1961 (M)	4.17	10.71	(6.07)	(1.53)	(3.23)	17.95	24.59
Provision for FBT(N)	-	-	-	0.42	3.32	4.40	3.05
Deferred tax Charges/ (Credit) on Provision for NPA (O)	(33.96)	(10.82)	(6.96)	(2.33)	(2.35)	(0.25)	(0.15)
Total tax expense/ (Credit) during the year on time difference (P) = (L+M+N+O)	**2,022.38**	**2,670.34**	**1,179.78**	**504.50**	**333.82**	**229.78**	**142.09**

DISCLOSURES ON EXISTING FINANCIAL INDEBTEDNESS

A. Details of Secured Borrowings:

Our Company's secured borrowings as on December 31, 2011 amount to ₹ 151,310.45 million. The details of the individual borrowings are set out below:

1. *Cash Credit facilities availed by the Company*

(₹ in millions)

S No.	Bank	Date of sanction	Amount outstanding as on December 31, 2011
1.	Dhanalaxmi Bank Limited	April 04, 2011	974.31
2.	Indus Ind Bank Limited	January 28, 2011	70.99
3.	IDBI Bank Limited	September 16, 2011	9,960.63
4.	Axis Bank Limited	September 22, 2011	500.27
5.	Union Bank of India	March 19, 2011	4,980.29
6.	Syndicate Bank	December 05, 2011	8,478.20
7.	Kotak Mahindra Bank Limited	August 07, 2009	56.90
8.	Punjab National Bank	August 04, 2011	949.10
9.	South Indian Bank Limited	September 20, 2011	1,989.27
10.	Dena Bank	March 01, 2010	698.55
11.	Central Bank of India	May 12, 2011	5,992.96
12.	Andhra Bank	March 24, 2011	2,498.57
13.	Corporation Bank	December 27, 2010	2,497.65
14.	UCO Bank Limited	December 12, 2011	1,982.06
15.	Punjab and Sind Bank	June 06, 2011	999.13
16.	Jammu and Kashmir Bank	September 10, 2011	499.95
17.	Oriental Bank of Commerce	September 12, 2011	996.80
18.	State Bank of India	October 26, 2009	1,997.25
19.	State Bank of Travancore	September 04, 2010	0.93
20.	HDFC Bank Limited	August 21, 2009	187.87
21.	State Bank of Patiala	October 13, 2011	749.54
		TOTAL	**47,061.22**

2. *Short Term Loans availed by the Company*

(₹ in millions)

S No.	Bank	Date of sanction	Amount outstanding as on December 31, 2011
1	HDFC Bank Limited	November 24, 2010	5,530.00
2	Indus Ind Bank Limited	January 28, 2011	2,460.00
3	Axis Bank Limited	September 22, 2011	4,450.00
4	State Bank of Travancore	September 4, 2010	2,490.00
5	YES Bank Limited	June 30, 2011	1,000.00
6	Punjab National Bank	August 04, 2011	4,000.00
7	Kotak Mahindra Bank Limited	July 21, 2010	2,000.00
8	DBS Bank Limited	January 27, 2011	1,500.00
9	ICICI Bank Limited	March 25, 2011	6,000.00
10	Tata Capital Limited	September 25, 2010	850.00
11	Barclays Bank PLC	November 26, 2010	1,000.00
12	Jammu & Kashmir Bank Limited	September 10, 2011	3,000.00
13	UCO Bank Limited	December 12, 2011	3,000.00
14	United Bank of India	March 30, 2011	2,000.00
15.	ING Vysya Bank Limited	December 07, 2011	1,000.00
		TOTAL	40,280.00

3. ***Overdraft against deposits with Banks***

Our Company has overdraft facility on the security of fixed deposits maintained with banks aggregating to ₹ 1.21 million as on December 31, 2011.

4. ***Long term loans availed by the Company***

S No.	Bank	Date of sanction	Amount sanctioned (₹ in Millions)	Amount outstanding as on December 31, 2011 (₹ in millions)	Repayment schedule
1.	State Bank of Travancore	August 02, 2006	135.00	21.00	In quarterly installments of ₹ 4,250,000 till March 2013
2.	Kotak Mahindra Bank	July 27, 2007	400.00	400.00	Repayable at the end of 60 months

5. ***Secured Non-Convertible Debentures***

5.1 Our Company has issued to retail investors on private placement basis, secured redeemable non-convertible debentures of face value of ₹ 1,000 each under various series of which ₹ 55,464.66 million is cumulatively outstanding as on December 31, 2011, the details of which are set forth below:

S. No.	Dates of Allotment	Amounts outstanding as on December 31, 2011 (₹ in millions)	Redemption Period
AD	July 01, 2004 to November 14, 2004	0.23*	60 months
AE	July 15, 2004 to September 30, 2004	49.86**	90 months
AI	October 01, 2004 to February 06, 2005	2.561*	60 months
AM	December 01, 2004 to December 31, 2004	0.01*	60 months
AN	January 01, 2005 to February 06, 2005	0.16*	60 months
AO	February 07, 2005 to March 31, 2005	0.04*	60 months
AP	February 07, 2005 to June 14, 2005	0.38*	60 months
AQ	April 01, 2005 to June 14, 2005	0.37*	60 months
AR	June 15, 2005 to April 30, 2006	1.57*	60 months
AS	May 01, 2006 to August 12, 2006	1.62*	60 months
AT	August 13, 2006 to December 31, 2006	17.66**	60 months
AU	January 01, 2007 to March 31, 2007	182.13	60 months
AV	April 01, 2007 to June 30, 2007	203.35	60 months
AW	July 01, 2007 to September 30, 2007	239.49	60 months
AX	October 01, 2007 to December 31, 2007	239.97	60 months
AY	January 01, 2008 to March 31, 2008	312.42	60 months
AZ	April 01, 2008 to July 02, 2008	411.30	60 months
BA	July 03, 2008 to July 09, 2008	54.49	60 months
BB	July 10, 2008 to September 21, 2008	375.43	60 months
BC	September 22, 2008 to December 31, 2008	630.31	60 months
BD	January 01, 2009 to March 31, 2009	1,055.06	60 months
BE	April 01, 2009 to June 30, 2009	1,153.50	60 months
BF	July 01, 2009 to September 30, 2009	1,435.67	60 months
BG	October 01, 2009 to December 31, 2009	1,597.32	60 months
BH	January 01, 2010 to March 31, 2010	2,140.78	60 months
BI	April 01, 2010 to June 30, 2010	2,129.63	60 months
BJ	July 01, 2010 to September 30, 2010	3,330.93	60 months
BK	October 01, 2010 to December 31, 2010	4,496.12	60 months
BL	January 01, 2011 to March 31, 2011	7,644.26	60 months
BM	April 01, 2011 to June 30, 2011	6,761.68	60 months
BN	July 01, 2011 to September 18, 2011	8,281.77	60 months
BO	September 19, 2011 to November 30, 2011	8,375.18	60 months
BP	December 01, 2011 to December 31, 2011	4,339.42	60 months
Total		**55,464.66**	

* Matured but not claimed

** Includes matured but not claimed

5.2 Our Company has issued on private placement basis, listed secured redeemable non-convertible debentures of face value of ₹ 1 million each under various series of which ₹ 1,150.00 million is cumulatively outstanding as on December 31, 2011, the details of which are set forth below:

Series.	ISIN	Date of Allotment	Amounts outstanding as on December 31, 2011 (₹ in Millions)	Maturity Date
L.1.	INE414G07027	March 23, 2011	500.00	March 23, 2012
L.2	INE414G07019	March 25, 2011	650.00	March 16, 2012

5.3 During the period, the Company made a public issue of secured rated non-convertible debentures listed in BSE and NSE for a maturity period of 2, 3 and 5 years with an outstanding of ₹ 6,932.81 million as provided below:

Series	Date of Allotment	Amounts outstanding as on December 31, 2011 (₹ in millions)	Redemption period schedule
PL-I	September 14, 2011	1,183.95	2 years
PL-I	September 14, 2011	2,207.20	3 years
PL-I	September 14, 2011	3,541.65	5 years
TOTAL		**6,932.81**	

B. Details of Unsecured Loans

1. *Subordinated Debts*

1.1. Our Company has issued to promoters and relatives of promoters, subordinated debts of face value of ₹ 1 each on a private placement basis of which ₹ 400.00 million is outstanding as on December 31, 2011, the details of which are set forth below:

Series	Date of Allotment	Amounts outstanding as on December 31, 2011 (₹ in millions)	Repayment schedule
A.	March 25, 2003	111.25	144 months
B.	September 30, 2003	110.00	144 months
C.	November 01, 2003	98.75	144 months
D.	April 3, 2004	14.06	144 months
E.	March 21, 2005	65.94	144 months

1.2. Our Company has issued subordinated debts of face value of ₹ 1,000 each on a private placement basis under different series of which ₹ 11,931.65 million is outstanding as on December 31, 2011, the details of which are set forth below:

(₹ in millions)

Series	Dates of allotment	Amounts outstanding as on December 31 (₹ in millions) 2011	Redemption Period
II	August 18, 2008 to December 13, 2008	263.39	72 months
III	December 15, 2008 to June 30, 2009	744.90	69 months
III	December 15, 2008 to June 30, 2009	193.19	72 months
IV	July 01, 2009 to August 16, 2009	263.61	69 months
IV	July 01, 2009 to August 16, 2009	12.42	72 months
IV	August 17, 2009 to December 31, 2009	759.31	72 months
V	January 01, 2010 to June 30, 2010	1,038.65	72 months
VI	July 01, 2010 to December 31, 2010	1,912.71	72 months
VII	January 01, 2011 to February 07, 2011	437.28	72 months
VII	February 08, 2011 to March 31, 2011	1,080.40	66 months
VII	April 01, 2011 to June 30, 2011	1,270.31	66 months
VIII	July 01, 2011 to October 31, 2011	2,343.85	66 months

IX	November 01, 2011 to December 31, 2011	1,611.63	66 months
	Total	**11,931.65**	

2. ***Loan from Directors and Relatives of Directors***

Our Company has borrowed an aggregate ₹ 874.63 million from directors and relatives of directors as on December 31, 2011 which are in the nature of demand loans.

3. ***Inter Corporate Loans***

Our Company has borrowed an aggregate of ₹ 13.75 million in the nature of demand loans from Companies under same management.

4. ***Unsecured Redeemable Non- Convertible Debentures***

Our Company has issued on private placement basis, listed unsecured redeemable non- convertible debentures of face value of ₹ 1 million each under various series of which ₹ 2,000.00 million is cumulatively outstanding as on December 31, 2011, the details of which are set forth below:

Series	ISIN	Date of Allotment	Amount Outstanding as on December 31, 2011 (₹ in millions)	Maturity Date
G	INE414G08207	June 10, 2011	2,000.00	June 08, 2012
		Total	2,000.00	

5. ***Commercial Papers***

Our Company has issued commercial papers of the face value of ₹ 0.50 million aggregating to a total face value of ₹ 18,750.00 million as on December 31, 2011. The details of the commercial papers are set forth below as follows:

S. No.	ISIN Number	Number of instruments	Face Value(₹ in Millions)
1	INE414G14338	200	100
2	INE414G14429	400	200
3	INE414G14569	4,500	2,250
4	INE414G14577	1,200	600
5	INE414G14619	2,000	1,000
6	INE414G14775	500	250
7	INE414G14825	300	150
8	INE414G14858	500	250
9	INE414G14866	700	350
10	INE414G14874	1,000	500
11	INE414G14882	1,000	500
12	INE414G14890	500	250
13	INE414G14908	1,500	750
14	INE414G14916	2,000	1,000
15	INE414G14932	500	250
16	INE414G14940	1,000	500
17	INE414G14957	2,700	1,350
18	INE414G14965	4,000	2,000
19	INE414G14973	1,000	500
20	INE414G14981	1,000	500
21	INE414G14999	1,500	750
22	INE414G14AA5	2,000	1,000
23	INE414G14AB3	1,500	750
24	INE414G14AC1	3,000	1,500
25	INE414G14AD9	2,000	1,000
26	INE414G14AE7	1,000	500

C. **Restrictive Covenants under our Financing Arrangements:**

Some of the corporate actions for which our Company requires the prior written consent of lenders include the following:

1. to declare and/ or pay dividend to any of its shareholders whether equity or preference, during any financial year unless our Company has paid to the lender the dues payable by our Company in that year;

2. to undertake or permit any merger, amalgamation or compromise with its shareholders, creditors or effect any scheme of amalgamation or reconstruction;

3. to create or permit any charges or lien, or dispose off on any encumbered assets;

4. to amend its MOA and AOA;

5. to alter its capital structure, or buy-back, cancel, purchase, or otherwise acquire any share capital;

6. to effect a change of ownership or control, or management of the Company;

7. to enter into long term contractual obligations directly affecting the financial position of the Company;

8. to borrow or obtain credit facilities from any bank or financial institution;

9. to undertake any guarantee obligations on behalf of any other company;

10. to change its practice with regard to the remuneration of Directors;

11. to compound, or realise any of its book debts and loan receivables including gold loan receivables or do anything whereby recovery of the same may be impeded, delayed, or prevented;

12. to enter into any transaction with its affiliates or transfer any funds to any group or associate concern.; and

13. to make any major investments by way of deposits, loans, share capital, etc. in any manner.

D. **Servicing behaviour on existing debt securities, payment of due interest on due dates on financing facilities or securities**

As on the date of this Prospectus, there has been no default in payment of principal or interest on any existing financing facilities or term loan or debt security issued by the Issuer in the past.

MATERIAL DEVELOPMENTS

1. Unaudited quarterly results for the quarter ended December 31, 2011 filed with the BSE and NSE

(₹ in Millions)

	Quarter ended			Nine months ended		Previous Financial Year ended March 31, 2011
	December 31, 2011	September 30, 2011	December 31, 2010	December 31, 2011	December 31, 2010	
	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Income from Operations	**12,261.40**	**10,984.09**	**6,411.51**	**32,387.46**	**15,438.67**	**22,983.44**
Expenditure						
Employee Cost	1,134.56	936.77	629.64	2,886.46	1,528.87	2,209.49
Rent	280.19	245.25	157.35	741.04	390.83	602.69
Legal and Professional Charges	107.91	165.81	33.00	298.74	50.45	113.67
Business Promotion Expenses	15.91	141.22	35.13	212.82	57.97	118.74
Advertisement	182.88	248.08	138.82	697.38	411.83	646.69
Other Expenditure	414.34	603.50	252.91	1,470.07	710.59	1,349.20
Depreciation	86.24	73.63	37.15	219.75	111.40	179.64
Total	**2,222.03**	**2,414.26**	**1,284.00**	**6,526.26**	**3,261.94**	**5,220.12**
Profit from Operations before Other Income, Interest & Exceptional Items	10,039.37	8,569.83	5,127.51	25,861.20	12,176.73	17,763.32
Other Income	46.21	64.64	46.40	165.59	141.62	175.24
Profit before Interest & Exceptional Items	10,085.58	8,634.47	5,173.91	26,026.79	12,318.35	17,938.56
Interest	6,341.37	5,451.83	2,850.40	16,200.14	6,983.92	10,326.44
Profit after Interest but before Exceptional Items	3,744.21	3,182.64	2,323.51	9,826.65	5,334.43	7,612.12
Profit (+)/ Loss (-) from Ordinary Activities before tax	**3,744.21**	**3,182.64**	**2,323.51**	**9,826.65**	**5,334.43**	**7,612.12**
Tax expense	1,235.41	1,027.09	767.80	3,257.79	1,785.92	2,670.34
Net Profit (+)/Loss(-) from Ordinary Activities after tax	**2,508.80**	**2,155.55**	**1,555.71**	**6,568.86**	**3,548.51**	**4,941.78**
Net Profit (+)/Loss(-) for the period	**2,508.80**	**2,155.55**	**1,555.71**	**6,568.86**	**3,548.51**	**4,941.78**
Equity share capital	3,717.13	3,717.13	3,202.13	3,717.13	3,202.13	3,202.13
Face Value in ₹	10	10	10	10	10	10
Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	24,916.87	22,408.07	8,748.75	24,916.87	8,748.75	10,142.00
Earnings Per Share (EPS)						
(a) Basic and diluted EPS before Extraordinary items for the period, for the period to date and for the previous year	6.77	5.80	5.05	17.96	11.41	15.78
(b) Basic and diluted EPS after Extraordinary items for the period, for the period to date and for the previous year	6.77	5.80	5.05	17.96	11.41	15.78

	Quarter ended			Nine months ended		Previous Financial Year ended March 31, 2011
	December 31, 2011	September 30, 2011	December 31, 2010	December 31, 2011	December 31, 2010	
	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Public shareholding						
Number of shares	7,39,14,896.00	7,39,14,896.00	1,92,12,768.00	7,39,14,896.00	1,92,12,768.00	2,24,14,896.00
Percentage of shareholding	19.88%	19.88%	6.00%	19.88%	6.00%	7.00%
Promoters and Promoter Group Shareholding						
a) Pledged / Encumbered						
Number of shares	Nil	Nil	Nil	Nil	Nil	Nil
Percentage of shares (as a % of the total shareholding of promoter and promoter group)	Nil	Nil	Nil	Nil	Nil	Nil
Percentage of shares (as a % of the total share capital of the company)	Nil	Nil	Nil	Nil	Nil	Nil
b) Non - encumbered						
Number of shares	29,77,97,872.00	29,77,97,872.00	30,10,00,000.00	29,77,97,872.00	30,10,00,000.00	29,77,97,872.00
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)	80.12%	80.12%	94.00%	80.12%	94.00%	93.00%

SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

(₹ In Millions)

	For the Quarter ending			For nine months ended	
	Dec 31, 2011 (Unaudited)	Sept 30, 2011 (Unaudited)	Dec 31, 2010 (Unaudited)	Dec 31, 2011 (Unaudited)	Dec 31, 2010 (Unaudited)
Segment Revenue:					
Financing	12,261.40	10,984.09	6,411.51	32,387.46	15,438.67
Power Generation	1.84	10.30	4.05	17.02	21.61
Total Revenue	**12,263.24**	**10,994.39**	**6,415.56**	**32,404.48**	**15,460.28**
Segment Result:					
Financing	3,753.61	3,171.15	2,330.71	9,822.49	5,386.30
Power Generation	(1.78)	6.69	(0.17)	6.17	8.96
Other Income: Financing	44.13	53.94	42.02	138.40	119.40
Unallocated corporate income	0.24	0.40	0.33	10.18	0.61
Unallocated corporate expenses	(52.00)	(49.54)	(49.38)	(150.59)	(180.82)
Operating profit	**3,744.20**	**3,182.64**	**2,323.51**	**9,826.65**	**5,334.45**
Less: Provision for Taxation	1,235.41	1,027.09	767.80	3,257.79	1,785.92
Profit after Tax	**2,508.79**	**2,155.55**	**1,555.71**	**6,568.86**	**3,548.53**
Other Information:					
Segment Assets: Financing	2,20,865.54	2,05,684.26	1,17,830.86	2,20,865.54	1,17,830.86
Segment Assets: Power Generation	55.98	58.96	69.78	55.98	69.78
Unallocated Corporate Assets	2,697.88	1,469.77	1,503.30	2,697.88	1,503.30
Total Assets	**2,23,619.40**	**2,07,212.99**	**1,19,403.94**	**2,23,619.40**	**1,19,403.94**
Segment Liabilities: Financing	1,91,625.64	1,78,964.43	1,05,570.12	1,91,625.64	1,05,570.12
Unallocated Corporate Liabilities	3,366.24	2,133.47	1,832.51	3,366.24	1,832.51
Total Liabilities	**1,94,991.88**	**1,81,097.90**	**1,07,402.63**	**1,94,991.88**	**1,07,402.63**
Capital Expenditure-Financing	219.80	257.76	303.44	636.73	621.03
Depreciation-Financing	83.28	70.67	33.86	210.85	101.52
Depreciation-Power Generation	2.97	2.97	3.29	8.90	9.88
Total Depreciation	**86.25**	**73.64**	**37.15**	**219.75**	**111.40**

	For the Quarter ending			For nine months ended	
	Dec 31, 2011 (Unaudited)	Sept 30, 2011 (Unaudited)	Dec 31, 2010 (Unaudited)	Dec 31, 2011 (Unaudited)	Dec 31, 2010 (Unaudited)
Non Cash Expenditure other than Depreciation - Financing	58.78	166.13	11.19	329.32	25.46

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 31st January 2012.

2. The statutory auditors of the Company have carried out a Limited Review of the financial results for the quarter ended December 31, 2011, in terms of Clause 41 of the Listing Agreement with the Stock Exchanges.

3. 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.

4. The Company operates in two segments – Financing and Power Generation. These segments have been identified in line with the Accounting Standard for Segment Reporting (AS 17).

5. The company has not recognized any deferred tax asset on provision for standard assets as the company is of the opinion that such provision does not give rise to a timing difference, which has a reasonable certainty of its reversal in future.

6. The proceeds from the Initial Public Offer of equity shares have been utilized as under:

Particulars	Quarter ended December 31, 2011 (₹ in Millions)
Share issue proceeds	9012.50
Less: Issue Expenses paid	244.44
Given as Retail Loans	8762.50
Closing Balance of unutilized proceeds at the end of the quarter	5.56
Details of unutilized proceeds are given below:	
Balance as per Bank Account (Escrow Account)	5.56

7. Share issue expenses incurred in connection with Company's Initial Public Offer are adjusted against Securities Premium Account.

8. In terms of General Circular No. 9/2002 dated April 18, 2002 issued by the Ministry of Corporate Affairs, Company has created proportionate Debenture Redemption Reserve in respect of Secured Non-Convertible Debentures issued through public issue.

9. Status of Investor Complaints during the quarter ended December 31, 2011:

   Beginning – 4; Received – 161; Disposed – 164; Pending – 1

10. Previous periods' figures have been regrouped / rearranged, wherever necessary to conform to current periods' classifications.

For and on behalf of the Board of Directors

Kochi
31.01.2012

George Alexander Muthoot
Managing Director

2. Key business figures as on December 31, 2011.

S. No.	Particulars	As of December 31, 2011 (In ₹ Million)
1.	Gross Retail Loan Assets Under Management	228,851.3
2.	Gross Gold Loan Assets Under Management	226,949.3
3.	Gross Gold Jewellery held as security(in tonnes)	131.9
4.	Average Gold Loan Outstanding Per Branch	65.2
5.	Net worth	28,629
6.	CRAR	18.33%

3. Geographical spread of gold loan portfolio as on December 31, 2011

S. No.	Particulars	As of December 31, 2011 (In ₹ Million)
1.	Southern India	70%
2.	Northern India	16%
3.	Western India	10%
4.	Eastern India	4%
	Total	100%
	Gold Loan Portfolio	226,949.3

4. Details of NPAs as on December 31, 2011

S. No.	Particulars	As of December 31, 2011 (In ₹ Million)
1.	Gross NPAs	1,304.4
2.	Provisions	180.8
3.	Net NPAs	1,123.6
4.	Net Retail loans	204,236.6
5.	Net NPAs/Net Retail loans (%)	0.55%
6.	Gross Retail Loans	22,8851.3
7.	Gross NPAs/Gross Retail Loans (%)	0.57%
8.	Amounts Written-off	45.6

5. Liability mix as on December 31, 2011

S. No.	Particulars	As of December 31, 2011 (In ₹ Million)
1.	Secured Non-Convertible Debentures (Muthoot Gold Bonds)	55,464.7
2.	Secured Non-Convertible Debentures - Listed	8,082.8
3.	Bank Borrowings	87,763.0
4.	Sell down of receivables under Bilateral Assignment	24,614.8
5.	Unsecured Non-Convertible Debentures - Listed	2,000.0
6.	Other Loans	888.4
7.	Subordinated Debt	12,331.6
8.	Commercial Paper	17,808.9
	Total	208,954.2

6. Geographical spread of Muthoot gold bonds as on December 31, 2011

S. No.	Particulars	As of December 31, 2011 (In ₹ Million)
1.	Southern India	77%
2.	Northern India	13%
3.	Western India	8%
4.	Eastern India	2%
	Total	100%
	Muthoot Gold Bond Portfolio	55,464.7

7. Profitability ratios as on December 31, 2011

S. No.	Particulars	As of December 31, 2011 (In ₹ Million)
1.	Interest income to average retail loans	22.3%
2.	Interest expense to average retail loans	11.2%
3.	Net Interest Margin	11.1%
4.	Operating expenses to average retail loans	4.3%
5.	Profit Before Tax to average retail loans	6.8%
6.	Profit After Tax to average retail loans	4.5%
7.	Return on Average Equity	41.7%
8.	Earnings Per Share(`)	17.96

SECTION VI: ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The NCDs being offered as part of the Issue are subject to the provisions of the Debt Regulations, the Act, the Memorandum and Articles of Association of our Company, the terms of this Prospectus, the Application Forms, the terms and conditions of the Debenture Trust Agreement and the Debenture Trust Deed, other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI/the Government of India/BSE, RBI, and/or other statutory/regulatory authorities relating to the offer, issue and listing of securities and any other documents that may be executed in connection with the NCDs.

Ranking of NCDs

The NCDs would constitute direct and secured obligations of ours and shall rank pari passu inter se, and subject to any obligations under applicable statutory and/or regulatory requirements, shall also, with regard to the amount invested, be secured by way of a first *pari passu* charge on the identified immovable property and first pari passu charge on current assets, book debts, loans and advances, and receivables including gold loan receivables, both present and future. The NCDs comprising the present issue and all earlier issues of debentures outstanding in the books of the Company having corresponding assets as security, shall rank pari passu without preference of one over the other except that priority for payment shall be as per applicable date of redemption.

Debenture Redemption Reserve

Section 117C of the Act states that any company that intends to issue debentures must create a DRR to which adequate amounts shall be credited out of the profits of the company until the redemption of the debentures. The Ministry of Corporate Affairs has, through its circular dated April 18, 2002, ("**Circular**"), specified that the quantum of DRR to be created before the redemption liability actually arises in normal circumstances should be 'adequate' to pay the value of the debentures plus accrued interest, (if not already paid), till the debentures are redeemed and cancelled. The Circular however further specifies that, for NBFCs like our Company, (NBFCs which are registered with the RBI under Section 45-IA of the RBI Act), the adequacy of the DRR will be 50% of the value of debentures issued through the public issue. Accordingly our Company is required to create a DRR of 50% of the value of debentures issued through the public issue. As further clarified by the Circular, the amount to be credited as DRR will be carved out of the profits of the company only if there is profit for the particular year and there is no obligation on the part of the company to create DRR if there is no profit for the particular year.Our Company shall credit adequate amounts to DRR, from its profits every year until such NCDs are redeemed. The amounts credited to DRR shall not be utilized by the company except for the redemption of the NCDs.

Face Value

The face value of each NCD shall be ₹ 1,000.

NCD holder not a Shareholder

The NCD holders will not be entitled to any of the rights and privileges available to the equity and/or preference shareholders of our Company.

Rights of NCD holders

Some of the significant rights available to the NCD holders are as follows:

1. The NCDs shall not, except as provided in the Act, confer upon the holders thereof any rights or privileges available to our members including the right to receive notices or annual reports of, or to attend and/or vote, at our general meeting. However, if any resolution affecting the rights attached to the NCDs is to be placed before the members, the said resolution will first be placed before the concerned registered NCD holders for their consideration. In terms of Section 219(2) of the Act, holders of NCDs shall be entitled to a copy of the balance sheet and copy of trust deed on a

specific request made to us.

2. Subject to applicable statutory/regulatory requirements, including requirements of the RBI, the rights, privileges and conditions attached to the NCDs may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution passed at a meeting of the concerned NCD holders, provided that nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the NCDs, if the same are not acceptable to us.

3. In case of NCDs held in (i) dematerialised form, the person for the time being appearing in the register of beneficial owners of the Depository and (ii) physical form, the registered NCD holder or in case of joint-holders, the one whose name stands first in the register of debenture holders shall be entitled to vote in respect of such NCDs, either in person or by proxy, at any meeting of the concerned NCD holders and every such holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights on every resolution placed before such meeting of the NCD holders shall be in proportion to the outstanding nominal value of NCDs held by him/her.

4. The NCDs are subject to the provisions of the Debt Regulations, the Act, the Memorandum and Articles of Association of our Company, the terms of this Prospectus, the Application Forms, the terms and conditions of the Debenture Trust Deed, requirements of the RBI, other applicable statutory and/or regulatory requirements relating to the issue and listing, of securities and any other documents that may be executed in connection with the NCDs.

5. For NCDs in physical form, a register of debenture holders will be maintained in accordance with Section 152 of the Act and all interest and principal sums becoming due and payable in respect of the NCDs will be paid to the registered holder thereof for the time being or in the case of joint-holders, to the person whose name stands first in the register of debenture holders as on the Record Date. For NCDs in dematerialized form, all interest and principal sums becoming due and payable in respect of the NCDs will be paid to the person for the time being appearing in the register of beneficial owners of the Depository.

6. Subject to compliance with RBI requirements, NCDs can be rolled over only with the consent of the holders of at least 75% of the outstanding amount of the NCDs after providing at least 21 days prior notice for such roll over and in accordance with the Debt Regulations. The Company shall redeem the debt securities of all the debt securities holders, who have not given their positive consent to the roll-over.

The aforementioned rights of the NCD holders are merely indicative. The final rights of the NCD holders will be as per the terms of the Prospectus and the Debenture Trust Deed to be executed between our Company and the Debenture Trustee.

Minimum Subscription

If our Company does not receive the minimum subscription of 75% of the Base Issue, i.e. ₹ 1,875 million, prior to allotment, the entire subscription shall be refunded to the applicants within 30 days from the date of closure of the Issue. If there is delay in the refund of subscription by more than 8 days after our Company becomes liable to refund the subscription amount, our Company will pay interest for the delayed period, at rates prescribed under sub-sections (2) and (2A) of Section 73 of the Companies Act, 1956.

Market Lot & Trading Lot

Under Section 68B of the Act, the NCDs shall be allotted only in dematerialized form. As per the Debt Regulations, the trading of the NCDs shall be in dematerialised form only. Since trading of the NCDs is in dematerialised form, the tradable lot is one NCD.

Allotment in the Issue will be in electronic form in multiples of one NCD. For details of allotment refer to chapter titled "*Issue Procedure*"under the section titled *"Issue Related Information*" beginning on page 189.

Nomination facility to NCD holder

In accordance with Section 109A of the Act, the sole NCD holder or first NCD holder, along with other joint NCD holders (being individual(s)) may nominate any one person (being an individual) who, in the event of death of the sole holder or all the joint-holders, as the case may be, shall become entitled to the NCD. A person, being a nominee, becoming entitled to the NCD by reason of the death of the NCD holder(s), shall be entitled to the same rights to which he would be entitled if he were the registered holder of the NCD. Where the nominee is a minor, the NCD holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to the NCD(s), in the event of his death, during the minority. A nomination shall stand rescinded upon sale of a NCD by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. When the NCD is held by two or more persons, the nominee shall become entitled to receive the amount only on the demise of all the holders. Fresh nominations can be made only in the prescribed form available on request at our Registered/ Corporate Office or at such other addresses as may be notified by us.

NCD holder(s) are advised to provide the specimen signature of the nominee to us to expedite the transmission of the NCD(s) to the nominee in the event of demise of the NCD holder(s). The signature can be provided in the Application Form or subsequently at the time of making fresh nominations. This facility of providing the specimen signature of the nominee is purely optional.

In accordance with Section 109B of the Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Act, shall upon the production of such evidence as may be required by our Board, elect either:

(a) to register himself or herself as the holder of the NCDs; or

(b) to make such transfer of the NCDs, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the NCDs, and if the notice is not complied with, within a period of 90 days, our Board may thereafter withhold payment of all interests or other monies payable in respect of the NCDs, until the requirements of the notice have been complied with.

Notwithstanding anything stated above, since the allotment of NCDs in this Issue will be made only in dematerialised mode, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective Depository Participant.

Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts of jurisdiction in Mumbai, India.

Application in the Issue

NCDs being issued through this Prospectus can be applied for in the dematerialised form only through a valid Application Form filled in by the applicant along with attachment, as applicable.

Period of Subscription

The subscription list shall remain open at the commencement of banking hours and close at the close of banking hours for the period as indicated, with an option for early closure or extension by such period, as may be decided by the duly authorised committee of the Board constituted by resolution of the Board dated July 25, 2011. In the event of such early closure of subscription list of the Issue, our Company shall ensure that notice of such early closure is given on or before the day of such early date of closure through advertisement/s in a leading national daily newspaper.

Issue opens on	**March 02, 2012**
Issue closes on	**March 17, 2012**

Restriction on transfer of NCDs

There are no restrictions on transfers and transmission of NCDs and on their consolidation/ splitting except as may be required under FEMA, RBI requirements, as provided in our Articles of Association, and other applicable laws. Please refer to the section titled "*Summary of the Key Provisions of the Articles of Association*" beginning on page 254.

Issue and Allotment of NCDs to NRI applicants

1. We propose to issue Option II, Option III and Option IV NCDs to NRIs on a non-repatriable basis.

2. Our Company proposes to offer Option II, Option III and Option IV NCDs to applicants who are NRIs, in accordance with the provisions of and subject to the restrictions contained in the Foreign Exchange Management (Borrowing and Lending in Rupees) Regulations, 2000 and other applicable statutory and/or regulatory requirements. We confirm that:

   (a) the rate of interest on each Option II, Option III, and Option IV NCDs, does not exceed the prime lending rate of the State Bank of India as on the date on which the resolution approving the Issue was passed by our Board, plus 300 basis points;

   (b) the period for redemption of Option II, Option III, and Option IV NCDs is not less than 36 months;

   (c) our Company does not and shall not carry on agricultural /plantation /real estate business/Trading in Transferable Development Rights (TDRs) and does not and shall not act as Nidhi or Chit Fund company;

   (d) our Company will file the following with the nearest office of the RBI, not later than 30 days from the date:

      (i) of receipt of remittance of consideration received from NRIs in connection with the Issue, full details of the remittances received, namely; (A) a list containing names and addresses of each NRI applicant who have remitted funds for investment in the NCDs on non-repatriation basis, (B) amount and date of receipt of remittance and its rupee equivalent; and (C) names and addresses of authorised dealers through whom the remittance has been received; and

      (ii) of closure of the Issue, full details of the monies received from NRI applicants, namely; (A) a list containing names and addresses of each NRI allottee and number of NCDs issued to each of them on non-repatriation basis, and (B) a certificate from our company secretary that all provisions of the FEMA Act, and rules and regulations made thereunder in connection with the issue of nonconvertible debentures have been duly complied with.

   (e) Allotment of Option II, Option III and Option IV NCDs on a non-repatriation basis to NRIs shall be subject to the application monies paid by the NRI being received either by remittance from outside India through normal banking channels or by transfer of funds held in the investor's Non-resident Ordinary (NRO) account or Non-resident External (NRE) account maintained with an authorised dealer or an authorised bank in India.

   We further confirm that the monies received from NRIs who are allotted NCDs pursuant to the Issue, will not be utilised for any investment, whether by way of capital or otherwise, in any company or partnership firm or proprietorship concern or any entity, whether incorporated or not, or for the purpose of re-lending. For further details please refer to the section titled "*Objects of the Issue*" beginning on page 87.

ISSUE STRUCTURE

Public Issue of NCDs aggregating upto ₹ 2,500 million with an option to retain over-subscription upto ₹ 2,500 million for issuance of additional NCDs aggregating to a total of upto ₹ 5,000 million

The key common terms and conditions of the NCDs are as follows:

Particulars	Terms and Conditions
Minimum Application Size	₹ 5,000 (5 NCDs) (for all options of NCDs, namely Options I, Option II, Option III, and Option IV either taken individually or collectively)
Mode of allotment	Compulsorily in dematerialised form*
Terms of Payment	Full amount on application
Trading Lot	1 (one) NCD
Who can Apply	**Category I** • Public Financial Institutions, Statutory Corporations, Commercial Banks, Co-operative Banks and Regional Rural Banks, which are authorised to invest in the NCDs; • Provident Funds, Pension Funds, Superannuation Funds and Gratuity Fund, which are authorised to invest in the NCDs; • Venture Capital funds registered with SEBI; • Insurance Companies registered with the IRDA; • National Investment Fund; and • Mutual Funds **Category II** • Companies; bodies corporate and societies registered under the applicable laws in India and authorised to invest in the NCDs; • Public/private charitable/religious trusts which are authorised to invest in the NCDs; • Scientific and/or industrial research organisations, which are authorised to invest in the NCDs; • Partnership firms in the name of the partners; • Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); and • Resident Indian individuals and Hindu Undivided Families through the Karta applying for NCDs aggregating to a value exceeding ₹ 500,000, across all series of NCDs, (Option I and/or Option II and/or Option III and/or Option IV) **Category III** • Resident Indian individuals and Hindu Undivided Families through the Karta applying for NCDs aggregating to a value not more than ₹ 500,000, across all series of NCDs (Option I and/or Option II and/or Option III and/or Option IV). **Category IV** • NRIs – on a non-repatriation basis only**

* In terms of Regulation 4(2)(d) of the SEBI Debt Regulations, the Company will make public issue of NCDs in the dematerialised form. However, in terms of Section 8 (1) of the Depositories Act, the Company, at the request of the Applicants who wish to hold the NCDs post allotment in physical form, will fulfill such request through the process of rematerialisation.

** An NRI can only apply under Category IV, for Option II, Option III and Option IV NCDs offered in the Issue subject to the conditions and restrictions contained in the FEMA (Borrowing or Lending in Rupees) Regulations, 2000, and other applicable statutory and/or regulatory requirements.

Participation by any of the above-mentioned investor classes in this Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/or regulatory provisions.

In case of Application Form being submitted in joint names, the applicants should ensure that the de-mat account is also held in the same joint names, and the names are in the same sequence in which they appear in the Application Form.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to the Issue.

For further details, please see "*Issue Procedure*" on page 207.

TERMS AND CONDITIONS IN CONNECTION WITH THE NCDs

Common Terms of NCDs

Stock Exchange proposed for listing of the NCDs	BSE
Issuance and Trading	Compulsorily in dematerialised form*
Trading Lot	1 (one) NCD
Depositories	NSDL and CDSL
Security	Security for the purpose of this Issue will be created in accordance with the terms of the Debenture Trust Deed. For further details please refer to the section titled "*Issue Structure*" beginning on page 193.
Issue Schedule**	The Issue shall be open from March 02, 2012 to March 17, 2012 with an option to close earlier and/or extend upto a period as may be determined by a duly authorised committee of the Board constituted by resolution of the Board dated July 25, 2011.
Pay-in date	3 (Three) business days from the date of reciept of application or the date of realisation of the cheques/demand drafts, whichever is later.
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.
Day count basis	Actual/Actual

* In terms of Regulation 4(2)(d) of the SEBI Debt Regulations, the Company will make public issue of NCDs in the dematerialised form. However, in terms of Section 8 (1) of the Depositories Act, the Company, at the request of the Applicants who wish to hold the NCDs post allotment in physical form, will fulfill such request through the process of rematerialisation.

** The subscription list shall remain open at the commencement of banking hours and close at the close of banking hours for the period as indicated, with an option for early closure or extension by such period, as may be decided by the duly authorised committee of the Board constituted by resolution of the Board dated July 25, 2011. In the event of such early closure of subscription list of the Issue, our Company shall ensure that notice of such early closure is given on or before the day of such early date of closure through advertisement/s in a leading national daily newspaper.

Nature of the NCDs

We are offering NCDs which shall have a fixed rate of interest. The NCDs will be issued at a face value of ₹ 1,000 per NCD. Interest on the NCDs shall be payable on an annual basis, as set out hereinafter. The terms of the NCDs offered pursuant to the Issue are as follows:

Options	I	II	III	IV
Frequency of Interest Payment	Annual	Annual	Annual	NA
Minimum Application	₹ 5000 (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	₹ 1,000(1 NCD)	₹ 1,000(1 NCD)	₹ 1,000(1 NCD)	₹ 1,000(1 NCD)
Face Value of NCDs (₹ / NCD)	₹ 1,000	₹ 1,000	₹ 1,000	₹ 1,000
Issue Price (₹ / NCD)	₹ 1,000	₹ 1,000	₹ 1,000	₹ 1,000
Mode of Interest	Through various options	Through various options	Through various options	Through various options

Options	I	II	III	IV
Payment	available	available	available	available
Coupon Rate (%) for NCD Holders in Category I, Category II and Category III	13.00%	13.25%	13.25%	NA
Coupon Rate (%) for NCD Holders in Category IV	N/A	13.25%	13.25%	NA
Effective Yield (per annum) for NCD Holders in Category I, Category II and Category III	13.00%	13.25%	13.25%	13.43%
Effective Yield (per annum) for NCD Holders in Category IV	N/A	13.25%	13.25%	13.43%
Tenor	24 months	36 months	60 months	66 months
Redemption date	24 months from the Deemed Date of Allotment	36 months from the Deemed Date of Allotment	60 months from the Deemed Date of Allotment	66 months from the Deemed Date of Allotment
Redemption amount (per NCD)	Repayment of the Face Value plus any interest that may have accrued at the Redemption Date.	Repayment of the Face Value plus any interest that may have accrued at the Redemption Date.	Repayment of the Face Value plus any interest that may have accrued at the Redemption Date.	₹ 2,000
Nature of Indebtedness	Pari passu with other secured creditors and priority over unsecured creditors			
Credit Rating	The NCDs proposed to be issued under this Issue have been rated '[ICRA] AA-/Stable' by ICRA for an amount of upto ₹ 6,000.00 million vide its letter dated February 06, 2012 and 'CRISIL AA-/Stable' by CRISIL for an amount of upto ₹ 6,000.00 million vide its letter dated February 06, 2012. The rating of the NCDs by ICRA indicates a high degree of safety regarding timely servicing of financial obligations. The rating of the NCDs by CRISIL indicates a high degree of safety regarding timely servicing of financial obligations. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions. Please refer to page 287 to 293 for rating letter and rationale for the above rating.			
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 datedJuly 25, 2011, and as mentioned on the Allotment Advice / regret.			
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 of the Company.			

Interest and Payment of Interest

A. Interest

In case of Option I NCDs, interest would be paid annually at the following Coupon Rate in connection with the relevant categories of NCD holders, on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Option I NCD:

Category of NCD Holder	Coupon Rate (%) per annum
Category I	13.00
Category II	13.00
Category III	13.00
Category IV	N/A

Option I NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 24 months from the Deemed Date of Allotment.

In case of Option II NCDs, interest would be paid annually at the following Coupon Rate in connection with the relevant categories of NCD holders, on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Option II NCD:

Category of NCD Holder	**Coupon Rate (%) per annum**
Category I	13.25
Category II	13.25
Category III	13.25
Category IV	13.25

Option II NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 36 months from the Deemed Date of Allotment.

In case of Option III NCDs, interest would be paid annually at the following Coupon Rate in connection with the relevant categories of NCD holders, on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Option III NCD:

Category of NCD Holder	**Coupon Rate (%) per annum**
Category I	13.25
Category II	13.25
Category III	13.25
Category IV	13.25

Option III NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 60 months from the Deemed Date of Allotment.

Option IV NCDs shall be redeemed at ₹ 2,000 per NCD, at the end of 66 months from the Deemed Date of Allotment, with an effective yield of 13.43%.

If the date of interest payment falls on a Saturday, Sunday or a public holiday in Mumbai or any other payment centre notified in terms of the Negotiable Instruments Act, 1881, then interest as due and payable on such day, would be paid on the next Working Day. Payment of interest would be subject to the deduction as prescribed in the I.T. Act or any statutory modification or re-enactment thereof for the time being in force.

Please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this Prospectus read with the provisions of the Articles of Association of our Company, the transferee of such NCDs or the deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs subject to such Transferee holding the NCDs on the Record Date.

As per clause (ix) of Section 193 of the I.T. Act, no tax is required to be withheld on any interest payable on any security issued by a company, where such security is in dematerialized form and is listed on a recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and the rules made thereunder. Accordingly, no tax will be deducted at source from the interest on listed NCDs held in the dematerialised form.

However in case of NCDs held in physical form, as per the current provisions of the IT Act, tax will not be deducted at source from interest payable on such NCDs held by the investor (in case of resident individual NCD holders), if such interest does not exceed ₹ 2,500 in any financial year. If interest exceeds the prescribed limit of ₹ 2,500 on account of interest on the NCDs, then the tax will be deducted at applicable rate. However in case of NCD holders claiming non-deduction or lower deduction of tax at source, as the case may be, the NCD holder should furnish either (a) a declaration (in duplicate) in the prescribed form i.e. (i) Form 15H which can be given by individuals who are of the age of 60 years or more (ii) Form 15G which can be given by all applicants (other than companies, and firms), or (b) a certificate, from the Assessing Officer which can be obtained by all applicants (including companies and firms) by making an application in the prescribed form i.e. Form No.13. The aforesaid documents, as may be applicable, should be submitted at the office of the Registrar quoting the name of the sole/ first NCD holder, NCD folio number and the distinctive number(s) of the NCD held, atleast 7 (seven) days prior to the Record Date to ensure non-deduction/lower deduction of tax at source from interest on the NCD. The investors need to submit Form 15H/ 15G/certificate in original from Assessing Officer for each financial year during the currency of the NCD to ensure non-deduction or lower deduction of tax at source from interest on the NCD.

B. Payment of Interest

For NCDs subscribed under Option I, Option II and Option III, the relevant interest will be paid on each anniversary of the Deemed Date of Allotment on the face value of NCD. Amount of interest payable shall be rounded off to the nearest rupee. If the date of interest payment falls on a Saturday, Sunday or a public holiday in Mumbai or any other payment centre notified in terms of the Negotiable Instruments Act, 1881, then interest as due and payable on such day, would be paid on the next Working Day. Payment of interest would be subject to the deduction as prescribed in the I.T. Act or any statutory modification or re-enactment thereof for the time being in force. The last interest payment for NCDs subscribed under Option I, Option II, and Option III will be made at the time of redemption of the NCD.

Interest for each of the interest periods shall be calculated, on 'actual/actual' basis, on the face value of principal outstanding on the NCDs at the applicable Coupon Rate for each Category rounded off to the nearest Rupee and same shall be paid annually.

C. Payment of Interest to NCD Holders

Payment of Interest will be made to (i) in case of NCDs in dematerialised form, the persons who for the time being appear in the register of beneficial owners of the NCD as per the Depository as on the Record Date and (ii) in case of NCDs in physical form, the persons whose names appear in the register of debenture holders (or to first holder in case of joint-holders) as on the Record Date.

We may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the investors. In such cases, interest, on the interest payment date, would be directly credited to the account of those investors who have given their bank mandate.

We may offer the facility of NECS, NEFT, RTGS, Direct Credit and any other method permitted by RBI and SEBI from time to time to help NCD holders.The terms of this facility (including towns where this facility would be available) would be as prescribed by RBI. Refer to the paragraph on "*Manner of Payment of Interest / Refund / Redemption*" at page 198.

Tax exemption certificate/document, if any, must be lodged at the office of the Registrar at least 7 (seven) days prior to the Record Date or as specifically required, failing which tax applicable on interest will be deducted at source on accrual thereof in our Company's books and/or on payment thereof, in accordance with the provisions of the IT Act and/or any other statutory modification, enactment or notification as the case may be. A tax deduction certificate will be issued for the amount of tax so deducted.

Maturity and Redemption

For NCDs subscribed under Option I, Option II and Option III, the relevant interest will be paid on each anniversary of the Deemed Date of Allotment on the face value of NCD. The last interest payment will be made at the time of redemption of the NCD. Option IV NCDs shall be redeemed at ₹ 2,000 per NCD, at the end of 66 months from the Deemed Date of Allotment.

Options	Maturity period
I	24 months from the Deemed Date of Allotment
II	36 months from the Deemed Date of Allotment
III	60 months from the Deemed Date of Allotment
IV	66 months from the Deemed Date of Allotment

Deemed Date of Allotment

Deemed date of allotment shall be the date as decided by the duly authorised committee of the Board of Directors constituted by resolution of the Board dated July 25, 2011, under Section 292(1)(b) of the Act and as mentioned in the Allotment advice / regret.

Application Size

Each application should be for a minimum of 5 NCDs and multiples of 1 NCD thereafter. The minimum application size for each application for NCDs would be ₹ 5,000 and in multiples of ₹ 1,000 thereafter.

Applicants (other that NRI applicants) can apply for any or all options of NCDs offered hereunder (any/all options) using the same Application Form. NRI applicants can apply only for Options II, III and IV. Applications by NRIs must be made in the prescribed Application Form - NRI only.

Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

Terms of Payment

The entire issue price of ₹ 1,000 per NCD is payable on application itself. In case of allotment of lesser number of NCDs than the number of NCDs applied for, our Company shall refund the excess amount paid on application to the applicant in accordance with the terms of this Prospectus. For further details please refer to the paragraph on "*Interest on Application Money*" beginning on page 204.

Record Date

The Record Date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 (fifteen) days prior to the date on which interest is due and payable, and/or the date of redemption. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the relevant stock exchange(s), as the case may be.

Manner of Payment of Interest / Refund / Redemption

The manner of payment of interest / refund / redemption in connection with the NCDs is set out below:

For NCDs applied / held in electronic form

The bank details will be obtained from the Depositories for payment of Interest / refund / redemption as the case may be. Applicants who have applied for or are holding the NCDs in electronic form, are advised to immediately update their bank account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in credit of refunds to the applicant at the applicant's sole risk, and neither the Lead Managers our Company nor the Registrar to the Issue shall have any responsibility and undertake any liability for the same.

For NCDs held in physical form

The bank details will be obtained from the Registrar to the Issue for payment of interest / refund / redemption as the case may be. For applicants in Category IV, the bank details provided must be of an NRO account of such applicants for payment of interest / refund / redemption.

The mode of interest / refund / redemption payments shall be undertaken in the following order of preference:

1. Direct Credit

Investors having their bank account with the Refund Bank, shall be eligible to receive refunds, if any, through direct credit. The refund amount, if any, would be credited directly to their bank account with the Refund Banker.

2. NECS

Payment of interest / refund / redemption shall be undertaken through NECS for applicants having an account at the centers mentioned in NECS MICR list.

This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code, IFSC code, bank account number, bank name and branch name as appearing on a cheque leaf, from the Depositories. One of the methods for payment of interest / refund / redemption is through NECS for applicants having a bank account at any of the abovementioned centers.

3. RTGS

Applicants having a bank account with a participating bank and whose interest payment / refund / redemption amount exceeds ₹ 200,000, or such amount as may be fixed by RBI from time to time, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive interest payment / refund / redemption through RTGS are required to provide the IFSC code in the Application Form or intimate our Company and the Registrars to the Issue at least 7 (seven) days before the Record Date. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant. In the event the same is not provided, interest payment / refund / redemption shall be made through NECS subject to availability of complete bank account details for the same as stated above.

3. NEFT

Payment of interest / refund / redemption shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to a Magnetic Ink Character Recognition ("**MICR**"), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the de-mat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of interest/refund/redemption will be made to the applicants through this method.

4. **Registered Post/Speed Post**

For all other applicants, including those who have not updated their bank particulars with the MICR code, the interest payment / refund / redemption orders shall be dispatched through Speed Post/ Registered Post.

Please note that applicants are eligible to receive payments through the modes detailed in (1), (2) (3), and (4) herein above provided they provide necessary information for the above modes and where such payment facilities are allowed / available.

Please note that our Company shall not be responsible to the holder of NCD, for any delay in receiving credit of interest / refund / redemption so long as our Company has initiated the process of such request in time.

Printing of Bank Particulars on Interest Warrants

As a matter of precaution against possible fraudulent encashment of refund orders and interest/redemption warrants due to loss or misplacement, the particulars of the applicant's bank account are mandatorily required to be given for printing on the orders/ warrants. In relation to NCDs applied and held in dematerialized form, these particulars would be taken directly from the depositories. In case of NCDs held in physical form either on account of rematerialisation or transfer, the investors are advised to submit their bank account details (NRO bank account details in the case of NRIs) with our Company / Registrar at least 7 (seven) days prior to the Record Date failing which the orders / warrants will be dispatched to the postal address of the holder of the NCD as available in the records of our Company.

Bank account particulars (NRO bank account particulars in the case of NRIs) will be printed on the orders/ warrants which can then be deposited only in the account specified.

Loan against NCDs

Our Company, at its sole discretion, subject to applicable statutory and/or regulatory requirements, may consider granting of a loan facility to the holders of NCDs against the security of such NCDs. Such loans shall be subject to the terms and conditions as may be decided by our Company from time to time.

Buy Back of NCDs

Our Company may, at its sole discretion, from time to time, consider, subject to applicable statutory and/or regulatory requirements, buyback of NCDs, upon such terms and conditions as may be decided by our Company.

Form and Denomination

In case of NCDs held in physical form, a single certificate will be issued to the NCD holder for the aggregate amount ("**Consolidated Certificate**") for each type of NCDs. The applicant can also request for the issue of NCD certificates in denomination of one NCD ("**Market Lot**").

It is however distinctly to be understood that the NCDs pursuant to this issue shall be issued only in demat form.

In respect of Consolidated Certificates, we will, only upon receipt of a request from the NCD holder, split such Consolidated Certificates into smaller denominations subject to the minimum of Market Lot. No fees would be charged for splitting of NCD certificates in Market Lots, but stamp duty payable, if any, would be borne by the NCD holder. The request for splitting should be accompanied by the original NCD certificate which would then be treated as cancelled by us.

Procedure for Redemption by NCD holders

The procedure for redemption is set out below:

NCDs held in physical form:

No action would ordinarily be required on the part of the NCD holder at the time of redemption and the redemption proceeds would be paid to those NCD holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of Redemption. However, our Company may require that the NCD certificate(s), duly discharged by the sole holder/all the joint-holders (signed on the reverse of the NCD certificate(s)) be surrendered for redemption on maturity and should be sent by the NCD holder(s) by Registered Post with acknowledgment due or by hand delivery to our office or to such persons at such addresses as may be notified by us from time to time. NCD holder(s) may be requested to surrender the NCD certificate(s) in the manner as stated above, not more than three months and not less than one month prior to the redemption date so as to facilitate timely payment.

We may at our discretion redeem the NCDs without the requirement of surrendering of the NCD certificates by the holder(s) thereof. In case we decide to do so, the holders of NCDs need not submit the NCD certificates to us and the redemption proceeds would be paid to those NCD holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of redemption of NCDs. In such case, the NCD certificates would be deemed to have been cancelled. Also see the para "*Payment on Redemption*" given below.

NCDs held in electronic form:

No action is required on the part of NCD holder(s) at the time of redemption of NCDs.

Payment on Redemption

The manner of payment of redemption is set out below:

NCDs held in physical form:

The payment on redemption of the NCDs will be made by way of cheque/pay order/ electronic modes. However, if our Company so requires, the aforementioned payment would only be made on the surrender of NCD certificate(s), duly discharged by the sole holder / all the joint-holders (signed on the reverse of the NCD certificate(s)). Despatch of cheques/pay order, etc. in respect of such payment will be made on the Redemption Date or (if so requested by our Company in this regard) within a period of 30 days from the date of receipt of the duly discharged NCD certificate.

In case we decide to do so, the redemption proceeds in the manner stated above would be paid on the Redemption Date to those NCD holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of Redemption. Hence the transferees, if any, should ensure lodgement of the transfer documents with us at least 7 (seven) days prior to the Record Date. In case the transfer documents are not lodged with us at least 7 (seven) days prior to the Record Date and we dispatch the redemption proceeds to the transferor, claims in respect of the redemption proceeds should be settled amongst the parties inter se and no claim or action shall lie against us or the Registrars.

Our liability to holder(s) towards his/their rights including for payment or otherwise shall stand extinguished from the redemption in all events and when we dispatch the redemption amounts to the NCD holder(s).

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCD(s).

NCDs held in electronic form:

On the redemption date, redemption proceeds would be paid by cheque /pay order / electronic mode to those NCD holders whose names appear on the list of beneficial owners given by the Depositories to us. These names would be as per the Depositories' records on the Record Date fixed for the purpose of redemption. These NCDs will be simultaneously extinguished to the extent of the amount redeemed through appropriate debit corporate action upon redemption of the corresponding value of the NCDs. It may be noted that in the entire process mentioned above, no action is required on the part of NCD holders.

Our liability to NCD holder(s) towards his/their rights including for payment / redemption in all events and when we dispatch the redemption amounts to the NCD holder(s).

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCD(s).

Redemption Date

Option I NCDs will be redeemed at the expiry of 24 months from the Deemed Date of Allotment.

Option II NCDs will be redeemed at the expiry of 36 months from the Deemed Date of Allotment.

Option III NCDs will be redeemed at the expiry of 60 months from the Deemed Date of Allotment

Option IV NCDs will be redeemed at the expiry of 66 months from the Deemed Date of Allotment.

Right to Reissue NCD(s)

Subject to the provisions of the Act, where we have fully redeemed or repurchased any NCD(s), we shall have and shall be deemed always to have had the right to keep such NCDs in effect without extinguishment thereof, for the purpose of resale or reissue and in exercising such right, we shall have and be deemed always to have had the power to resell or reissue such NCDs either by reselling or reissuing the same NCDs or by issuing other NCDs in their place. The aforementioned right includes the right to reissue original NCDs.

Transfer/Transmission of NCD (s)

For NCDs held in physical form:

The NCDs shall be transferred or transmitted freely in accordance with the applicable provisions of the Act and all other applicable laws including FEMA and the rules and regulations thereunder. The provisions relating to transfer and transmission and other related matters in respect of our shares contained in the Articles, the Act, and all applicable laws including FEMA and the rules and regulations thereunder, shall apply, mutatis mutandis (to the extent applicable to debentures) to the NCD(s) as well. In respect of the NCDs held in physical form, a common form of transfer shall be used for the same. The NCDs held in dematerialised form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant DPs of the transfer or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed at prior to the Record Date. In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the register of debenture holders or the records as maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer or Registrar.

For NCDs held in electronic form:

The normal procedure followed for transfer of securities held in dematerialised form shall be followed for transfer of the NCDs held in electronic form. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant.

In case the transferee does not have a DP account, the seller can re-materialise the NCDs and thereby convert his dematerialised holding into physical holding. Thereafter the NCDs can be transferred in the manner as stated above for transfer of NCDs held in physical form.

In case the buyer of the NCDs in physical form wants to hold the NCDs in dematerialised form, he can choose to dematerialise the securities through his DP.

Common form of Transfer

The Issuer undertakes that there shall be a common form of transfer for the NCDs and the provisions of the Companies Act, 1956 and all applicable laws including the FEMA and the rules and regulations thereunder shall be duly complied with in respect of all transfer of debentures and registration thereof.

Joint-holders

Where two or more persons are holders of any NCD(s), they shall be deemed to hold the same as joint holders with benefits of survivorship subject to other provisions contained in the Articles.

Sharing of Information

We may, at our option, use on our own, as well as exchange, share or part with any financial or other information about the NCD holders available with us, with our subsidiaries, if any and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither we or our affiliates nor their agents shall be liable for use of the aforesaid information.

Notices

All notices to the NCD holder(s) required to be given by us or the Debenture Trustee will be sent by post/ courier or through email or other electronic media to the Registered Holders of the NCD(s) from time to time.

Issue of Duplicate NCD Certificate(s) issued in physical form

If any NCD certificate(s) is/are mutilated or defaced or the cages for recording transfers of NCDs are fully utilised, the same may be replaced by us against the surrender of such certificate(s). Provided, where the NCD certificate(s) are mutilated or defaced, the same will be replaced as aforesaid only if the certificate numbers and the distinctive numbers are legible.

If any NCD certificate is destroyed, stolen or lost then upon production of proof thereof to our satisfaction and upon furnishing such indemnity/security and/or documents as we may deem adequate, duplicate NCD certificate(s) shall be issued. Upon issuance of a duplicate NCD certificate, the original NCD certificate shall stand cancelled.

Security

The principal amount of the NCDs to be issued in terms of this Prospectus together with all interest due on the NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of 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 of the Company.

Our Company will maintain security in favour of the Debenture Trustee for the NCD holders on the assets to ensure 100% security cover of the amount outstanding in respect of NCDs at any time.

Our Company intends to enter into an agreement with the Debenture Trustee, ('**Debenture Trust Deed**'), the terms of which will govern the appointment of the Debenture Trustee and the issue of the NCDs. Our Company proposes to complete the execution of the Debenture Trust Deed before finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange and utilize the funds only after the stipulated security has been created.

Under the terms of the Debenture Trust Deed, our Company will covenant with the Debenture Trustee that it will pay the NCD holders the principal amount on the NCDs on the relevant redemption date and also that it will pay the interest due on NCDs on the rate specified in this Prospectus and in the Debenture Trust Deed

The Debenture Trust Deed will also provide that our Company may withdraw any portion of the security and replace with another asset of the same or a higher value.

Trustees for the NCD holders

We have appointed IDBI Trusteeship Services Limited to act as the Debenture Trustees for the NCD holders.We and the Debenture Trustee will execute a Debenture Trust Deed, inter alia, specifying the powers, authorities and obligations of the Debenture Trustee and us. The NCD holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorised officials to do all such acts, deeds, matters and things in respect of or relating to the NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the NCD holder(s). Any payment made by us to the Debenture Trustee on behalf of the NCD holder(s) shall discharge us pro tanto to the NCD holder(s).

The Debenture Trustee will protect the interest of the NCD holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost.

Lien

The Company shall have the right of set-off and lien, present as well as future on the moneys due and payable to the NCD holder or deposits held in the account of the NCD holder, whether in single name or joint name, to the extent of all outstanding dues by the NCD holder to the Company.

Lien on pledge of NCDs

The Company, at its discretion, may note a lien on pledge of NCDs if such pledge of NCD is accepted by any bank/institution for any loan provided to the NCD holder against pledge of such NCDs as part of the funding.

Interest on Application Money

Interest on application monies received which are used towards allotment of NCDs

Our Company shall pay interest on application money on the amount allotted, subject to deduction of income tax under the provisions of the Income Tax Act, 1961, as amended, as applicable, to any applicants to whom NCDs are allotted pursuant to the Issue from the date of realization of the cheque(s)/demand draft(s) or after 3 (three) days from the date of receipt of the application (being the date of presentation of each application as acknowledged by the Bankers to the Issue or the date of receipt of application by the Registrar to the Issue, as the case may be, or in the case of NRIs, the date of receipt by the Registrar or the Bankers to the Issue of the physical application or e-mail containing the scanned copy of the application whichever is earlier) whichever is later and upto one day prior to the Deemed Date of Allotment, at the rate of 13% p.a.

Our Company has a right to pre-close the Issue at anytime up to 1 (one) day prior to Issue Closing Date for receiving subscription in the Issue. Our Company shall in the event of such closing of the Issue, subject to receipt of a minimum subscription of 75% of the Base Issue, i.e. ₹ 1,875 million, allot NCDs to all applicants who have applied for NCDs upto the date of such early closure of Issue. Further our Company shall pay interest on application money on the amount allotted, subject to deduction of income tax under the provisions of the Income Tax Act, 1961, as amended, as applicable, to any applicants to whom NCDs are allotted pursuant to the Issue from the date of realization of the cheque(s)/demand draft(s) or after 3 (three) days from the date of receipt of the application (being the date of presentation of each application as acknowledged by the Bankers to the Issue or the date of receipt of application by the Registrar to the Issue, as the case may be, or in the case of NRIs, the date of receipt by the Registrar or the Bankers to the Issue of the physical application or e-mail containing the scanned copy of the application, whichever is ealier) whichever is later and upto one day prior to the Deemed Date of Allotment, at the rate of 13% p.a. However, it is clarified that in the event that our Company does not receive a minimum subscription of 75% of the Base Issue, i.e. ₹ 1,875 million our Company will not allot any NCDs to applicants and refund the subscription amounts forthwith, as set out herein.

The interest on application monies will be sent along with the Allotment Advice to all applicants to whom NCDs are allotted pursuant to the Issue. Our Company may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the applicants (NRO accounts for NRI applicants) as mentioned in the depositary records. Alternatively, the interest warrant will be dispatched along with the Letter(s) of Allotment at the sole risk of the applicant, to the sole/first applicant.

Interest on application monies received which are liable to be refunded

Our Company shall pay interest on application money which is liable to be refunded to the applicants in accordance with the provisions of the Debt Regulations and/or the Companies Act, or other applicable statutory and/or regulatory requirements, subject to deduction of income tax under the provisions of the Income Tax Act, 1961, as amended, as applicable, from the date of realization of the cheque(s)/demand draft(s) or after 3 (three) days from the date of receipt of the application (being the date of presentation of each application as acknowledged by the Bankers to the Issue or the date of receipt of application by the Registrar to the Issue, as the case may be, or in the case of NRIs, the date of receipt by the Registrar or the Bankers to the Issue of the physical application or e-mail containing the scanned copy of the application, whichever is earlier) whichever is later and upto one day prior to the Deemed Date of Allotment, at the rate of 13% per annum. Such interest shall be paid along with the monies liable to be refunded. Interest warrant will be dispatched / credited (in case of electronic payment) to the account of the applicants as mentioned in the depository records along with the Letter(s) of Refund at the sole risk of the applicant, to the sole/first applicant.

In the event our Company does not receive a minimum subscription of 75% of the Base Issue, i.e. ₹ 1,875 million on the date of closure of the Issue, our Company shall pay interest on application money which is liable to be refunded to the applicants in accordance with the provisions of the Debt Regulations and/or the Companies Act, or other applicable statutory and/or regulatory requirements, subject to deduction of income tax under the provisions of the Income Tax Act, 1961, as amended, as applicable, from the date of realization of the cheque(s)/demand draft(s) or 3 (three) days from the date of receipt of the application (being the date of presentation of each application to the Bankers to the Issue as acknowledged or the date of receipt of application by the Registrar to the Issue, as the case may be, or in the case of NRIs, the date of receipt by the Registrar or the Bankers to the Issue of the physical application or e-mail containing the scanned copy of the application, whichever is earlier) whichever is later and upto the date of closure of the Issue at the rate of 13% per annum. Such interest shall be paid along with the monies liable to be refunded. Interest warrant will be dispatched / credited (in case of electronic payment) to the account of the applicants (NRO accounts for NRI applicants), as mentioned in the depositary records along with the Letter(s) of Refund at the sole risk of the applicant, to the sole/first applicant.

Provided that, notwithstanding anything contained hereinabove, our Company shall not be liable to pay any interest on monies liable to be refunded in case of (a) invalid applications or applications liable to be rejected, and/or (b) applications which are withdrawn by the applicant, and/or (c) monies paid in excess of the amount of NCDs applied for in the Application Form. Please refer to "*Rejection of Application*" at page 217.

Future Borrowings

We shall be entitled to make further issue of secured debentures and/or raise term loans or raise further funds from time to time from any persons, banks, financial institutions or bodies corporate or any other agency without the consent of, or notification to or consultation with the holder of NCDs or the Debenture Trustee by creating a charge on any assets, provided the stipulated security cover is maintained.

We shall be entitled to make further issue of unsecured debentures and/or raise unsecured term loans or raise further unsecured funds from time to time from any persons, banks, financial institutions or bodies corporate or any other agency without the consent of, or notification to or in consultation with the holder of NCDs or the Debenture Trustee.

ISSUE PROCEDURE

1. How to Apply?

i. Availability of Prospectus and Application Forms

The abridged Prospectus containing the salient features of the Prospectus together with Application Forms and copies of the Prospectus may be obtained from our Registered Office, Lead Manager(s) to the Issue, and the Registrar to the Issue, as mentioned on the Application Form.

In addition, Application Forms would also be made available to the BSE where listing of the NCDs are sought and to brokers, on their request.

We may provide Application Forms for being filled and downloaded at such websites as we may deem fit.

ii. Who can Apply

The following categories of persons are eligible to apply in the Issue:

Category I

- Public Financial Institutions, Statutory Corporations, Commercial Banks, Co-operative Banks and Regional Rural Banks, which are authorised to invest in the NCDs;
- Provident Funds, Pension Funds, Superannuation Funds and Gratuity Fund, which are authorised to invest in the NCDs;
- Venture Capital funds registered with SEBI;
- Insurance Companies registered with the IRDA;
- National Investment Fund; and
- Mutual Funds.

Category II

- Companies; bodies corporate and societies registered under the applicable laws in India and authorised to invest in the NCDs;
- Public/private charitable/religious trusts which are authorised to invest in the NCDs;
- Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;
- Partnership firms in the name of the partners;
- Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); and
- Resident Indian individuals and Hindu Undivided Families through the Karta applying for NCDs aggregating to a value exceeding ₹ 500,000, across all series of NCDs, (Option I and/or Option II and/or Option III and/or Option IV).

Category III

- Resident Indian individuals and Hindu Undivided Families through the Karta applying for NCDs aggregating to a value not more than ₹ 500,000 across all series of NCDs, (Option I and/or Option II and/or Option III and/or Option IV).

Category IV

- NRIs – on a non-repatriation basis only.*

* An NRI can apply for Option II, Option III and Option IV NCDs offered in the Issue, subject to the conditions and restrictions contained in the FEMA (Borrowing or Lending in Rupees) Regulations, 2000, and other applicable statutory and/or regulatory requirements.

Participation of any of the aforementioned categories of persons or entities is subject to the applicable statutory and/or regulatory requirements in connection with the subscription to Indian securities by such categories of persons or entities.

Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to the Issue.

The Lead Managers and their respective associates and affiliates are permitted to subscribe in the Issue.

The information below is given for the benefit of the investors. Our Company, the Lead Managers are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Investors are advised to ensure that the aggregate number of NCDs applied for does not exceed the investment limits or maximum number of NCDs that can be held by them under applicable law.

Applications by Mutual Funds

No mutual fund scheme shall invest more than 15% of its NAV in debt instruments issued by a single Company which are rated not below investment grade by a credit rating agency authorised to carry out such activity. Such investment limit may be extended to 20% of the NAV of the scheme with the prior approval of the Board of Trustees and the Board of Asset Management Company

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. Applications made by the AMCs or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which application is being made. In case of Applications made by Mutual Fund registered with SEBI, a certified copy of their SEBI registration certificate must be submitted with the Application Form. The applications must be also accompanied by certified true copies of (i) SEBI Registration Certificate and trust deed (ii) resolution authorising investment and containing operating instructions and (iii) specimen signatures of authorized signatories. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Application by Scheduled Banks, Co-operative Banks and Regional Rural Banks

Scheduled Banks, Co-operative banks and Regional Rural Banks can apply in this public issue based upon their own investment limits and approvals. The application must be accompanied by certified true copies of (i) Board Resolution authorising investments; (ii) Letter of Authorisation. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Application by Insurance Companies

In case of Applications made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with Application Form. The applications must be accompanied by certified copies of (i) Memorandum and Articles of Association (ii) Power of Attorney (iii) Resolution authorising investment and containing operating instructions (iv) Specimen signatures of authorized signatories. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Applications by Trusts

In case of Applications made by trusts, settled under the Indian Trusts Act, 1882, as amended, or any other statutory and/or regulatory provision governing the settlement of trusts in India, must submit a (i) certified copy of the registered instrument for creation of such trust, (ii) Power of Attorney, if any, in favour of one or more trustees thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to the Issue must ensure that (a) they are authorised under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Applications by NRIs

We propose to issue Option II, Option III and Option IV NCDs to NRIs on a non-repatriable basis. An NRI can apply for Option II, Option III and Option IV NCDs offered in the Issue on non repatriation basis subject to the conditions and restrictions contained in the FEMA (Borrowing or Lending in Rupees) Regulations, 2000, and other applicable statutory and/or regulatory requirements. Option I NCD shall not be available to NRIs.

Allotment of NCDs on a non-repatriation basis to NRIs shall be subject to the application monies paid by the NRI being received by inward remittance of freely convertible foreign exchange through normal banking channels, i.e. through electronic transfer of funds, or a rupee denominated demand draft/cheque drawn on a bank in India from Non-resident Ordinary (NRO) account or Non-resident External (NRE) account, or by electronic transfer of funds held in the investor's rupee denominated accounts i.e. Non-resident Ordinary (NRO) account or Non-resident External (NRE) account maintained with an authorised dealer or an authorised bank in India. Monies received from NRIs shall be collected in the Special Account. In case of bids by NRIs, payment by inward remittance of freely convertible foreign exchange should be accompanied by a certificate confirming the source of funds, and a declaration from the applicant that extant FEMA regulations have been complied with. Payment from NRO accounts by demand drafts or electronic transfer of funds should be accompanied by a bank certificate confirming that the draft has been issued/electronic transfer has been effected by debiting an NRO Account. In case of payment from an NRE account, such payment should be accompanied by a bank certificate confirming that the payment has been made by debiting an NRE Account, and bank statements of the applicant for a period of one year indicating the source of the funds in the NRE Account.

Failing this, our Company reserves the right to accept or reject any application made by an NRI in whole or in part, in either case, without assigning any reason therefor.

iii. Applications cannot be made by:

(a) Minors without a guardian name (a guardian may apply on behalf of a minor. However, the guardian name will need to be mentioned on the application form);

(b) Foreign nationals;

(c) Persons resident outside India other than NRIs on a non-repatriation basis;

(d) Foreign Institutional Investors;

(e) Non Resident Indians other than on a non-repatriation basis; and

(f) Overseas Corporate Bodies

2. Escrow Mechanism

We shall open Escrow Accounts with one or more Escrow Collection Bank(s) in whose favour the applicants shall make out the cheque or demand draft in respect of their application. Cheques or demand drafts for the application amount received from applicants would be deposited in the respective Escrow Account.

Upon creation of security as disclosed in this Prospectus, the Escrow Collection Bank(s) shall transfer the monies from the Escrow Accounts to a separate bank account as per the terms of the Escrow Agreement, ("**Public Issue Account**"). Payments of refund to the applicants shall also be made from the Escrow Accounts/refund account(s) as per the terms of the Escrow Agreement and this Prospectus.

Under the provisions of the Foreign Exchange Management (Borrowing and Lending in Rupees) Regulations, 2000, any monies borrowed from a person resident outside India cannot be used:

(a) for any purpose except in ones own business other than (i) the business of chit fund, (ii) as Nidhi Company, (iii) agricultural or plantation activities or real estate business; or construction of farm houses; or (iv) trading in Transferable Development Rights (TDRs); or

(b) for any investment, whether by way of capital or otherwise, in any company or partnership firm or proprietorship concern or any entity, whether incorporated or not, or for the purpose of re-lending.

Accordingly, our Company shall open and maintain a separate account with the Escrow Collection Bank(s) in connection with all application monies received from NRIs, ("**Special Account**"). All application monies received from NRI applicants shall be deposited in the Special Account maintained with any of the Bankers to the Issue. Upon creation of security as disclosed in this Prospectus, the Escrow Collection Bank(s) shall transfer the monies from the Special Account to a separate bank account, ("**NRI Account**"), which shall be different from the Public Issue Account. Our Company shall at all times ensure that any monies kept in the Special Account and/or the NRI Account shall not be used for on-lending and be utilised only in accordance with and subject to the restrictions contained in the Foreign Exchange Management (Borrowing and Lending in Rupee) Regulations, 2000, and other applicable statutory and/or regulatory requirements.

The Escrow Collection Bank(s) will act in terms of this Prospectus and the Escrow Agreement. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein. In terms of Debt Regulations, it is mandatory for our Company to keep the proceeds of the Issue in an escrow account until the documents for creation of security as stated in this Prospectus are executed.

3. Filing of the Prospectus with ROC

A copy of the Prospectus has been filed with the Registrar of Companies, Kerala and Lakshadweep, in terms of section 56 and section 60 of the Act.

4. Pre-Issue Advertisement

Our Company will issue a statutory advertisement on or before the Issue Opening Date. This advertisement will contain the information as prescribed under Debt Regulations. Material updates, if any, between the date of filing of the Prospectus with ROC and the date of release of this statutory advertisement will be included in the statutory advertisement.

5. General Instructions

Do's

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the Application Form;
- Ensure that the details about Depository Participant and Beneficiary Account are correct as allotment of NCDs will be in the dematerialized form only;
- Ensure that you mention your PAN allotted under the IT Act;
- Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects; and
- Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek allotment of NCDs pursuant to the Issue;
- In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta;
- Ensure that the Applications are submitted to the Bankers to the Issue before the closure of banking hours on the Issue Closing Date.

Don'ts:

- Do not apply for lower than the minimum application size;
- Do not pay the application amount in cash;
- Do not fill up the Application Form such that the NCDs applied for exceeds the issue size and/or investment limit or maximum number of NCDs that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations; and
- Do not submit application accompanied with Stockinvest.

6. Instructions for completing the Application Form

A. Submission of Application Form - R

- Applications by resident Indians must be made in prescribed Application Form – R only.
- The forms to be completed in block letters in English.
- Applications should be in single or joint names and should be applied by Karta in case of HUF.
- Thumb impressions and signatures other than in English/Hindi/Gujarati/Marathi or any other languages specified in the 8th Schedule of the Constitution needs to be attested by a Magistrate or Notary Public or a Special Executive Magistrate under his/her seal.

- All Application Forms duly completed together with cheque/bank draft or RTGS transfers (applicable only for Category I applicants) for the amount payable on application must be delivered before the closing of the subscription list to any of the Bankers to the Issue or collection centre(s)/ agent(s) as may be specified before the closure of the Issue. Applicants at centres not covered by the branches of collecting banks can send their forms together with a cheque/draft drawn on/payable at a local bank in Mumbai to the Registrar to the Issue by registered post. For the purposes of the basis of allotment, the date on which the cheque is received by the Registrar or a Banker to the Issue, as the case maybe pursuant to an Application, shall be deemed to be the date on which the Application was made.

- No receipt will be issued for the application money. However, Bankers to the Issue and/or their branches receiving the applications will acknowledge the same.

- Every applicant should hold valid Permanent Account Number (PAN) and mention the same in the Application Form; and

- All applicants are required to tick the relevant column of "*Category of Investor*" in the Application Form.

B. Submission of Application Form - NRI

- Applications by NRIs must be made in the prescribed Application Form - NRI only.

- The Application Forms - NRI to be completed in block letters in English.

- Applications should be in single or joint names.

- Application Forms – NRI duly completed must be delivered to the Registrar or Bankers to the Issue either by post or scanned and e-mailed to the Registrar or Bankers to the Issue before the closing of the subscription list, and the application money should be transferred electronically or by depositing cheque/bank draft for the amount payable on application to the credit of the Special Account maintained with any of the Bankers to the Issue. For the purposes of the basis of allotment, the date on which the Application is presented to and acknowledged by the Bankers to the Issue or the date of receipt of the application by the Registrar through post, as the case may be, or in the case of NRIs, the date of receipt of application by the Registrar or Bankers to the Issue through email or physical copy, whichever is earlier, shall be deemed to be the date on which the Application was made.

- Every applicant should hold valid Permanent Account Number (PAN) and mention the same in the Application Form; and

- No receipt will be issued for the application money. However, Bankers to the Issue and/or their branches receiving the applications will acknowledge the same.

- Application monies should be received either by inward remittance of freely convertible foreign exchange through normal banking channels or through rupee denominated demand drafts/cheque drawn on a bank in India from Non-resident Ordinary (NRO) account or Non-resident External (NRE) account or by transfer of funds held in the investor's rupee denominated accounts i.e.. NRO Account and NRE Account maintained with an RBI authorised dealer or a RBI authorised bank in India. Payment by demand drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or an NRO Account.

ALL APPLICATIONS BY CATEGORY I APPLICANTS SHALL BE RECEIVED ONLY BY THE LEAD MANAGERS AND THEIR RESPECTIVE AFFILIATES.

All applicants should apply for one or more option of NCDs in a single Application Form only.

Our Company would allot Option I NCDs to all valid applications, wherein the applicants (other than NRIs) have not indicated their choice of Option. Our Company would allot Option II NCDs to all valid applications by NRIs, wherein NRI applicants have not indicated their choice of Option.

C. Applicant's Depository Account Details

IT IS MANDATORY FOR ALL THE APPLICANTS TO HAVE THEIR NCDs ALLOTTED IN DEMATERIALISED FORM. ALL APPLICANTS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM.

Applicant should note that on the basis of name of the applicant, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository, demographic details of the investor such as address, bank account details for printing on refund orders and occupation ("**Demographic Details**"). Hence, applicants should carefully fill in their Depository Account details in the Application Form.

These Demographic Details would be used for all correspondence with the applicants including mailing of the refund orders/ Allotment Advice and printing of bank particulars on the refund/interest order and the Demographic Details given by applicant in the Application Form would not be used for these purposes by the Registrar.

Hence, applicants are advised to update their Demographic Details as provided to their Depository Participants and ensure that they are true and correct.

By signing the Application Form, the applicant would have deemed to have authorised the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records. Refund Orders/Allotment Advice would be mailed at the address of the applicant as per the Demographic Details received from the Depositories. Applicant may note that delivery of Refund Orders/Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the applicant in the Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the applicant's sole risk and neither we nor the Lead Managers or the Registrar shall be liable to compensate the applicant for any losses caused to the applicant due to any such delay or liable to pay any interest for such delay.

However in case of applications made under power of attorney, our Company in its absolute discretion, reserves the right to permit the holder of Power of Attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of Refund Orders /Allotment Advice, the demographic details obtained from the Depository of the applicant shall be used.

In case no corresponding record is available with the Depositories that matches all three parameters, namely, names of the applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such applications are liable to be rejected.

D. Applicant's Bank Account Details

It is mandatory for all the applicants to have their NCDs allotted in dematerialised form.The applicant should note that on the basis of the name of the applicant, Depository Participant's (DP) name, Depository Participants identification number and beneficiary account number provided by them in the Application Form, the Registrar to the Issue will obtain from the applicant's DP account, the applicant's bank account details. The investors are advised to ensure that bank account details are updated in their respective DP Accounts as these bank account details would be used for making payment of Interest on Application Money, Interest on Refund, interest on NCDs at the respective Coupon Rates, principal amount on redemption and shall also be printed on the refund order(s), if any. Please note that failure to do so could result in delays in credit of refunds interest or principal to applicants at the applicant's sole risk and neither the Lead Managers, our Company, the Refund Banker, nor the Registrar to the Issue shall have any responsibility and undertake any liability for the same.

E. Applications under Power of Attorney by limited companies, corporate bodies, registered societies etc.

In case of Applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies etc, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum of Association and Articles of Association and/or bye laws must be lodged along with the Application Form, failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

F. Permanent Account Number

The applicant or in the case of applications made in joint names, each of the applicant, should mention his or her Permanent Account Number (PAN) allotted under the IT Act. In accordance with Circular No. MRD/DOP/Cir-05/2007 dated April 27, 2007 issued by SEBI, the PAN would be the sole identification number for the participants transacting in the securities market, irrespective of the amount of transaction. Any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction. It is to be specifically noted that the applicants should not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.

G. Terms of Payment

The entire issue price for the NCDs is payable on application only. In case of allotment of lesser number of NCDs than the number applied, our Company shall refund the excess amount paid on application to the applicant.

H. Payment Instructions for Applicants

- In pursuance of Debt Regulations, we shall open Escrow Account and Special Account with the Escrow Collection Banks(s) for the collection of the application money payable upon submission of the Application Form.

- Payment may be made by way of cheque/bank draft drawn on any bank, including a co-operative bank which is situated at and is member or sub-member of the Bankers' clearing-house located at the place where the Application Form is submitted, i.e. at designated collection centres. Outstation cheques /bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Payment though stockinvest would also not be allowed as the same has been discontinued by the RBI vide notification No. DBOD.NO.FSC.BC. 42/24.47.001/2003-04 dated November 5, 2003. Cash/Stockinvest/Money Orders/Postal Orders will not be accepted. In case payment is effected in contravention of conditions mentioned herein, the application is liable to be rejected and application money will be refunded and no interest will be paid thereon. A separate cheque / bank draft must accompany each Application Form.

- All Application Forms received with outstation cheques, post dated cheques, cheques / bank drafts drawn on banks not participating in the clearing process, Money orders/postal orders, cash, stockinvest shall be rejected and the collecting bank shall not be responsible for such rejections.

- All cheques / bank drafts accompanying the application should be crossed "A/c Payee only" and (a) all cheques / bank drafts accompanying the applications made by eligible applicants must be made payable to "Escrow Account Muthoot Finance NCD Public Issue" for applicants who are not NRIs and to "Special Account Muthoot Finance NCD Public Issue" for NRI applicants.

- The Escrow Collection Bank(s) shall transfer the funds from the Escrow Account, as per the terms of the Escrow Agreement, into a public issue account after the creation of security as disclosed in this Prospectus.

8. Submission of Completed Application Forms

- All applications duly completed and accompanied by account payee cheques / drafts shall be submitted at the branches of the Bankers to the Issue (listed in the Application Form) or our Collection Centre(s)/ agent(s) as may be specified by us before the closure of the Issue. The Application Form– NRI, duly completed, may also be scanned and emailed to the Registrar or the Bankers to the Issue at the email addresses indicated in the Application Form – NRI.Our collection centre/ agent however, will not accept payments made in cash. However, Application Forms duly completed together with cheque/bank draft drawn on/payable at a local bank in Mumbai for the amount payable on application may also be sent by Registered Post to the Registrar to the Issue, so as to reach the Registrar prior to closure of the Issue. Applicants at centres not covered by the branches of collecting banks can send their Application Forms together with cheque / draft drawn on / payable at a local bank in Mumbai to the Registrar to the Issue by registered post.For the purposes of the basis of allotment, the date on which the cheque is received by the Registrar or the Bankers to the Issue pursuant to an Application, shall be deemed to be the date on which the Application was made. In the case of NRIs, the date of receipt of application by the Registraror the Bankers to the Issue through e-mail or physical copy, whichever is earlier, shall be deemed to be the date on which the Application was made. All completed Application Forms must reach any of the Bankers to the Issue or the Registrar, as the case may be, at the earlier of (a) the date on which the Issue is oversubscribed, and (b) the Issue Closing Date, to be considered for allocation.

- No separate receipts shall be issued for the application money. However, Bankers to the Issue at their designated branches/our Collection Centre(s)/ agent(s) receiving the duly completed Application Forms will acknowledge the receipt of the applications by stamping and returning the acknowledgment slip to the applicant.

- Applications shall be deemed to have been received by us only when submitted to Bankers to the Issue at their designated branches or at our Collection Centre/ agent or on receipt by the Registrar as detailed above and not otherwise.

- **All applications by persons or entities belonging to Category I shall be received only by the Lead Managers and their respective affiliates.**

- Only Category I applicants and Category IV applicants shall have an option to make payments on applications through electronic mode.

9. On-line Applications

We may decide to offer online application facility for NCDs, as and when it is permitted by law subject to terms and conditions as may be prescribed.

10. Other Instructions

A. Joint Applications

Applications may be made in single or joint names (not exceeding three). In the case of joint applications, all payments will be made out in favour of the first applicant. All communications will be addressed to the first named applicant whose name appears in the Application Form and at the address mentioned therein.

B. Additional / Multiple Applications

An applicant is allowed to make one or more applications for the NCDs for the same or other series of NCDs, subject to a minimum application size of ₹ 5,000 and in multiples of ₹ 1,000 thereafter, for each application. Any application for an amount below the aforesaid minimum application size will be deemed as an invalid application and shall be rejected. However, multiple applications by the same applicant belonging to Category III aggregating to a value exceeding ₹ 500,000 shall be grouped in Category II, for the purpose of determining the basis of allotment to such applicant. However, any application made by any person in his individual capacity and an application made by such person in his capacity as a karta of a Hindu Undivided family and/or as joint applicant(second or third applicant), shall not be deemed to be a multiple application.

For the purposes of allotment of NCDs under the Issue, applications shall be grouped based on the PAN, i.e. applications under the same PAN shall be grouped together and treated as one application. Two or more applications will be deemed to be multiple applications if the sole or first applicant is one and the same. For the sake of clarity, two or more applications shall be deemed to be a multiple application for the aforesaid purpose if the PAN number of the sole or the first applicant is one and the same.

C. Depository Arrangements

As per the provisions of Section 68B of the Act, the allotment of NCDs of our Company can be made in a dematerialised form, (i.e. not in the form of physical certificates but be fungible and be represented by the Statement issued through electronic mode).

We have made depository arrangements with NSDL and CDSL for issue and holding of the NCDs in dematerialised form. Please note that tripartite agreements have been executed between our Company, the Registrar and both the depositories.

As per the provisions of the Depositories Act, 1996, the NCDs issued by us can be held in a dematerialized form. In this context:

(i) Tripartite Agreement dated December 08, 2010 and August 25, 2006, between us, the Registrar to the Issue and CDSL and NSDL, respectively for offering depository option to the investors.

(ii) An applicant who wishes to apply for NCDs in the electronic form must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the application.

(iii) The applicant seeking allotment of NCDs in the Electronic Form must necessarily fill in the details (including the beneficiary account number and DP's ID) appearing in the Application Form under the heading 'Request for NCDs in Electronic Form'.

(iv) NCDs allotted to an applicant in the Electronic Account Form will be credited directly to the applicant's respective beneficiary account(s) with the DP.

(v) For subscription in electronic form, names in the Application Form should be identical to those appearing in the account details in the depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the depository.

(vi) Non-transferable Allotment Advice/refund orders will be directly sent to the applicant by the Registrars to this Issue.

(vii) If incomplete/incorrect details are given under the heading 'Request for NCDs in electronic form' in the Application Form, it will be deemed to be an application for NCDs in physical form and thus will be rejected.

(viii) For allotment of NCDs in electronic form, the address, nomination details and other details of the applicant as registered with his/her DP shall be used for all correspondence with the applicant. The applicant is therefore responsible for the correctness of his/her demographic details given in the Application Form vis-à-vis those with his/her DP. In case the information is incorrect or insufficient, our Company would not be liable for losses, if any.

(ix) It may be noted that NCDs in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL or CDSL. BSE has connectivity with NSDL and CDSL.

(x) Interest or other benefits with respect to the NCDs held in dematerialised form would be paid to those NCD holders whose names appear on the list of beneficial owners given by the Depositories to us as on Record Date. In case of those NCDs for which the beneficial owner is not identified by the Depository as on the Record Date/ book closure date, we would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to us, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.

(xi) The trading of the NCDs shall be in dematerialized form only.

D. Communications

- All future Communications in connection with Applications made in the Issue should be addressed to the Registrar to the Issue quoting all relevant details as regards the applicant and its application.

- Applicants can contact our Compliance Officer as well as the contact persons of our Company/Lead Managers or the Registrar to the Issue in case of any Pre-Issue related problems. In case of Post-Issue related problems such as non-receipt of Allotment Advice / credit of NCDs in depository's beneficiary account / refund orders, etc., applicants may contact our Compliance Officer as well as the contact persons of our Company/Lead Managers or Registrar to the Issue.

11. Rejection of Application

The Board of Directors and/or any committee of our Company reserves its full, unqualified and absolute right to accept or reject any application in whole or in part and in either case without assigning any reason thereof.

Application may be rejected on one or more technical grounds, including but not restricted to:

- Applications not duly signed by the sole/joint applicants (in the same sequence as they appear in the records of the depository);

- Amount paid doesn't tally with the amount payable for the NCDs applied for;

- Age of First applicant not given;

- Application by persons not competent to contract under the Indian Contract Act, 1872 including minors (without the name of guardian) and insane persons;
- PAN not mentioned in the Application Form;
- GIR number furnished instead of PAN;
- Applications for amounts greater than the maximum permissible amounts prescribed by applicable regulations;
- Applications by persons/entities who have been debarred from accessing the capital markets by SEBI;
- Applications by any persons outside India (barring applications made by NRIs, on a non-repatriable basis);
- Payment from NRO accounts by demand drafts or electronic transfer of funds not accompanied by a bank certificate confirming that the draft has been issued / electronic transfer has been effected by debiting an NRO Account.
- Bank certificate and bank statement for one year not provided along with demand draft / cheque / electronic payment for NRI Applicants making payment using funds from a Non-resident External (NRE) account;
- Certificate confirming source of funds not provided and a declaration from the applicant that extant FEMA regulations have been complied with, not provided by NRI Applicants making payment by inward remittance of freely convertible foreign exchange into the Special Account;
- Any application for an amount below the minimum application size;
- Application for number of NCDs, which are not in multiples of one;
- Category not ticked;
- Application under power of attorney by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Application Form does not have applicant's depository account details;
- Applications accompanied by Stockinvest/money order/postal order;
- Signature of sole and/ or joint applicant(s) missing;
- Application Forms not delivered by the applicant within the time prescribed as per the Application Form and the Prospectus and as per the instructions in the Prospectus and the Application Form;
- In case the subscription amount is paid in cash;
- In case of Category IV applications, if the money is received from NRO account and the account number (in case of application in physical form) mentioned in the application form is a repatriable account or the status of the demat account is repatriable;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the applicant, the Depository Participant's Identity and the beneficiary's account number;
- Application Form accompanied with more than one cheque;
- Category I applications not procured by the Lead Managers or their respective affiliates;

- Category IV applications being submitted for subscription to only Option I NCDs; or
- Category IV applications being submitted in physical form at collection centres other than the centres designated for submitting the application forms by NRI applicants applying in physical form.

For further instructions regarding application for the NCDs, investors are requested to read the Application Form.

12. Allotment Advice / Refund Orders

The unutilised portion of the application money will be refunded to the applicant by an A/c Payee cheque/demand draft. In case the at par facility is not available, our Company reserves the right to adopt any other suitable mode of payment.

The Company shall credit the allotted NCDs to the respective beneficiary accounts/despatch the Letter(s) of Allotment or Letter(s) of Regret/Refund Orders by Registered Post/Speed Post at the applicant's sole risk, within 30 days from the date of closure of the Issue. We may enter into an arrangement with one or more banks in one or more cities for refund to the account of the applicants through Direct Credit/RTGS/NEFT.

Further,

(a) Allotment of NCDs offered to the public shall be made within a time period of 30 days from the date of closure of the Issue;

(b) Credit to de-mat account will be given within 2 working days from the Date of Allotment;

(c) Interest at a rate of 15% per cent per annum will be paid if the allotment has not been made and/or the Refund Orders have not been dispatched to the applicants within 30 days from the date of the closure of the Issue, for the delay beyond 30 days; and

(d) The Company will provide adequate funds to the Registrars to the Issue, for this purpose.

13. Retention of oversubscription

The Company is making a public Issue of NCDs aggregating upto ₹ 2,500 million with an option to retain oversubscription of NCDs up to ₹ 2,500 million.

14. Basis of Allotment

Basis of Allotment for NCDs

(a) <u>Allotments in the first instance:</u>

(i) During the Issue Period, for each category, all applications received on the same day by the Bankers to the Issue would be treated at par with each other.

(ii) Applicants (other than applicants under Category IV) will be allocated NCDs on first come first serve basis (determined on the basis of date of receipt ofeach application duly acknowledged by the Bankers to the Issue or date of receipt of each application by the Registrar, as the case may be). Category IV applicants will be allocated NCDs on first come first serve basis (determined on the basis of date of receipt ofeach Application either physically or by email, whichever is earlier, by the Bankers to the Issue or the Registrar);

(iii) Applicants belonging to Category I will be allocated up to 15% of the Issue size, applicants belonging to Category II will be allocated NCDs upto 20% of Issue size, applicants belonging to Category III will be allocated NCDs upto 50% of Issue size, and applicants belonging to Category IV, will be allocated NCDs upto 15% of Issue size on first come first serve basis (determined on the basis of date of receipt of each application duly acknowledged by the Bankers to the Issue); and

(iv) All applications in a particular category shall be clubbed together.

Allotments, in consultation with the Designated Stock Exchange, shall be made on a first-come first-serve basis, based on the date of presentation of each application to the Bankers to the Issue, in each Category subject to the allocation ratio indicated at 14(a)(iii)above.

(b) Under Subscription: If there is any under subscription in any category, priority in allotments will be given to the Category III, and balance, if any, shall be first made to applicants of Category II, followed by Category I and thereafter Category IV on a first come first serve basis, on proportionate basis. However, the value of NCDs allotted to Category IV will be limited to ₹ 2000.00 million.

(c) For each Category, all applications received on the same day by the Bankers to the Issue would be treated at par with each other.

(d) Minimum allotments of 1 NCD and in multiples of 1 NCD thereafter would be made in case of each valid application to all applicants.

(e) Allotments in case of oversubscription: In case of an oversubscription, allotments to the maximum extent, as possible, will be made on a first-come first-serve basis and thereafter on proportionate basis, in each category, i.e. full allotment of NCDs to the applicants on a first come first basis up to the date falling 1 (one) day prior to the date of oversubscription in the respective category, and Proportionate Allotment of NCDs to the applicants on the date of oversubscription in the respective category (based on the date of presentation of each application to the Bankers to the Issue, in each Category).

(f) Proportionate Allotments:For each Category, on the date of oversubscription:

(i) Allotments to the applicants shall be made in proportion to their respective application size, rounded off to the nearest integer.

(ii) If the process of rounding off to the nearest integer results in the actual allocation of NCDs being higher than the Issue size, not all applicants will be allotted the number of NCDs arrived at after such rounding off. Rather, each applicant whose allotment size, prior to rounding off, had the highest decimal point would be given preference.

(iii) In the event, there are more than one applicant whose entitlement remain equal after the manner of distribution referred to above, our Company will ensure that the basis of allotment is finalised by draw of lots in a fair and equitable manner.

(g) Applicant applying for more than one series of NCDs: If an applicant has applied for more than one series of NCDs, (Option I and/or Option II and/or Option III and/or Option IV, individually referred to as "**Series**"), and in case such applicant is entitled to allocation of only a part of the aggregate number of NCDs applied for, the Series-wise allocation of NCDs to such applicants shall be in proportion to the number of NCDs with respect to each Series, applied for by such applicant, subject to rounding off to the nearest integer, as appropriate in consultation with Lead Managers, and Designated Stock Exchange.

All decisions pertaining to the basis of allotment of NCDs pursuant to the Issue shall be taken by our Company in consultation with the Lead Managers, and the Designated Stock Exchange and in compliance with the aforementioned provisions of this Prospectus.

Our Company would allot Option I NCDs to all valid applications, wherein the applicants (other than applicants under Category IV) have not indicated their choice of Option. Our Company would allot Option II NCDs to all valid applications by NRIs, wherein NRI applicants have not indicated their choice of Option.

15. Investor Withdrawals and Pre-closure

Investor Withdrawal: Applicants are allowed to withdraw their applications at any time prior to the closure of the Issue.

Pre-closure: Our Company, in consultation with the Lead Managers reserve the right to close the Issue at any time prior to the Closing Date, subject to receipt of minimum subscription for NCDs aggregating to 75% of the Base Issue. Our Company shall allot NCDs with respect to the applications received at the time of such pre-closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements.

16. Utilisation of Application Money

The sum received in respect of the Issue will be kept in separate bank accounts and we will have access to such funds as per applicable provisions of law(s), regulations and approvals. Our Company shall at all times ensure that any monies kept in the Special Account shall be utilised only in accordance with the FEMA (Borrowing and Lending in Rupees) Regulations, 2000 and other applicable statutory and/or regulatory requirements.

17. Utilisation of Issue Proceeds

(a) All monies received pursuant to the Issue of NCDs to public shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of section 73 of the Act.

(b) Details of all monies utilised out of Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised; and

(c) Details of all unutilised monies out of issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.

(d) We shall utilize the Issue proceeds only upon creation of security as stated in this Prospectus, receipt of the listing and trading approval from BSE and on receipt of the minimum subscription of 75% of the Base Issue.

(e) We shall open and maintain a separate account with the Escrow Collection Bank(s) in connection with all application monies received from NRIs, ("**Special Account**"). All application monies received from NRI applicants shall be deposited in the Special Account maintained with any of the Bankers to the Issue. Upon creation of security as disclosed in this Prospectus, the Escrow Collection Bank(s) shall transfer the monies from the Special Account to a separate bank account, ("**NRI Account**"), which shall be different from the Public Issue Account. Our Company shall at all times ensure that any monies kept in the Special Account and/or the NRI Account shall not be used for on-lending and be utilised only in accordance with and subject to the restrictions contained in the Foreign Exchange Management (Borrowing and Lending in Rupee) Regulations, 2000, and other applicable statutory and/or regulatory requirements.

(f) The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any property.

Listing

The NCDs will be listed on BSE. Our Company has received an in-principle approval from the BSE to deal in and for an official quotation of our NCDs. The application for listing of the NCDs will be made to BSE at an appropriate stage.

If permissions to deal in and for an official quotation of our NCDs are not granted by BSE, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of this Prospectus.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at BSE are taken within 15 working days from the date of allotment.

For the avoidance of doubt, it is hereby clarified that in the event of non subscription to any one or more of the Options, such NCDs with Option(s) shall not be listed.

SECTION VII: LEGAL AND OTHER INFORMATION

PENDING PROCEEDINGS AND STATUTORY DEFAULTS

As on the date of this Prospectus, there are no defaults in meeting statutory dues, institutional dues, and towards holders of instrument like debentures, fixed deposits and arrears on cumulative preference shares, etc, by our Company or by public companies promoted by the Promoters and listed on the BSE or NSE.

Save as disclosed below, there are no pending proceedings pertaining to:

(a) matters likely to affect operation and finances of our Company including disputed tax liabilities of any nature; and

(b) criminal prosecution launched against our Company and the Directors for alleged offences under the enactments specified in Paragraph 1 of Part I of Schedule XIII to the Act.

Litigations involving the Company

Cases filed against the Company

Civil cases

1. Mayank Associates has filed a civil suit as C. S. No. 183/2008 on July 14, 2008, before the Additional District Judge, Delhi, against the Company. The plaintiff claims that he is the owner and landlord of the property which is rented by the Company and that the Company is holding the property illegally. The plaintiff claims that the lease deed dated March 24, 2004 for the property expired on April 04, 2007, and that the Company has been defaulting in payment of service tax and claims an amount of ₹ 143,117 towards arrears of taxes and ₹ 60,000 towards mesne profits. The plaintiff has sought an order from the court directing the Company to vacate the property and to pay arrears of taxes and mesne profits. The Company has filed written statement and is contesting the matter. The matter is currently pending.

2. T. Manivasagam has filed a petition as R. C. O. P. No. 48/2010 on December 21, 2010 before the District Munsiff Cum Rent Controller at Poonamallee under sections 10(3)(a)(i)(ii)(iii) of Tamil Nadu Buildings (Lease & Rent Control) Act, 1960 against the Company. The petitioner claims that he is the absolute owner on the property situated at First Floor, No 175, Trunk Road, Poonamallee, Chennai measuring 1600 square feet. The petitioner had leased out the premises to the Company by a rental agreement dated July 10, 2006 for a monthly rent of ₹ 12,000. The petitioner claims that he now requires the premises for his own use and therefore issued a legal notice on November 23, 2010 to the Company to vacate the premises. The petitioner has filed the present petition seeking an order of eviction directing the Company to vacate the leased premises and for costs of the proceedings. The District Munsiff Cum Rent Controller has passed a decree dated January 23, 2012 in favour of T. Manivasagam and ordered the Company to evict the leased premises. The Company is in the process of filing an appeal against the decree.

3. Selvin Jayakumar has filed a suit against the Company as OS 52/2011 before the Munsiff court Devikulam on February 10, 2011. SelvinJayakumar is the landlord of premises at Munnar, where the Company has leased premises for one of its branch offices. The company was running its business on the premises as per the lease agreement dated April 06, 2004 and subsequently renewed periodically. It is alleged that the defendant wanted the premises for his own use wanted the company to vacate the premises. The plaintiff alleged that the occupation of the leased premises by the Company after November 16, 2010 is wrongful and that the agreement has already been terminated and that the company had defaulted in paying the rent after November 16, 2010. Hence the Plaintiff had filed the suit praying for direction to put an end to the occupation of the defendant under the licence agreement and vacate the premises by a decree of mandatory injunction and for a direction to pay an amount of ₹ 87,500 as arrears of license fees and damages from the date if suit till the defendant vacate the premises and cost and other relief as the court deems fit. The case is currently pending.

Criminal cases

4. K. M. Abdul Kareem, has filed a criminal miscellaneous case as Crl.M.C. No. 828/2011 before the High Court of Kerala, on March 15, 2011. The petitioner claims that he is the managing partner of Rajadhani Gold Super Market from where about 15.80 kilo grams of various gold ornaments were stolen on April 16, 2010. As per the confession of the accused in the case, portions of the stolen gold ornaments were pledged at the Company's branches at Kanhangad and Puthiyakotta. Our Company filed petitions in respect of both the branches (Nos. 7125/2010 and 7171/2010) under Section 451 of Code of Criminal Procedure, 1973, seeking release of the seized gold. A portion of the stolen gold ornaments was seized and produced before the Judicial First Class Magistrate - I, Hosdurg. The petitioner also filed a petition (No. 216/2011) under Section 451 of the Code of Criminal Procedure, 1973 before the Judicial First Class Magistrate-I, Hosdurg, seeking custody of the gold ornaments recovered from the Company's branches, which the court allowed in favour of the petitioner, on condition that the petitioner produce the gold ornaments on each day of the trial and on demand by the court. Further, the Judicial First Class Magistrate – I, Hosdurg, by his order dated January 19, 2011, dismissed the petition of our Company, praying for release of the gold ornaments. The petitioner filed a petition seeking modification of the conditions imposed by the Judicial First Class Magistrate - I, Hosdurg for releasing the gold ornaments. The Company has been arrayed as a party to the proceedings as the gold ornaments were recovered from the branches of the Company. The petition seeking modification of the conditions imposed by the Judicial First Class Magistrate – I Hosdurg has been disposed on June 15, 2011 partly allowing the complaint, but dispensing of the requirement of the gold ornaments being produced before the Judicial First Class Magistrate - I, Hosdurg once every three months. The complainent has filed an appeal against the order of the High Court of Kerala, in the Supreme Court to lift the condition imposed on it and a Special Leave Petition dated November 29, 2011 praying that the delay of 77 days in filing the appeal be condoned. The Supreme Court has passed an order on December 12, 2011, condoning the delay and issuing notice The Company is not contesting the appeal.

5. Davidson Tharmaraj ("**Complainant**") has instituted a criminal case bearing C.C. No. 110/2011 in the Court of the Judicial Magistrate, Tenkasi against the Company, M.G. George Muthoot, George Alexander Muthoot, George Thomas Muthoot and George Jacob Muthoot, Subramanian the ex-Manager of the Tenkasi south Masi street branch of the Company and A. MahadevanPillai the gold auctioneer("Accused").The Complainant has alleged that between January 12, 2004 and February 9, 2004, on the advice of one of the Accused, he pledged gold ornaments and availed loans from the Company on 4 separate occasions, amounting to a sum of ₹ 126,600 without the Accused having mentioned the rate of interest of such loans, despite the Complainant approaching the Accused on numerous occasions to inquire about the rate of interest. It has also been alleged by the Complainant that the Accused refused to accept any payment towards repayment of the loans from the Complainant, and that at the end of the pledge period when the Complainant again approached the Accused to redeem the jewels he was informed that they had been sold in auction. The Complainant alleges that the Accused have cheated him. The Complainant has also alleged that the Company's pawn broker license had expired in March 2003 and has not been renewed and hence the Company was not authorised to conduct the auctions as it was in contravention of the Tamil Nadu Pawn Brokers Act, 1943. The Complainant has alleged that the Accused had an intention to cheat him and they are therefore guilty of various offences under Sections 420, 419, 406 of the IPC read with Section 120(b) of the IPC. The Company and other Accused have filed a Criminal Original Petition Crl.OP(MD) No. 7174/2011 before the High Court of Judicature at Madras, Madurai Bench, seeking to have the proceedings in C.C. 110/2011 quashed.The Madurai Bench of the Madras High Court has passed two orders on June 24, 2011 dispensing with the personal appearance of the Accused in C.C. No. 110/2011 and staying all proceedings in C.C. 110/2011 on the file of the Judicial Magistrate, Tenkasi, pending disposal of the above Crl.OP(MD) No. 7174/2011. The matter is currently pending.

Service tax cases

6. By a show cause notice bearing reference DZU/INV/ST/39/2006/8028 dated September 28, 2007 the Directorate General of Central Excise Intelligence, Delhi Zonal Unit, has directed Muthoot Finance Private Limited, to show cause as to why the Commissioner, Central Excise and Customs should not recover an amount of ₹ 2,596,612 as service tax and an amount of ₹ 51,932 as educational cess in respect of Banking and Financial Services, service tax amounting to ₹ 6,421,374 and educational cess of ₹ 121,290 in respect of business auxiliary services under erstwhile Section 1(a) proviso to Sub-section (1) of Section 73 of the Finance Act, 1994 read with Section 38A of the Central excise act, 1944. Further why interest on the amounts being an amount of ₹ 293,274 should not be recovered and Cenvat Credit amounting to ₹ 480,679 should not be denied under the Cenvat Credit Rules. The notice states that the Company was not paying service tax on its money lending business and that the Company is not registered with the Service Tax Department. The Company replied to the show cause notice on December 12, 2007, and stated that they have obtained registration under service tax and are paying service tax, as demanded by the Service Tax Department, however disputing the proposal to deny Cenvat Credit. Thereafter the Commissioner of Central Excise, Customs and Service Tax, Cochin Commissionerate, passed an order dated January 20, 2009, confirmed the order dated September 28, 2007 the Directorate General of Central Excise Intelligence, Delhi Zonal Unit, and further imposed a penalty of ₹ 100 for every day from the due date and a penalty of ₹ 200 for every day such failure continues or at the rate of 2% of such tax per month whichever is higher subject to maximum of ₹ 9,191,208, and a further penalty of ₹ 1,000 under Section 7 of the Finance Act, 1994, a penalty of ₹ 9,191,208 under Section 78 of the Finance Act for suppressing the fact of rendering taxable services with intent to evade payment of Service Tax and Education Cess, and a penalty of ₹ 4,80,670 on Muthoot Finance Private Limited under section 15 of the Cenvat Credit Rules, 2004 read with Section 78 of the Finance Act, 1994. The Company has filed an appeal dated April 24, 2009, against the order before the Customs, Excise and Gold (Control) Appellate Tribunal, Bangalore, and the matter is currently pending. The company has also filed an application for the stay of the pre deposit ofdemand order together with the appeal. The stay application has been allowed by order dated February 17, 2010, on condition of pre-deposit of an amount of ₹ 2,500,000. The matter is currently pending.

7. By a show cause notice bearing reference V/ST/15/16/2008 ST Adj/517 dated April 01, 2008, the Commissioner or Central Excise and Customs, Cochin Commissionerate, has directed Muthoot Finance Private Limited, to show cause as to why the Commissioner, Central Excise and Customs should not recover an amount of ₹ 43,07,451, as service tax and an amount of ₹ 86,147 as educational cess in respect of Banking and Financial Services, service tax amounting to ₹ 25,542 and educational cess of ₹ 511, an amount of ₹ 713,500, as service tax and an amount of ₹ 135,354, as educational cess in respect of Business Auxiliary Services under Section 73(1) of the Finance Act, 1994. The notice states that the Company has suppressed the actual value of the taxable services with intent to evade payment of service tax and has failed to take registration under the category of business auxiliary services. The Company replied to the show cause notice on May 06, 2008, and disputed that there is any service tax liability as claimed by the department. Thereafter the Commissioner of Central Excise, Customs and Service Tax, passed an order dated May 12, 2009, confirmed the order dated April 01, 2008 of the Commissioner or Central Excise and Customs, Cochin Commissionerate, and further imposed a penalty of ₹ 1,000 under Section 77 of the Finance Act, 1994, a penalty of ₹ 5,147,421 under Section 78 of the Finance Act. The Company has filed an appeal against the order before the Customs, Excise and Gold (Control) Appellate Tribunal, Bangalore, and the matter is currently pending. The company filed an application for the stay of the pre deposit of demand order together with the appeal and a stay has been granted on February 17, 2010. The matter is currently pending.

8. By a show cause notice No. 122/2008/ST dated October 07, 2008, the Commissioner for Central Excise and Customs, Cochin has directed Muthoot Finance Private Limited, to show cause as to why the Commissioner, Central Excise and Customs should not recover an amount of ₹ 7,776,480, as service tax under Section 73(1) of the Finance Act, 1994 and educational cess and separate interest under Section 75 of the Finance Act and penalties under Sections 76, 77, and 78 of the Finance Act. The notice states that the Company has suppressed the actual value of the taxable services with intent to evade payment of service tax and has failed to take registration under the category of business auxiliary services. The Company replied to the show cause notice on December 02, 2008, and disputed that there is any service tax liability as claimed by the department. Thereafter the Commissioner of

Central Excise, Customs and Service Tax, passed an order dated November 30, 2009, confirmed the order dated October 07, 2008, the Commissioner or Central Excise and Customs, Cochin, and further imposed a penalty of ₹ 200 for every day of failure to pay service tax and educational cess or at the rate of 2% of such tax per month which ever is higher subject to a maximum of ₹ 7,776,480 and a further penalty of ₹ 1,000 under Section 7 of the Finance Act, 1994, a penalty of ₹ 7,776,480 under Section 78 of the Finance Act. The Company has filed an appeal and a petition seeking stay of the order of the Commissioner of Central Excise, Customs and Service Tax, as ST/482/10 before the Customs, Excise and ServiceTax Appellate Tribunal on March 15, 2010. The Customs, Excise and ServiceTax Appellate Tribunal, by its order dated October 11, 2011, waived the predeposit of balance amounts of dues under the impugned order and granted a stay on the recovery thereof till the disposal of the appeal, subject to the Company depositing ₹ 4,000,000 within six weeks from the date of the order and report compliance on December 21, 2011. The matter is currently pending.

9. By a letter dated September 09, 2010, the Superintendent of Central Excise and Service Tax, Service Tax D Range, Central Excise Bhavan, Kaloor, Cochin, forwarded copies of three audit enquiries raised by the Comptroller and Auditors General's audit party regarding three instances of alleged non payment of service tax for the period from 2007-08 to 2009-10 and required the Company to pay service tax as per the audit enquiry. The first audit enquiry regarding alleged non payment of service tax in respect of services received abroad, states that the Company has paid an amount of ₹ 9,800,000 to Muthoot Marketing Services Private Limited, Karama, Dubai and ₹ 6,557,239 to Muthoot Global Transfers Private Limited, London, United Kingdom, in foreign currency as business promotion expenses and as per Rule 4 of the Taxation services (Provided from outside India and received in India) Rule, 2006, the Company as service recipient, is liable to pay service tax amounting to ₹ 1,812,516. The second audit enquiry regarding non payment of interest on CENVAT credit reversed, states that the Company has reversed CENVAT credit mistakenly availed by the Company but has not paid interest on the reversal of the CENVAT credit wrongly availed and that an amount of ₹ 881,728 is due as interest towards the reversal of the CENVAT credit wrongly availed by the Company. The third audit enquiry states that the Company has not paid any service tax in relation to the bilateral assignment transactions of loan receivables with ICICI Bank for the years 2007-08 to 2009-10 for a total transaction amount of ₹ 736,321,815 and recommends that the matter may be enquired in detail by the department. The Company has replied to the letter dated September 09, 2010 on October 26, 2010 and in relation to the first audit enquiry contends that the Company has not received any services in India and that payments are made for services received outside India and Section 66(A) of the Finance Act and Rule 4 of the Taxation of Services (Provided from outside India and received in India) Rules 2006, only provides for payment of service tax for services rendered from outside India but received in India. In relation to the second audit enquiry the Company contends that the Company has paid interest on the CENVAT credit wrongly availed on May 29, 2009 itself on discovering the error in not paying the interest amount and a total amount of ₹ 810,552 has been paid as interest on May 29, 2009. In relation to the third audit enquiry, the Company contends that there exists no service provider service receiver relationship between the Company and ICICI Bank and that the transaction is a pure financial transaction of future receivables securitizations. The difference in the amount between the principal and amount received on receivables securitization realised by the Company represents the interest component and the same is exempted from levy of service tax. The Company further contends that there is a separate agreement for collection agent services between the Company and ICICI Bank where the Company pays service tax on the service rendered by the Company under the category of Business Auxiliary Services. The Company has also obtained a legal opinion on the applicability of service tax to securitization transactions from B. Venugopal, Advocate and has enclosed the opinion with the response of the Company to the Superintendent of Central Excise and Service Tax.There has been no further development in the matter.

Income tax cases

10. By an order dated December 29, 2008, the Assistant Commissioner of Income Tax, Circle 1(3), Ernakulam, has assessed the total income of Muthoot Finance Private Limited (the erstwhile entity of the Company) for AY 2006-2007 as ₹ 345,267,560 against returned income of ₹ 340,748,202.The Assistant Commissioner, in his order, states that the Company is in contravention of the provisions of the Income Tax Act, 1961 and that the Company should pay additional tax of ₹ 1,589,575, including penalty under Section 271(1)and applicable interest.The Company has filed an appeal with the Commissioner of Income Tax (Appeals)-II, Kochi on January 12, 2009 and stated that the officer is not justified in disallowing the exemptions claimed by the Company.The Commissioner of Income Tax

(Appeals) –II, Kochi partly allowed the appeal filed by the company and the assessing officer issued revised order by reducing the demand to ₹1,292,072. Demands were adjusted against the refund due and the net refund due is ₹ 341,198.The company has filed an appeal before the Income tax Appellate Tribunal, Kochi against the above Order. The assessing officer also has filed appeal before the Income Tax Appellate Tribunal.Both the appeals are currently pending.

11. The Assistant Commissioner of Income Tax, Circle-1(2), Range-1, Ernakulam has issued notice under Section 148 of the Income Tax Act, 1961 on March 16, 2011, requiring that the Company deliver within 30 days, a return of its income in the prescribed form for the financial year ended March 31, 2007. The company has filed a Return of Income under Section 148 of the Income Tax Act, 1961 with same taxable income. This assessment has been completed by the Joint Commissioner of Income Tax (OSD), Circle1(2) by an order under Section 143(3) read with Section 147 of the Income Tax Act, 1961 dated December 12, 2011 and disallowed depreciation on windmill ₹ 3,876,000 and interest expenses attributable to new line of business ₹ 8,321,600 and thereby issued tax demand of ₹ 8,550,760. The Company has filed an appeal dated January 02, 2012 before the Commissioner of Income Tax (Appeals) –II, Kochi, against the above order. The appeal is pending.

12. By an assessment order dated December 28, 2006, the Assistant Commissioner of Income Tax, Circle 1(3), Ernakulam, has assessed the total income of Muthoot Finance Private Limited (the erstwhile entity of the Company) for AY 2004-2005 as 185,506,140 against returned income of ₹ 170,980,627.The Company has claimed that the Company suffered a loss of ₹ 12,678,833 while redeeming its investment in mutual fund units as a business loss.The Assistant Commissioner disallowed the deduction by the Company and by the order has demanded the Company to pay an additional tax of ₹ 7,174,050 and penalty as applicable.Pursuant to an appeal filed by the Company the Commissioner of Income Tax (Appeals)-II, Kochi, partly allowed the appeal by issuing a revised order dated April 13, 2007 reducing the demand to ₹ 67,610 which amount has been subsequently adjusted in the refund intimation dated March 21, 2007 issued by the income tax department under the Income Tax Act, 1961 for the following AY 2005-06.The assessing officer has filed an appeal before the Income Tax Appellate Tribunal against the Company.The appeal is currently pending.

13. By an assessment order dated December 19, 2011, the Additional Commissioner of Income Tax, Range-1, Kochi, has assessed the total income of the Company for the year ended March 31, 2009 as ₹ 1,518,323,301 against the returned income of ₹ 1,476,872,280. All the disallowances were in the nature of mistake apparent on record and hence the Company has preferred an application for rectification of the assessment order dated December 19, 2011 under Section 154 of the Income Tax Act, 1961. The Company has also filed an appeal against the said order before the Commissioner of Income Tax (Appeals)-II, Kochi. The appeal is pending.

Litigation relating to the erstwhile radio business of the Company

14. The Company is party to a suit filed by The Indian Performing Rights Society Limited ("**Society**"), relating to the radio business of the Company which was demerged from the Company. The Society has filed a suit as C.S. No.1180/2008 before the High Court of Madras, against the Company and its employees. The Society has filed the suit praying for an injunction restraining the Company from broadcasting the songs of the music companies and artists who were members of the Society stating that the Society is the copyright holder of such songs and that the Company has to pay the Society for the broadcast of such songs. The Company is contesting the matter stating that the Society had no rights in 'Sound Recordings' and that the Company was not liable to pay any amounts to them whatsoever as the owner of 'Sound Recordings' as per law was only the 'producer' and that the Company had received a license to play the sound recordings from the society for Sound Recordings known as 'PPL'. The Society also filed an application as O.A.No.1318/2009 for interim injunction restraining the Company from broadcasting the songs of the music companies and artists who are its members pending disposal of the suit which was allowed. The Company filed appeal against the interim order as O.S.A.64/2009 before the High Court of Madras and also C.M.P.No. 2/2009 praying for stay of operation of the injunction pending disposal of the O.S.A.64/2009. A stay was granted against the order of injunction in C.M.P.No.2/2009 on condition that the Applicant furnish bank guarantee for ₹ 300,000 every month to the credit of the. The appeal was later dismissed by the High Court by order dated September 09, 2009 but permitted the Company to continue the broadcast pending the suit subject to the condition that the Company continued to furnish bank guarantee to for ₹ 300,000 every month till the disposal of the suit with a direction to dispose the suit within six months

from the date of filing of written statement by the Company. The Company has filed a review petition against the order directing the Company to furnish bank guarantee to for ₹ 300,000 every month till the disposal of the suit. The suit and the review petition are pending. The Company, through the scheme of de-merger approved by the High Court of Kerala by its order dated April 09, 2010, has demerged the radio business of the Company to Muthoot Broadcasting Private Limited. In terms of the scheme of merger, all existing proceedings pending by or against the Company relating to radio business will be continued by or against Muthoot Broadcasting Private Limited. The Company filed a memo before court informing as to the fact that the radio business of the Company has been demerged into the Muthoot Broadcasting Private Limited. The society therefore filed an application as A. No. 309/2011 to amend the name of the third respondent in the matter, the Company to the name of Muthoot Broadcasting Private Limited. The application to allow amendment of the name of the third respondent has been allowed by order of the High Court dated January 19, 2011. The matter is currently pending.

Notices

15. The Company has received notice from the Deputy Registrar of Co-operative Societies, Government of Karnataka under the Karnataka Money Lenders Act, 1961, dated July 02, 2011 informing the Company about the enquiry to be held on July 13, 2011 for allegedly charging very high rates of interest which are illegal and unlawful. The Company was required to produce all relevant documents and provide its explanation at the hearing. The Company filed writ petition bearing number W.P. No. 25527/2011 before the High Court of Karnataka, seeking to have the notice quashed on the grounds that it has been granted exemption from the provisions of the Karnataka Money Lenders Act, 1961, by the Government of Karnataka and therefore the authority has acted without jurisdiction while issuing the impugned notice. The High Court of Karnataka vide its order dated July 14, 2011 has directed the authority to consider the Company's objection regarding its jurisdiction and pass an order with regard to the same, before proceedings with the merits of the allegations. The matter is currently pending before the Deputy Registrar of Co-operative Societies, Government of Karnataka.

Cases filed by the Company

16. The Company has filed a Special Leave Petition as SLP. No. 14386/2010 on September 07, 2010 challenging the order of the High Court of Kerala in W. A. No 539/2006. The writ appeal was filed by the Company against the order passed by the High Court of Kerala W. P. No. 7526/2007. W. P. No. 7526/2007 was challenging the order of the Government of Kerala notifying that provisions of the Kerala Money Lenders Act, 1958 which regulates and controls money lending business in the state of Kerala, was applicable to NBFC's. Under the provisions of the Kerala Money Lenders Act, 1958, every entity engaged in the money lending business was required to obtain licences from the Government of Kerala. The Company being a registered non-banking financial company is challenging the order of the Government of Kerala. The Company has contended that the Reserve Bank of India Act, 1934, which specifically regulates non-banking financial companies prevails over all other laws and therefore the Company is not required to obtain licence under the Kerala Money Lenders Act, 1958.The matter is currently pending.

17. The Company has filed a special civil application No. 6551/2008, before the High Court of Gujarat, against the Assistant Registrar, District Co-operative Societies Office, Ahmedabad. The dispute arose when the Assistant Registrar issued notices to the Company to obtain licences under the Bombay Money Lenders Act, 1946 which regulates and controls money lending business in the state of Gujarat. Under the provisions of the Bombay Money Lenders Act, 1946, every entity engaged in the money lending business was required to obtain licences from the Government of Gujarat. The Company being a registered non-banking financial company challenged the order of the Assistant Registrar. The Company has contended that the Reserve Bank of India Act, 1934, which specifically regulates non-banking financial companies prevails over all other laws and therefore the Company is not required to obtain licence under the Bombay Money Lenders Act, 1946. The Company also filed a special civil application No. 6551/2008 seeking interim relief against the order of the Assistant Registrar. The High Court of Gujarat refused to grant interim relief to the Company. However, the High Court of Gujarat has stayed prosecution of the directors and officers of the Company for the non-compliance with the Bombay Money Lenders Act, 1946 or Rules until the final disposal of the proceedings. The matter is currently pending.

18. The Company has filed a suit as O.S. No. 593 of 2010 on November 22, 2010before the Munsiff Court, Kottarakkara against Remavathy and others. The Company claims that it had leased certain property from one S. Gopalan in the year 1996 for conducting the Ezhukone branch of the Company. S. Gopalan passed away and by a will executed by S. Gopalan the leased property was vested with his legal heirs, the defendants in the suit. The lease of the property was renewed periodically and the Company has invested huge amounts in the premises. The lease had expired on March 31, 2010 and the Company intimated Remavathy for renewal of the lease for a further term with an enhancement of 10% of the rent payable. However Remavathy has claimed an amount of ₹ 15 per square feet of the leased premises for the renewal of the lease. The Company claims that the Company repeatedly demanded with Remavathy to renew the lease on the basis of the approved rent in EzhukonePanchayath, however Remavathy is not coming forward to execute the lease deed. The Company has filed the present suit seeking a direction for fixation of the fair rent of the lease premises on the basis of the prevailing Public Works Department rate in the locality and to restrain the defendants from causing nuisance and obstructing the smooth functioning of the Company's branch. The Company has filed I.A. 3707/2010 seeking a temporary injunction against the defendants. The Munsiff Court, Kottarakkara by its order dated December 12, 2010 was pleased to grant the temporary restraining the defendants from forcibly evicting the plaintiffs from the property other than by due process of law. The matter is currently pending.

19. The Company has filed a civil suit as O. S. No. 78/2006, before the Sub Court, Ernakulum against Cardamom Marketing Corporation, a partnership firm and 11 other persons who are partners of Cardamom Marketing Corporation. The Company claims that the defendants availed a loan of ₹ 17,500,000 in the month of September 2005 agreeing to repay the loan with 24% interest per annum within 21 days from the date of disbursement. However the defendants did not repay the loan as agreed. On November 02, 2005 the Company sent a registered notice demanding the repayment of loan with the interest and the defendants still did not repay the loan nor did they send a reply. The Company again sent a notice date November 26, 2005, demanding repayment of loan however the defendants chose to ignore the demand. The defendants had issued a cheque of ₹ 18,548,440 towards repayment of the loan amount which when presented for encashment by the Company was dishonoured on December 13, 2005. The Company caused the issuance of a lawyer notice dated January 11, 2006 to the defendants intimating about the dishonour of cheque and demanding payment and the defendants denied any transactions between the Company and the defendants. Therefore the Company filed the suit for recovery of an amount of ₹ 19,054,740 from the defendants and further seeking costs of the proceedings. The matter is currently pending.

20. The Company has filed as civil suit as OS.No:229/2011 before the Munsiff Court Kollam, against L. Johnykutty on March 21, 2011. The Company claims that it has leased certain commercial property from the defendant by a lease deed dated January 16, 2006 and is occupying the premises from March 31, 2006. Company claims that the lease was initially for a period of five years the Company has the right to retain the lease on enhancement of rent by 10% of the existing rent as per the terms and conditions set forth in the lease deed. The Company has been paying the rent and using the leased premises peacefully, however the defendant and his people have started creating obstruction to the Company in occupying the leased premises and is threatening the staff requiring them to vacate the leased premises. Hence the company had filed the above suit for restraining the defendant from forcibly dispossessing or evicting the plaintiff from the scheduled building except by due process of law. The Company also filed a petition for interim injunction directing the defendant not to interfere with the possession of the leased premises by the Company or committing any waste in the leased premise during the pendency of the suit. The Munsiff Court, Kollam by its order dated March 21, 2011 has granted temporary injunction. The parties have settled the matter out of court and have entered into a fresh lease agreement. The parties are in the process of filing a compromise petition before the Musiff Court, Kollam.

21. Company has filed an injunction suit against M Arulsamy who is the lessor of the branch of the Company at Kalayarkoil on April 08, 2011 as O.S.No: 60/2011 before the Hon'ble Court of District Munsiff Sivagangai. The defendant has under a lease agreement dated February 17, 2005 leased the premises of the Kalayarkoil branch to the Company. Further, the lease agreement provides for the enhancement of the rent and also for the extension of the lease period. Even when the Company is providing enhanced rent as stipulated the lease agreement, the defendant has unlawfully demanded by various letters, enhancement of rent for the premises, and upon refusal of the Company to do so, and is causing all sorts of unlawful attempts to lock the premises and has caused other threats to the

functioning of the branch. Pursuant to this suit, the Company has filed above suit praying for a permanent injunction decree in favor of the Company restraining the defendant and his men to not interfere in the peaceful possession and enjoyment of the suit property or evict the Company till evicted by the due process of the law and for other cost and reliefs as the court deem fit and proper. The Hon'ble court was pleased to order interim injunction on April 09, 2011.The matter has been settled out of court. A compromise petition was filed by the Company in this matter on June 29, 2011. The case was disposed off by the Hon'ble Court of District Munsiff Sivagangai by its order dated July 11, 2011.

22. Company has filed a civil suit on May 12, 2011 against Abdul Kareem Shibu, landlord of the building in which the Zacharia Bazaar Branch of the Company as O.S. No. 300/2011 is located, before the Court of the District Judge at Alappuzha.The Company is occupying two portions of the building owned by the defendant from 1996 and 2003 respectively.The Company is aggrieved by the fact that the defendant has demanded an exorbitant amount as additional security deposit for the Company to continue to occupy the building and also a 30% hike in the rate of rent which the Company in violation of the terms of the lease.The Company states that upon its refusal to pay additional deposit and agree to higher rent, the Defendant issued an eviction notice to the Company and has attempted to forcibly lock the premises, thus preventing the branch of the Company from carrying out business at the premises.The Company has also stated that the defendant has threatened to forcibly evict the Company from the premises.The Company has thus filed the above referred suit seeking a permanent injunction against the defendant restraining the defendant from interrupting the occupation of the premises by the Company, and costs of the suit.The Company has also on May 12, 2011 filed CMP bearing number 433/2011 in CMP number 435 of 2011 seeking interim injunction restricting the Defendant from interfering with the peaceful possession of the plaint schedule premises.On May 16, 2011 the District Judge has passed an interim injunction restricting the Defendant from interfering with the peaceful possession of the premises by the Company until disposal of O.S. No. 300/2011. The matter is currently pending.

Litigation involving Directors

1. Davidson Tharmaraj ("**Complainant**") has instituted a criminal case bearing C.C. No. 110/2011 in the Court of the Judicial Magistrate, Tenkasi against the Company, M.G. George Muthoot, George Alexander Muthoot, George Thomas Muthoot and George Jacob Muthoot, Subramanian the ex-Manager of the Tenkasi south Masi street branch of the Company and A. MahadevanPillai the gold auctioneer("**Accused**").The Complainant has alleged that between January 12, 2004 and February 9, 2004, on the advice of one of the Accused, he pledged gold ornaments and availed loans from the Company on 4 separate occasions, amounting to a sum of ₹ 126,600 without the Accused having mentioned the rate of interest of such loans, despite the Complainant approaching the Accused on numerous occasions to inquire about the rate of interest. It has also been alleged by the Complainant that the Accused refused to accept any payment towards repayment of the loans from the Complainant, and that at the end of the pledge period when the Complainant again approached the Accused to redeem the jewels he was informed that they had been sold in auction. The Complainant alleges that the Accused have cheated him. The Complainant has also alleged that the Company's pawn broker license had expired in March 2003 and has not been renewed and hence the Company was not authorised to conduct the auctions as it was in contravention of the Tamil Nadu Pawn Brokers Act, 1943. The Complainant has alleged that the Accused had an intention to cheat him and they are therefore guilty of various offences under Sections 420, 419, 406 of the IPC read with Section 120(b) of the IPC. The Company and other Accused have filed a Criminal Original Petition Crl.OP(MD) No. 7174/2011 before the High Court of Judicature at Madras, Madurai Bench, seeking to have the proceedings in C.C. 110/2011 quashed.The Madurai Bench of the Madras High Court has passed two orders on June 24, 2011 dispensing with the personal appearance of the Accused in C.C. No. 110/2011 and staying all proceedings in C.C. 110/2011 on the file of the Judicial Magistrate, Tenkasi, pending disposal of the above Crl.OP(MD) No. 7174/2011.

Cases filed against the Directors

Incometax demands

1. The Deputy Commissioner of Income Tax has issued two assessment orders dated December 30, 2010 to George Thomas Muthoot under section 143(3) read with section 147 of the Income Tax Act, 1961 for the assessment years 2006-07 and 2007-08 by demanding a total tax payable approximately ₹ 10,810,629. An appeal dated January 07, 2011 has been filed by George Thomas Muthoot before the Commissioner of Income Tax (Appeals), Trivandrum against the above order. The appeal is pending.

2. The Deputy Commissioner of Income Tax has issued an assessment order dated December 30, 2010 to George Jacob Muthoot under section 143(3) read with Section 147 of the Income Tax Act, 1961 for the assessment years 2006-07 by demanding a total tax payable of ₹ 14,524,855. An appeal dated January 07,2011 has been filed by George Jacob Muthoot before the Commissioner of Income Tax (Appeals), Trivandrum against the above order. The appeal is pending.

3. The Joint commissioner of Income tax, Thiruvalla has issued an assessment order dated December 12, 2011 to George Thomas Muthoot under section.143(3) of the Income Tax Act, 1961 for the year ended March 31, 2009 by demanding a total tax payable of ₹ 5,626,010. George Thomas Muthoot has filed an appeal against the assessment order on December 20, 2011 before the Commissioner of Income Tax (Appeals), Trivandrum. The appeal is pending.

4. The Joint commissioner of Income tax, Thiruvalla has issued an assessment order dated December 12, 2011 to George Jacob Muthoot under section.143(3) of the Income Tax Act, 1961 for the year ended March 31, 2009 by demanding a total tax payable of ₹ 38,723,930. George Jacob Muthoot has filed an appeal against the assessment order on December 20, 2011 before the Commissioner of Income Tax (Appeals), Trivandrum. The appeal is pending.

5. The Joint commissioner of Income tax, Thiruvalla has issued an assessment order dated December 12, 2011 to George Alexander Muthoot under section.143(3) of the Income Tax Act, for the year ended March 31, 2009 by demanding a total tax payable of ₹ 273,110. George Alexander Muthoot has filed an appeal against the the assessment order on December 20, 2011 before the Commissioner of Income Tax (Appeals), Trivandrum. The appeal is pending.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

At the meeting of the Board of Directors of our Company, held on January 31, 2012 the Directors approved the issue of NCDs to the public upto an amount not exceeding ₹ 7,000 million.

Prohibition by SEBI

Our Company, persons in control of our Company and/or our Promoters have not been restrained, prohibited or debarred by SEBI from accessing the securities market or dealing in securities and no such order or direction is in force. Further, no member of our promoter group has been prohibited or debarred by SEBI from accessing the securities market or dealing in securities due to fraud.

Disclaimer Clause of the BSE

BSE LIMITED ("THE EXCHANGE") HAS GIVEN VIDE ITS LETTER DATED FEBRUARY 22, 2012, PERMISSION TO THIS COMPANY TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGES ON WHICH THIS COMPANY'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THIS OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS COMPANY. THE EXCHANGE DOES NOT IN ANY MANNER:

a. **WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS OFFER DOCUMENT; OR**
b. **WARRANT THAT THIS COMPANY'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; OR**
c. **TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS COMPANY, ITS PROMOTERS, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS COMPANY.**

AND IT SHOULD NOT FOR ANY REASON BE DEEMED OR CONSTRUED THAT THIS OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY THE EXCHANGE. EVERY PERSON WHO DESIRES TO APPLY FOR OR OTHERWISE ACQUIRES ANY SECURITIES OF THIS COMPANY MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTEGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE EXCHANGE WHATSOEVER BY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION/ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR FOR ANY OTHER REASON WHATSOEVER.

Disclaimer Clause of the RBI

THE COMPANY IS HAVING A VALID CERTIFICATE OF REGISTRATION DATED DECEMBER 12, 2008 ISSUED BY THE RESERVE BANK OF INDIA UNDER SECTION 45 IA OF THE RESERVE BANK OF INDIA ACT, 1934. HOWEVER, THE RBI DOES NOT ACCEPT ANY RESPONSIBILITY OR GUARANTEE ABOUT THE PRESENT POSITION AS TO THE FINANCIAL SOUNDNESS OF THE COMPANY OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS OR REPRESENTATIONS MADE OR OPINIONS EXPRESSED BY THE COMPANY AND FOR REPAYMENT OF DEPOSITS/ DISCHARGE OF LIABILITY BY THE COMPANY.

Listing

The NCDs proposed to be offered in pursuance of this Prospectus will be listed on the BSE. We have received the in-principle approval dated February 22, 2012 from the BSE.

If permissions to deal in and for an official quotation of our NCDs are not granted by the BSE, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of the Prospectus.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the stock exchange mentioned above are taken within 15 working days from the date of allotment.

For the avoidance of doubt, it is hereby clarified that in the event of non subscription to any one or more of the Options, such NCDs with Option(s) shall not be listed.

Consents

Consents in writing of: (a) the Directors, (b) our Company Secretary and Compliance Officer (c) Bankers to our Company and Bankers to the Issue (d) Lead Managers (e) the Registrar to the Issue, (f) Lead Brokers to the Issue, (g) Legal Advisor to the Issue, (h) Credit Rating Agencies, and (i) the Debenture Trustee to act in their respective capacities, have been obtained and the same has been filed along with a copy of the Prospectus with the ROC.

The consent of the Statutory Auditors of our Company, namely Rangamani & Co, Chartered Accountants for (a) inclusion of their names as the Statutory Auditors, (b) examination reports on Reformatted Summary Financial Statements in the form and context in which they appear in this Prospectus, have been obtained and the same has been filed along with a copy of this Prospectus with the ROC.

Track record of past public issues handled by the Lead Managers

For details of the track record of the performance of the public issues managed by each of the Lead Managers, as per the SEBI circular bearing number CIR/MIRSD/1/2012 dated January 10, 2012, please refer to the websites of the respective Lead Managers.

Expert Opinion

Except the (i) Auditors report on Financial Statements issued by Rangamani & Co, Chartered Accountants dated February 08, 2012, and (ii) Statement of Tax Benefits issued by Rangamani & Co, Chartered Accountants dated February 08, 2012, and (iii) reports issued by ICRA dated February 06, 2012, and by CRISIL dated February 06, 2012 in respect of the credit ratings issued thereby for this Issue which furnishes the rationale for its rating our Company has not obtained any expert opinions.

Common form of Transfer

The Issuer undertakes that there shall be a common form of transfer for the NCDs and the provisions of the Companies Act, 1956 and all applicable laws shall be duly complied with in respect of all transfer of debentures and registration thereof.

Minimum Subscription

If our Company does not receive the minimum subscription of 75% of the Base Issue, i.e. ₹ 1,875 million, the entire subscription shall be refunded to the applicants within 30 days from the date of closure of the Issue. If there is delay in the refund of subscription by more than 8 days after our Company becomes liable to refund the subscription amount, our Company will pay interest for the delayed period, at rates prescribed under sub-sections (2) and (2A) of Section 73 of the Companies Act, 1956.

Filing of the Draft Prospectus and Prospectus

The Draft Prospectus has been filed with the Designated Stock Exchange in terms of Regulation 7 of the Debt Regulations for dissemination on their website.

A copy of this Prospectus has been filed with the ROC, Kerala and Lakshadweep, in terms of Sections 56 and 60 of the Companies Act, 1956.

Debenture Redemption Reserve

Section 117C of the Act states that any company that intends to issue debentures must create a DRR to which adequate amounts shall be credited out of the profits of the company until the redemption of the debentures. The Ministry of Corporate Affairs has, through its circular dated April 18, 2002, ("**Circular**"), specified that the quantum of DRR to be created before the redemption liability actually arises in normal circumstances should be 'adequate' to pay the value of the debentures plus accrued interest, (if not already paid), till the debentures are redeemed and cancelled. The Circular however further specifies that, for NBFCs like our Company, (NBFCs which are registered with the RBI under Section 45-IA of the RBI Act), the adequacy of the DRR will be 50% of the value of debentures issued through the public issue. Accordingly, our Company is required to create a DRR of 50% of the value of debentures issued through the public issue. As further clarified by the Circular, the amount to be credited as DRR will be carved out of the profits of the company only and there is no obligation on the part of the company to create DRR if there is no profit for the particular year. Our Company shall credit adequate amounts of DRR, from its profits every year until such NCDs are redeemed. The amounts credited to DRR shall not be utilized by the company except for the redemption of the NCDs.

Issue Related Expenses

The expenses of this Issue include, among others, Fees for the Lead Managers, printing and distribution expenses, legal fees, advertisement expenses and listing fees. The estimated Issue expenses to be incurred for the Issue size of upto ₹ 5,000 million (assuming the full subscription including the retention of over subscription of upto ₹ 2,500 million) are as follows:

(₹ in million)

Activity	Expenses
Fees to intermediaries (Lead Management Fee, brokerage, rating agency, registrar, legal advisors, debenture trustees etc.)	100.0
Advertising and Marketing Expenses	55.0
Printing and Stationery	10.0
Total	165.0

The above expenses are indicative and are subject to change depending on the actual level of subscription to the Issue and the number of Allottees, market conditions and other relevant factors.

Underwriting

This Issue has not been underwritten.

Details regarding the Company and other listed companies under the same management within the meaning of section 370(1B), which made any capital issue during the last three years

On May 03, 2011, our Company issued and allotted 51,500,000 equity shares at a price of ₹ 175 per such Equity Share, amounting to an aggregate of ₹ 9,012,500,000 pursuant to an initial public offer under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 which opened on April 18, 2011 and closed on April 21, 2011. The electronic credit of the equity shares to investors pursuant to the initial public offer was completed on May 04, 2011. There are no listed companies under the same management within the meaning of Section 370(1) (B) of the Companies Act, 1956.

Commissions and Brokerage on previous issue

₹ 151.25 million was incurred towards lead management fees, underwriting and selling commission in connection with the public issue of 51,500,000 equity shares at a price of ₹ 175 per such Equity Share, pursuant to an initial public offer under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

₹ 127.74 million was incurred towards lead management fees, and selling commission in connection with the public issue of 6,932,813 secured non-convertible debentures of face value ₹ 1,000 each issued at face value, pursuant to a public issue under the Debt Regulations.

₹ 75.09 million was incurred towards lead management fees, and selling commission in connection with the public issue of 4,593,198 secured non-convertible debentures of face value ₹ 1,000 each issued at face value, pursuant to a public issue under the Debt Regulations.

Public / Rights Issues

On May 03, 2011, our Company issued and allotted 51,500,000 equity shares at a price of ₹ 175 per such Equity Share, pursuant to an initial public offer under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

Previous Issue

Except as stated in the sections titled "*Capital Structure*" and "*Disclosures on existing financial indebtedness*" on pages 51 and 179 respectively, our Company has not made any other issue of non convertible debentures.

Other than as specifically disclosed in this Prospectus, our Company has not issued any securities for consideration other than cash.

Stock Market Data

A. Our Equity Shares

Our Equity Shares are listed on the BSE and NSE.

The high, low and average market prices of the Equity Shares of our Company during the preceding three years are not available since our Equity Shares were listed on the NSE and BSE on May 06, 2011 and commenced trading on the same day. The high, low and average market prices of the Equity Shares of our Company upto the last calendar month preceding the date of of filing of this Prospectus are:

NSE							
Year	**Date of High**	**High (₹)**	**Volume on date of High (No. of Shares)**	**Date of Low**	**Low (₹)**	**Volume on Date of low (No. of Shares)**	**Average* (₹)**
2009	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-
2011	November 11, 2011	218.40	331,227	November 18, 2011	143.95	155,385	171.49
2012	January 31, 2012	185.9	875,805	January 9,2012	152.2	51,482	161.11

* Average refers to average of closing prices during the period

(Source:www.nseindia.com)

BSE							
Year	**Date of High**	**High (₹)**	**Volume on date of High (No. of Shares)**	**Date of Low**	**Low (₹)**	**Volume on Date of low (No. of Shares)**	**Average* (₹)**
2009	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-
2011	August 11, 2011	198.00	919,915	June 23, 2011	150.40	52,294	171.37
2012	January 31, 2012	185.80	210,917	January 05, 2012	148.55	7,143	161.23

* Average refers to average of closing prices during the period

(Source:www.bseindia.com)

Notes

- Average prices are of the daily closing prices.
- In case of two days with the same closing price, the date with higher volume has been considered.

Monthly high and low prices and trading volumes on the Stock Exchanges for the six calendar months preceding the date of filing of this Prospectus (our Equity Shares were listed on the NSE and BSE on May 06, 2011 and commenced trading on the same day):

NSE							
Month	**Date**	**High (₹)**	**Volume (No. of Shares)**	**Date**	**Low (₹)**	**Volume (No. of Shares)**	**Average* (₹)**
January 2012	January 31, 2012	185.90	875,805	January 09, 2012	152.20	51,482	161.11
December 2011	December 07, 2011	178.50	324,843	December 08, 2011	150.00	98,865	162.40
November 2011	November 11, 2011	218.40	331,227	November 18, 2011	143.95	155,385	176.15
October 2011	October 31, 2011	187.00	465,280	October 04, 2011	153,50	175,801	166.66
September 2011	September 02, 2011	188.90	262,654	September 26, 2011	158.65	271,529	173.07
August 2011	August 11, 2011	198.40	2,215,486	August 24, 2011	156.90	103,210	181.90

* Average refers to the average of closing prices during the period

(Source:www.nseindia.com)

BSE							
Month	**Date**	**High (₹)**	**Volume (No. of Shares)**	**Date**	**Low (₹)**	**Volume (No. of Shares)**	**Average* (₹)**
January 2012	January 31, 2012	185.80	210,917	January 05, 2012	148.55	7,143	161.23
December 2011	December 07, 2011	184.90	42,500	December 21, 2011	151.05	17,146	162.57
November 2011	November 14, 2011	190.80	56,179	November 21, 2011	164.00	30,205	176.02
October 2011	October 31, 2011	186.60	1,11,631	October 04, 2011	153.80	19,498	166.60
September 2011	September 05, 2011	188.00	35,513	September 23, 2011	160.00		172.77
August 2011	August 11, 2011	198.00	919,915	August 19, 2011	165.15	120,636	181.87

* Average refers to the average of closing prices during the period

(Source:www.bseindia.com)

Notes

- Average prices are of the daily closing prices
- In case of two days with the same high, low or average price, the date with higher volume has been considered.

Details of the volume of business transacted during the last six calendar months preceding the date of this Prospectus,on the Stock Exchanges where our securities are listed (our Equity Shares were listed on the NSE and the BSE on May 06, 2011 and commenced trading on the same day):

(shares in million)

Period	**NSE**	**BSE**
January 2012	7.30	1.03
December 2011	3.05	0.46
November 2011	4.18	0.46
October 2011	3.10	0.55
September 2011	3.34	1.76
August 2011	11.61	0.34

(Source: www.nseindia.com, and www.bseindia.com)

Stock Exchange on which Equity Shares are traded

BSE Limited
Floor 25, P. J Towers, Dalal Street
Mumbai – 400 001

National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051

Debentures or bonds and redeemable preference shares and other instruments issued by our Company and outstanding

There are certain debentures issued by our Company which are listed on the WDM segment of the NSE and bear ISIN numbers INE414G07027; INE414G07019; INE414G07035 and INE414G08181. No trade data is available since no trades have taken placed in these debentures in NSE, since they were listed, on May 19, 2011.

a. The high, low and average market prices of the listed Debentures of our Company bearing ISIN number INE414G07050 upto the last calendar month preceding the date of of filing of this Prospectus are

NSE							
Year	**Date of High**	**High (₹)**	**Volume on date of High (No. of Debentures)**	**Date of Low**	**Low (₹)**	**Volume on Date of low (No. of Debentures)**	**Average* (₹)**
January 2012	January 24, 2012	995	1	January 5, 2012	990	1	992.5
December 2011	December 20, 2011	1200	605	December 20, 2011	851	605	1001.12
November 2011	-	-	-	-	-	-	-
October 2011	-	-	-	-	-	-	-
September 2011	-	-	-	-	-	-	-
August 2011	-	-	-	-	-	-	-

* Average refers to average of closing prices during the period

(Source:www.nseindia.com)

BSE							
Year	**Date of High**	**High (₹)**	**Volume on date of High (No. of Debentures)**	**Date of Low**	**Low (₹)**	**Volume on Date of low (No. of Debentures)**	**Average* (₹)**
January 2012	-	-	-	-	-	-	-
December 2011	-	-	-	-	-	-	-
November 2011	-	-	-	-	-	-	-
October 2011	-	-	-	-	-	-	-
September 2011	September 20, 2011	960.00	838	September 22, 2011	782.01	2	872.25
August 2011	NA	NA	NA	NA	NA	NA	NA

* Average refers to average of closing prices during the period

(Source:www.bseindia.com)

b. The high, low and average market prices of the listed Debentures of our Company bearing ISIN number INE414G07068 upto the last calendar month preceding the date of of filing of this Prospectus are

NSE							
Year	**Date of High**	**High (₹)**	**Volume on date of High (No. of Debentures)**	**Date of Low**	**Low (₹)**	**Volume on Date of low (No. of Debentures)**	**Average* (₹)**
January 2012	January 27, 2012	1011.4	274	January 12, 2011	992	1853	1001.15

December 2011	December 8, 2011	1015	447	December 2, 2011	955	19	995.73
November 2011	November 25, 2011	1,000	490	November 2, 2011	981.55	125	994.01
October 2011	October 14, 2011	1,000	297	October 4, 2011	960	944	982.15
September 2011	September 20, 2011	992.5	1270	September 29, 2011	939	316	974.39
August 2011							

* Average refers to average of closing prices during the period

(Source:www.nseindia.com)

BSE							
Year	**Date of High**	**High (₹)**	**Volume on date of High (No. of Debentures)**	**Date of Low**	**Low (₹)**	**Volume on Date of low (No. of Debentures)**	**Average* (₹)**
January 2012	January 24, 2012	1007	20	January 10, 2012	989	130	996.87
December 2011	December 02, 2011	1011.00	50	December 22, 2011	950.00	10	986.93
November 2011	November 04, 2011	1024.00	139	November 14, 2011	981.00	360	990.87
October 2011	October 19, 2011	996	5	October 04, 2011	965.00	939	981.62
September 2011	September 20, 2011	1,000.00	17	September 30, 2011	960.00	89	975.26
August 2011	NA	NA	NA	NA	NA	NA	NA
July 2011	NA	NA	NA	NA	NA	NA	NA
June 2011	NA	NA	NA	NA	NA	NA	NA

* Average refers to average of closing prices during the period

(Source:www.bseindia.com)

c. The high, low and average market prices of the listed Debentures of our Company bearing ISIN number INE414G07076 upto the last calendar month preceding the date of of filing of this Prospectus are

NSE							
Year	**Date of High**	**High (₹)**	**Volume on date of High (No. of Debentures)**	**Date of Low**	**Low (₹)**	**Volume on Date of low (No. of Debentures)**	**Average* (₹)**
January 2012	-	-	-	-	-	-	-
December 2011	-	-	-	-	-	-	-
November 2011	-	-	-	-	-	-	-
October 2011	-	-	-	-	-	-	-
September 2011	-	-	-	-	-	-	-
August 2011	-	-	-	-	-	-	-

* Average refers to average of closing prices during the period

(Source:www.nseindia.com)

BSE							
Year	**Date of High**	**High (₹)**	**Volume on date of High (No. of Debentures)**	**Date of Low**	**Low (₹)**	**Volume on Date of low (No. of Debentures)**	**Average* (₹)**
January 2012	January 27, 2012	963	1	January 27, 2012	963	1	963
December 2011	-	-	-	-	-	-	-
November 2011	November 04, 2011	962.00	80	November 04, 2011	917.00	80	962
October 2011	NA	NA	NA	NA	NA	NA	NA
September 2011	NA	NA	NA	NA	NA	NA	NA
August 2011	NA	NA	NA	NA	NA	NA	NA

* Average refers to average of closing prices during the period

(Source:www.bseindia.com)

d. The high, low and average market prices of the listed Debentures of our Company bearing ISIN number INE414G07084 upto the last calendar month preceding the date of of filing of this Prospectus are

NSE							
Year	**Date of High**	**High (₹)**	**Volume on date of High (No. of Debentures)**	**Date of Low**	**Low (₹)**	**Volume on Date of low (No. of Debentures)**	**Average* (₹)**
January 2012	January 25, 2012	1000	579	January 2, 2012	980	140	987.87
December 2011	December 8, 2011	999	466	December 26, 2011	960.1	530	988.66
November 2011	November 4, 2011	1,002	1,432	November 16, 2011	950.01	301	992.87
October 2011	October 25, 2011	1,000	162	October 3, 2011	968	1,126	983.11
September 2011	September 20, 2011	1,000	183,997	September 28, 2011	969.05	510	978.71
August 2011	-	-	-	-	-	-	-

* Average refers to average of closing prices during the period

(Source:www.nseindia.com)

BSE							
Year	**Date of High**	**High (₹)**	**Volume on date of High (No. of Debentures)**	**Date of Low**	**Low (₹)**	**Volume on Date of low (No. of Debentures)**	**Average* (₹)**
January 2012	January 27, 2012	1007	134	January 11, 2012	970.09	855	986.52
December 2011	December 12, 2011	1000.00	307	December 12, 2011	900.00	307	987.73
November 2011	November 04, 2011	1,004.00	2,181	November 23, 2011	962.01	15	990.83
October 2011	October 17, 2011	1,012.50	175	October 03, 2011	967.00	116	984.19
September 2011	September 20, 2011	1,014.98	307,459	September 26, 2011	967.90	1,635	975.19
August 2011	NA	NA	NA	NA	NA	NA	NA

* Average refers to average of closing prices during the period

(Source:www.bseindia.com)

e. The high, low and average market prices of the listed Debentures of our Company bearing ISIN number INE414G07092 upto the last calendar month preceding the date of of filing of this Prospectus are

NSE							
Year	**Date of High**	**High (₹)**	**Volume on date of High (No. of Debentures)**	**Date of Low**	**Low (₹)**	**Volume on Date of low (No. of Debentures)**	**Average* (₹)**
January 2012	-	-	-	-	-	-	-
December 2011	-	-	-	-	-	-	-
November 2011	-	-	-	-	-	-	-
October 2011	-	-	-	-	-	-	-
September 2011	-	-	-	-	-	-	-
August 2011	-	-	-	-	-	-	-

* Average refers to average of closing prices during the period

(Source:www.nseindia.com)

BSE							
Year	**Date of High**	**High (₹)**	**Volume on date of High (No. of Debentures)**	**Date of Low**	**Low (₹)**	**Volume on Date of low (No. of Debentures)**	**Average* (₹)**
January 2012	-	-	-	-	-	-	-
December 2011	-	-	-	-	-	-	-
November 2011	November 08, 2011	990	1	November 08, 2011	990	1	990

October 2011	NA	NA	NA	NA	NA	NA	NA
September 2011	NA	NA	NA	NA	NA	NA	NA
August 2011	NA	NA	NA	NA	NA	NA	NA

* Average refers to average of closing prices during the period

(Source:www.bseindia.com)

f. The high, low and average market prices of the listed Debentures of our Company bearing ISIN number INE414G07100 upto the last calendar month preceding the date of of filing of this Prospectus are

NSE							
Year	**Date of High**	**High (₹)**	**Volume on date of High (No. of Debentures)**	**Date of Low**	**Low (₹)**	**Volume on Date of low (No. of Debentures)**	**Average* (₹)**
January 2012	January 20, 2012	982.65	510	January 2, 2012	960	1652	970.26
December 2011	December 16, 2011	979.9	2524	December 26, 2011	960	1500	968.93
November 2011	November 8, 2011	990	4932	November 25, 2011	959.15	1,525	975.01
October 2011	October 31, 2011	983.69	6768	October 7, 2011	925	5,636	952.48
September 2011	September 20, 2011	975.5	2,006,590	September 23, 2011	930.1	17,965	939.63
August 2011	-	-	-	-	-	-	-

* Average refers to average of closing prices during the period

(Source:www.nseindia.com)

BSE							
Year	**Date of High**	**High (₹)**	**Volume on date of High (No. of Debentures)**	**Date of Low**	**Low (₹)**	**Volume on Date of low (No. of Debentures)**	**Average* (₹)**
January 2012	January 23, 2012	995	967	January 02, 2012	961	156	970.46
December 2011	December 12, 2011	979.30	1,374	December 26, 2011	958.00	1,319	969.21
November 2011	November 08, 2011	990.40	2,080	November 28, 2011	960.02	4,232	974.86
October 2011	October 31, 2011	980.64	2,983	October 07, 2011	926.00	7,631	952.14
September 2011	September 20, 2011	974.99	923,603	September 27, 2011	931.11	5,851	939.08
August 2011	NA	NA	NA	NA	NA	NA	NA

* Average refers to average of closing prices during the period

(Source:www.bseindia.com)

g. The high, low and average market prices of the listed Debentures of our Company bearing ISIN number INE414G07118 upto the last calendar month preceding the date of of filing of this Prospectus are

BSE							
Year	**Date of High**	**High (₹)**	**Volume on date of High (No. of Debentures)**	**Date of Low**	**Low (₹)**	**Volume on Date of low (No. of Debentures)**	**Average* (₹)**
January 2012	January 25, 2012	1010	104	January 24, 2012	990.10	101	1003.06
December 2011	NA	NA	NA	NA	NA	NA	NA
November 2011	NA	NA	NA	NA	NA	NA	NA
October 2011	NA	NA	NA	NA	NA	NA	NA
September 2011	NA	NA	NA	NA	NA	NA	NA
August 2011	NA	NA	NA	NA	NA	NA	NA

* Average refers to average of closing prices during the period

(Source:www.bseindia.com)

Notes

- Average prices are of the daily closing prices

- In case of two days with the same high, low or average price, the date with higher volume has been considered

h. The high, low and average market prices of the listed Debentures of our Company bearing ISIN number INE414G07126 upto the last calendar month preceding the date of of filing of this Prospectus are

BSE							
Year	**Date of High**	**High (₹)**	**Volume on date of High (No. of Debentures)**	**Date of Low**	**Low (₹)**	**Volume on Date of low (No. of Debentures)**	**Average* (₹)**
January 2012	January 24, 2012	1014.90	45	January 24, 2012	1000	45	1007.94
December 2011	NA	NA	NA	NA	NA	NA	NA
November 2011	NA	NA	NA	NA	NA	NA	NA
October 2011	NA	NA	NA	NA	NA	NA	NA
September 2011	NA	NA	NA	NA	NA	NA	NA
August 2011	NA	NA	NA	NA	NA	NA	NA

* Average refers to average of closing prices during the period

(Source:www.bseindia.com)

i. The high, low and average market prices of the listed Debentures of our Company bearing ISIN number INE414G07134 upto the last calendar month preceding the date of of filing of this Prospectus are

BSE							
Year	**Date of High**	**High (₹)**	**Volume on date of High (No. of Debentures)**	**Date of Low**	**Low (₹)**	**Volume on Date of low (No. of Debentures)**	**Average* (₹)**
January 2012	January 25, 2012	1039	105	January 24, 2012	996	55	1011.44
December 2011	NA	NA	NA	NA	NA	NA	NA
November 2011	NA	NA	NA	NA	NA	NA	NA
October 2011	NA	NA	NA	NA	NA	NA	NA
September 2011	NA	NA	NA	NA	NA	NA	NA
August 2011	NA	NA	NA	NA	NA	NA	NA

* Average refers to average of closing prices during the period

(Source:www.bseindia.com)

j. The high, low and average market prices of the listed Debentures of our Company bearing ISIN number INE414G07142 upto the last calendar month preceding the date of of filing of this Prospectus are

BSE							
Year	**Date of High**	**High (₹)**	**Volume on date of High (No. of Debentures)**	**Date of Low**	**Low (₹)**	**Volume on Date of low (No. of Debentures)**	**Average* (₹)**
January 2012	January 23, 2012	1040	36	January 30, 2012	990	1013	1001.12
December 2011	NA	NA	NA	NA	NA	NA	NA
November 2011	NA	NA	NA	NA	NA	NA	NA
October 2011	NA	NA	NA	NA	NA	NA	NA
September 2011	NA	NA	NA	NA	NA	NA	NA
August 2011	NA	NA	NA	NA	NA	NA	NA

* Average refers to average of closing prices during the period

(Source:www.bseindia.com)

Dividend

Our Company has no stated dividend policy. The declaration and payment of dividends on our shares will be recommended by our Board of Directors and approved by our shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements and overall financial condition.

The Company has not declared any dividend on its Equity Shares in the last five financial years.

Revaluation of assets

The Company has not revalued its assets in the last five years.

Mechanism for redressal of investor grievances

The MoU between the Registrar to the Issue and our Company will provide for retention of records with the Registrar to the Issue for a period of at least 3 years from the last date of despatch of the Allotment Advice, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, number of NCDs applied for, amount paid on application and the bank branch or collection centre where the application was submitted. The contact details of Registrar to the Issue are as follows:

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound, L.B.S. Marg
Bhandup (West)
Mumbai 400 078, India
Tel: (91 22) 2596 0320
Fax: (91 22) 2596 0329
Toll Free: 1-800-22-0320
Email: mfl.ipo@linkintime.co.in
Investor Grievance Email: mfl.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Sachin Achar
SEBI Registration No.: INR000004058

We estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances will be 7 (seven) business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Rajesh A has been appointed as the Compliance Officer of our Company for this issue.

The contact details of Compliance Officer of our Company are as follows:

Rajesh A.
Muthoot Chambers
Opposite Saritha Theatre Complex
2nd Floor, Banerji Road
Kochi 682 018
Kerala, India
Tel: (91 484) 353 5533
Fax: (91 484) 2396506
E-mail: cs@muthootgroup.com

Investors may contact the Registrar to the Issue or the Compliance Officer in case of any pre-issue or post Issue related issues such as non-receipt of Allotment Advice, demat credit, refund orders or interest on application money.

Change in Auditors of our Company during the last three years

There has been no change(s) in the Statutory Auditors of our Company in the last 3 (three) financial years preceding the date of this Prospectus.

REGULATIONS AND POLICIES

The following description is a summary of certain sector specific laws and regulations in India, which are applicable to the Company. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice.

The Company is a systemically important NBFC which does not accept public deposits. As such, our business activities are regulated by RBI regulations applicable to non-public deposit accepting NBFCs ("**ND-NBFC**").The Company also carries out the business of wind power generation at certain locations in India.

Following are the significant regulations that affect our operations:

I. NBFC regulations

The Reserve Bank of India Act

The RBI regulates and supervises activities of NBFCs.Chapter III B of the Reserve Bank of India Act of 1934 ("**RBI Act**") empowers the RBI to regulate and supervise the activities of all NBFCs in India. The RBI Act defines an NBFC under Section 45-I (f)

(i) "a financial institution which is a company;

(ii) a non-banking institution which is a company and which has as its principal business the receiving of deposits, under any scheme or arrangement or in any other manner, or lending in any manner;

(iii) such other non-banking institution or class of such institutions as the RBI may, with the previous approval of the Central Government and by notification in the Official Gazette, specify."

Section 45-I(c) of the RBI Act, further defines "financial institution" to mean any non-banking institution which, among other things, carries on the business or part of its business of making loans or advances.

The RBI has clarified through a press release (Ref. No. 1998-99/ 1269) dated April 08, 1999, that in order to identify a particular company as an NBFC, it will consider both the assets and the income pattern as evidenced from the last audited balance sheet of the company to decide its principal business.The company will be treated as an NBFC if (**a**) its financial assets are more than 50 per cent of its total assets (netted off by intangible assets); and (**b**) income from financial assets should be more than 50 per cent of the gross income.Both these tests are required to be satisfied as the determinant factor for principal business of a company.

The RBI Act mandates that no NBFC, which comes into existence after the commencement of the Reserve Bank of India (Amendment) Act shall commence or carry on the business of a nonbanking financial institution without obtaining a certificate of registration.Furthermore, such an NBFC must also have a net owned fund of ₹ 2,500,000 or such other amount not exceeding ₹ 20,000,000.

Under Section 45 – IC of the RBI Act, every NBFC must create a reserve fund and transfer thereto a sum not less than 20 per cent of its net profit every year, as disclosed in the profit and loss account and before any dividend is declared.Such a fund is to be created by every NBFC irrespective of whether it is a ND-NBFC or not.Further, no appropriation can be made from the fund for any purpose by the NBFC except for the purposes specified by the RBI from time to time and every such appropriation shall be reported to the RBI within 21 days from the date of such appropriation.

Systemically Important ND-NBFCs

All ND-NBFCs with an asset size of ₹ 1000 million or more as per the last audited balance sheet will be considered as a systemically important ND-NBFC.RBI by a notification dated June 04, 2009 has clarified that once an NBFC reaches an asset size of ₹ 1000 million, or above, it shall come under the regulatory requirement for systemically important ND-NBFC, despite not having such assets on the date of the last balance sheet.

All systemically important NBFCs are required to maintain a minimum Capital to Risk-Weighted Assets Ratio ("**CRAR**") of 15%.

Rating of NBFCs

The RBI has instructed that all NBFCs with an asset size of ₹ 1,000 million shall furnish information about downgrading or upgrading of the assigned rating of any financial product issued by them within 15 days of a change in rating.

Prudential Norms

The Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, as amended, (the "**Prudential Norms**"), amongst other requirements prescribe guidelines on ND-NBFCs regarding income recognition, asset classification, provisioning requirements, constitution of audit committee, capital adequacy requirements, concentration of credit/investment and norms relating to infrastructure loans.

Provisioning Requirements

A NBFC-ND, after taking into account the time lag between an account becoming non performing, its recognition, the realization of the security and erosion overtime in the value of the security charged, shall make provisions against standard assets, sub-standard assets, doubtful assets and loss assets in the manner provided for in the Prudential Norms.

Capital Adequacy Norms

Every systemically important ND-NBFC should maintain, with effect from March 31,2011, a minimum capital ratio consisting of Tier I and Tier II capital of not less than15% of its aggregate risk weighted assets on balance sheet and of risk adjusted value of off-balance sheet items is required to be maintained.Also, the total of the Tier II capital of a ND-NBFC shall not exceed 100% of the Tier I capital

Tier – I Capital means, owned funds as reduced by investment in shares of other NBFCs and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, 10% of the owned fund and perpetual debt instruments issued by a systemically important ND-NBFC in each year to the extent it does not exceed 15% of the aggregate Tier I capital of such company as on March 31 of the previous accounting year.

Owned Funds means, paid-up equity capital, preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account; capital reserve representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of assets; less accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any.

Tier – II Capital means to include the following (**a**) preference shares other than those which are compulsorily convertible into equity; (**b**) revaluation reserves at discounted rate of 55%; (**c**) general provisions and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one-and-one-fourth per cent of risk weighted assets; (**d**) hybrid debt capital instruments; and (**e**) subordinated debt to the extent the aggregate does not exceed Tier – I capital; and (**f**) perpetual debt instrument issued by a systemically important ND-NBFC, which is in excess of what qualifies for Tier I Capital to the extent that the aggregate Tier-II capital does not exceed 15% of the Tier – I capital.

Hybrid debt means, capital instrument, which possess certain characteristics of equity as well as debt.

Subordinated debt means a fully paid up capital instrument, which is unsecured and is subordinated to the claims of other creditors and is free from restrictive clauses and is not redeemable at the instance of the holder or without the consent of the supervisory authority of the NBFC. The book value of such instrument is subjected to discounting as prescribed.

Exposure Norms

In order to ensure better risk management and avoidance of concentration of credit risks, the RBI has, in terms of the Prudential Norms, prescribed credit exposure limits for financial institutions in respect of their lending to single/ group borrowers.Credit exposure to a single borrower shall not exceed 15% of the owned funds of the systemically important ND-NBFC, while the credit exposure to a single group of borrowers shall not exceed 25% of the owned funds of the systemically important ND-NBFC.Further, the systemically important ND-NBFC may not invest in the shares of another company exceeding 15% of its owned funds, and in the shares of a single group of companies exceeding 25% of its owned funds.However, this prescribed ceiling shall not be applicable on a NBFC-ND-SI for investments in the equity capital of an insurance company to the extent specifically permitted by the RBI. Any NBFC-ND-SI not accessing public funds, either directly or indirectly may make an application to the RBI for modifications in the prescribed ceilings Any systemically important ND-NBFC classified as asset finance company by RBI, may in exceptional circumstances, exceed the above ceilings by 5% of its owned fund, with the approval of its Board of Directors. The loans and investments of the systemically important ND-NBFC taken together may not exceed 25% of its owned funds to or in single party and 40% of its owned funds to or in single group of parties.A systemically important ND-NBFC may, make an application to the RBI for modification in the prescribed ceilings.

Asset Classification

The Prudential Norms require that every NBFC shall, after taking into account the degree of well defined credit weaknesses and extent of dependence on collateral security for realisation, classify its lease/hire purchase assets, loans and advances and any other forms of credit into the following classes:

(i) Standard assets;

(ii) Sub-standard assets;

(iii) Doubtful assets; and

(iv) Loss assets.

Further, such class of assets would not be entitled to be upgraded merely as a result of rescheduling, unless it satisfies the conditions required for such upgradation.

Ratings of NBFCs

Pursuant to the RBI circular DNBS (PD) CC. No.134/03.10.001 / 2008-2009 dated February 04, 2009, all NBFCs with an assets size of ₹ 1,000 million and above are required to furnish at the relevant regional office of the RBI, within whose jurisdiction the registered office of the NBFC is functioning, information relating to the downgrading and upgrading of assigned rating of any financial products issued by them within 15 days of such change.

Other stipulations

All NBFCs are required to frame a policy for demand and call loan that includes provisions on the cut-off date for recalling the loans, the rate of interest, periodicity of such interest and periodical reviews of such performance.

The Prudential norms also specifically prohibit NBFCs from lending against its own shares.

KYC Guidelines

The RBI has extended the Know Your Customer ("**KYC**") guidelines to NBFCs and advised all NBFCs to adopt the same with suitable modifications depending upon the activity undertaken by them and ensure that a proper policy framework of anti-money laundering measures is put in place.The KYC policies are required to have certain key elements, including, customer acceptance policy, customer identification procedures, monitoring of transactions and risk management, diligence of client accounts opened by professional intermediaries, customer due diligence and diligence of accounts of politically exposed persons, adherence to KYC guidelines and the exercise of due diligence by persons authorised by the NBFC, including its brokers and agents.

Corporate Governance Guidelines

Pursuant to a RBI Circular dated May 08, 2007, all ND NBFCs- are required to adhere to certain corporate governance norms including constitution of an audit committee, a nomination committee, a risk management committee and certain other norms in connection with disclosure, transparency and connected lending.

Financing of NBFCs by bank

The RBI has issued guidelines vide a circular dated bearing number DBOD No. FSD. BC.46/24.01.028/2006-07 dated December 12, 2006 relating to the financial regulation of systemically important NBFC-NDs and the relationship of banks with such institutions.In particular, these guidelines prohibit banks from lending to NBFCs for the financing of certain activities, such as (i) bill discounting or rediscounting, except where such discounting arises from the sale of commercial vehicles and two wheelers or three wheelers, subject to certain conditions; (ii) unsecured loans or corporate deposits by NBFCs to any company; (iii) investments by NBFCs both of current and long term nature, in any company; (iv) further lending to individuals for the purpose of subscribing to an initial public offer.

Norms for excessive interest rates

In addition, the RBI has introduced vide a circular bearing reference number RBI/ 2006-07/ 414 dated May 24, 2007 whereby RBI has requested all NBFCs to put in place appropriate internal principles and procedures in determining interest rates and processing and other charges.In addition to the aforesaid instruction, the RBI has issued a Master Circular on Fair Practices Code dated July 01, 2010 for regulating the rates of interest charged by the NBFCs.These circulars stipulate that the board of each NBFC is required to adopt an interest rate model taking into account the various relevant factors including cost of funds, margin and risk premium.The rate of interest and the approach for gradation of risk and the rationale for charging different rates of interest for different categories of borrowers are required to be disclosed to the borrowers in the application form and expressly communicated in the sanction letter. Further, this is also required to be made available on the NBFCs website or published in newspapers and is required to be updated in the event of any change therein.Further, the rate of interest would have to be an annualized rate so that the borrower is aware of the exact rates that would be charged to the account.

Supervisory Framework

In order to ensure adherence to the regulatory framework by systemically important ND-NBFCs, the RBI has directed such NBFCs to put in place a system for submission of an annual statement of capital funds, and risk asset ratio etc. as at the end of March every year, in a prescribed format.This return is to be submitted electronically within a period of three months from the close of every financial year. Further, a NBFC is required to submit a certificate from its statutory auditor that it is engaged in the business of non-banking financial institution requiring to hold a certificate of registration under the RBI Act.This certificate is required to be submitted within one month of the date of finalization of the balance sheet and in any other case not later than December 30 of that particular year.Further, in addition to the auditor's report under Section 227 of the Companies Act, the auditors are also required to make a separate report to the Board of Directors on certain matters, including correctness of the capital adequacy ratio as disclosed in the return NBS-7 to be filed with the RBI and its compliance with the minimum CRAR, as may be prescribed by the RBI

Asset Liability Management

The RBI has prescribed the Guidelines for Asset Liability Management ("**ALM**") System in relation to NBFCs ("**ALM Guidelines**") that are applicable to all NBFCs through a Master Circular on Miscellaneous Instructions to All Non-Banking Financial Companies dated July 1, 2010. As per this Master Circular, the NBFCs (engaged in and classified as equipment leasing, hire purchase finance,loan, investment and residuary non-banking companies) meeting certain criteria, including, an asset base of ₹ 1,000 million, irrespective of whether they are accepting / holding public deposits or not, are required to put in place an ALM system. The ALM system rests on the functioning of ALM information systems within the NBFC, ALM organization including an Asset Liability Committee ("**ALCO**") and ALM support groups, and the ALM process including liquidity risk management, management of marketing risk, funding and capital planning, profit planning and growth projection, and forecasting/ preparation of contingency plans. It has been provided that the management committee of the board of directors or any other specific committee constituted by the board of directors should oversee the implementation of the system and review its functioning periodically. The ALM Guidelines mainly address liquidity and interest rate risks. In case of structural liquidity, the negative gap (i.e. where outflows exceed inflows) in the 1 to 30/ 31 days time-bucket should not exceed the prudential limit of 15% of outflows of each time-bucket and the cumulative gap of up to one year should not exceed 15% of the cumulative cash outflows of up to one year. In case these limits are exceeded, the measures proposed for bringing the gaps within the limit should be shown by a footnote in the relevant statement.

Anti Money Laundering

The RBI has issued a Master Circular dated July 01, 2011 to ensure that a proper policy frame work for the Prevention of Money Laundering Act, 2002 ("PMLA") is put into place. The PMLA seeks to prevent money laundering and provides for confiscation of property derived from, or involved in money laundering and for other matters connected therewith or incidental thereto. It extends to all banking companies, financial institutions, including NBFCs and intermediaries. Pursuant to the provisions of PMLA and the RBI guidelines, all NBFCs are advised to appoint a principal officer for internal reporting of suspicious transactions and cash transactions and to maintain a system of proper record (i) for all cash transactions of value of more than ₹ 1 million; (ii) all series of cash transactions integrally connected to each other which have been valued below ₹ 1 million where such series of transactions have taken place within one month and the aggregate value of such transaction exceeds ₹ 1 million.Further, all NBFCs are required to take appropriate steps to evolve a system for proper maintenance and preservation of account information in a manner that allows data to be retrieved easily and quickly whenever required or when requested by the competent authorities.Further, NBFCs are also required to maintain for at least ten years from the date of transaction between the NBFCs and the client, all necessary records of transactions, both domestic or international, which will permit reconstruction of individual transactions (including the amounts and types of currency involved if any) so as to provide, if necessary, evidence for prosecution of persons involved in criminal activity.

Additionally, NBFCs should ensure that records pertaining to the identification of their customers and their address are obtained while opening the account and during the course of business relationship, and that the same are properly preserved for at least ten years after the business relationship is ended. The identification records and transaction data is to be made available to the competent authorities upon request.

II. Power generation regulations

The Ministry of New and Renewable Energy ("MNRE") regulations

The MNRE is the Central Government ministry with the mandate for formulating schemes and policies for the research, development, commercialisation and deployment of renewable energy systems/devices for various applications in rural, urban, industrial and commercial sector.The MNRE has issued a number of guidelines and schemes on power generation through renewable sources, including a 'Special Programme on Small Wind Energy and Hybrid Systems'.In order to ensure quality of wind farm projects and equipments, the MNRE introduced the "Revised Guidelines for wind power projects" ("**MNRE Guidelines**") on June 13, 1996 for the benefit of state electricity boards, manufacturers, developers and end-users of energy to ensure proper and orderly growth of the wind power sector.The MNRE Guidelines are periodically updated and issued.The MNRE Guidelines among other things makes provision for proper planning, siting, selection of quality equipment, implementation and performance monitoring of wind power projects.The MNRE Guidelines lay down guidelines for the planned development and implementation of wind power projects.

The MNRE Guidelines set out the conditions that are required to be met for establishing wind farms and manufacturing and supplying equipment for wind power projects. These conditions include submission of detailed project reports, approval of sites for wind power installations, type certification by independent testing and certification agencies (either the Centre of Wind Energy Technology, Chennai or the International certification agency).Further, all installations are to be carried out only on sites that are approved for wind power projects by the MNRE.The MNRE Guidelines stipulate that a no objection certificate will be issued only after analysing the wind data to ensure adequate availability of wind at the specific site.Also, no approval will be granted for a wind power project which involves the installation of used wind turbines imported into India.

The Indian Renewable Energy Development Agency Limited ("IREDA")

The IREDA is a public limited government company under the administrative control of the MNRE and in engaged in encouraging the production of energy through renewable sources. In this respect, the IREDA offers financial support to specific projects and schemes for generating electricity, and promotes the energy conservation through by improving the efficiency of systems, processes and resources engaged in energy production and distribution.In particular, the IREDA offers scheme and incentives for the promotion of wind based energy production.

Electricity Act, 2003

Under the Electricity Act, 2003, which repealed all the earlier enactments pertaining to this sector, the activity of generation of wind power does not require any license or permission.Persons engaged in the generation of electricity from wind power are required to register the project being undertaken with State Nodal Agency and obtain permission for inter-grid connectivity from the utility.The government has also announced National Electricity Policy in 2005 to guide the development of the electricity sector in India.

The electricity generated from the wind power project can be used for captive consumption, sale to utility or for transaction under open access as per the prevailing state policy as well as regulatory orders, if any.Various states have announced administrative policies relating to wheeling, banking and buy-back of power.

Further, the Electricity Act, 2003 also mandates that all regulatory commissions should procure certain percentage of power generation from renewable energy sources by all distribution companies.As far as the tariff and wheeling charges are concerned, it is stipulated that they should be decided by respective regulatory commissions as provided under the Electricity Regulatory Commissions Act, 1998.

The regulations governing operation of wind electricity generators in Tamil Nadu are applicable to our Company.Under the policy formulated by the Government of Tamil Nadu, our Company is required to sell all the power generated to the Tamil Nadu Electricity Board, as a fixed price of ₹ 2.70 per unit of power.Further, a 5% wheeling and transmission charge is applicable, should the Company opt to take the assistance of the Tamil Nadu Electricity Board for wheeling.The policy permits the Company to bank all the power generated by the wind-mills. However, a 5% banking charge is applicable on all power banked by the Company on a bi-monthly basis.

Electricity Regulatory Commissions

Electricity Act retains the two-level regulatory system for the power sector. At the central level, the Central Electricity Regulatory Commission ("**CERC**") is responsible for regulating tariff of generating stations owned by the central government, or those involved ingenerating or supplying in more than one states, and regulating inter-state transmission of electricity. The State Electricity Regulatory Commissions ("**SERCs**") on the other hand regulate intra-state transmission and supply of electricity within the jurisdiction of each state. CERC and the SERCs are guided by the National Electricity Policy, 2005, Tariff Policy, 2006 and the National Electricity Plan while discharging their functions under Electricity Act. The Electricity Regulatory Commissions are also guided by any direction given by the central government for CERC or the state government for the SERC pertaining to any policy involving public interest. The decision of the government is final and non-challengeable with respect to the question that whether directions pertain to policy involving public interest or not. The commissions have been entrusted with a variety of functions including determining tariff, granting licensees, settling disputes between the generating companies and the licensees. The Electricity Regulatory Commissions are a quasi-judicial authority with powers of a civil court and an appeal against the orders of the Commissions lie to the Appellate Tribunal.

The CERC has recently notified the CERC (Terms and Conditions for Recognition and Issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations on January, 14, 2010 to the promotion of power generation through renewable sources of energy. In this respect, these regulations contemplate two categories of certificates, solar and non-solar certificate.The CERC has designated the National Load Dispatch Center to issue registration certificates and undertakes to provide for the floor price (minimum) and forbearance price (maximum) for non-solar certificates.

Kyoto Protocol and Carbon Credits

The Kyoto Protocol is a protocol to the International Framework Convention on Climate Change with the objective of reducing greenhouse gases ("**GHG**") that cause climate change. The Kyoto Protocol was entered into force on February 16, 2005. India ratified the Kyoto Protocol on August 22, 2006.The Kyoto Protocol defines legally binding targets and timetables for reducing the GHG emissions of industrialised countries that ratified the Kyoto Protocol.Governments have been separated into developed nations (who have accepted GHG emission reduction obligations) and developing nations (who have no GHG emission reduction obligations). The protocol includes "flexible mechanisms" which allow developed nations to meet their GHG emission limitation by purchasing GHG emission reductions from elsewhere. These can be bought either from financial exchanges, from projects which reduce emissions in developing nations under the CDM, the Joint Implementation scheme or from developed nations with excess allowances.Typical emission certificates are:

- Certified Emission Reduction (CER);
- Emission Reduction Unit (ERU); and
- Voluntary or Verified Emission Reductions (VER).

CERs and ERUs are certificates generated from emission reduction projects, under the CDM for projects implemented in developing countries, and under Joint Implementation ("**JI**") for projects implemented in developed countries, respectively. These mechanisms are introduced within the Kyoto Protocol. For projects which cannot be implemented as CDM or JI, but still fulfil the required standards, VERs can be generated.VERs, however, cannot be used for compliance under the Kyoto Protocol.

III. Foreign Investment Regulations

Foreign direct investment (including foreign institutional investment, investments by non-resident Indians, persons of Indian origin and overseas corporate bodies) ("**FDI**") in an Indian company is governed by the provisions of the Foreign Exchange Management Act, 1999 ("**FEMA**") read with the Consolidated Foreign Direct Investment Policy effective from April 01, 2010 ("**FDI Policy**") issued by the Department of Industrial Promotion and Policy, Ministry of Commerce, Government of India ("**DIPP**").FDI is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the approval route, depending upon the sector in which FDI is sought to be made.Under the automatic route, no prior Government approval is required for the issue of securities by Indian companies/ acquisition of securities of Indian companies, subject to the sectoral caps and other prescribed conditions.Investors are required to file the required documentation with the RBI within 30 days of such issue/ acquisition of securities.However, if the foreign investor has any previous joint venture/ tie-up or a technology transfer/ trademark agreement in the "same field" in India, prior approval from the FIPB is required even if that activity falls under the automatic route, except as otherwise provided.

Under the approval route, prior approval from the FIPB or RBI is required. FDI for the items/activities that cannot be brought in under the automatic route may be brought in through the approval route. Approvals are accorded on the recommendation of the FIPB, which is chaired by the Secretary, DIPP, with the Union Finance Secretary, Commerce Secretary and other key Secretaries of the Government of India as its members.

As per the sector specific guidelines of the Government of India, the following are the relevant norms applicable for FDI in NBFCs:

(a) FDI investments upto 100% of the paid-up share capital of the NBFC is allowed under the automatic route in the following NBFC activities:

- (i) Merchant banking;
- (ii) Underwriting;
- (iii) Portfolio Management Services;
- (iv) Investment Advisory Services;
- (v) Financial Consultancy;
- (vi) Stock Broking;
- (vii) Asset Management;
- (viii) Venture Capital;
- (ix) Custodial Services;
- (x) Factoring;
- (xi) Credit rating Agencies;
- (xii) Leasing and Finance;
- (xiii) Housing Finance;
- (xiv) Forex Broking;
- (xv) Credit card business;
- (xvi) Money changing Business;
- (xvii) Micro Credit; and
- (xviii) Rural Credit.

(b) Minimum Capitalisation Norms for fund based NBFCs:

- (i) For FDI up to 51% - US$ 0.5 million to be brought upfront.
- (ii) For FDI above 51% and up to 75% - US $ 5 million to be brought upfront.
- (iii) For FDI above 75% and up to 100% - US $ 50 million out of which US $7.5 million to be brought upfront and the balance in 24 months

(c) Minimum capitalisation norm of US $ 0.5 million is applicable in respect of all permitted non-fund based NBFCs with foreign investment, subject to the condition that such company would will not set up any subsidiary for any other activity nor will it participate in the equity of an NBFC holding or operating company Non-fund based activities would include investment advisory services, financial consultancy, forex broking, money changing business and credit rating agencies.

(d) Foreign investors can set up 100% operating subsidiaries without the condition to disinvest a minimum of 25% of its equity to Indian entities, subject to bringing in US$ 50 million as at (b) (iii) above.

(e) Joint venture operating NBFCs that have 75% or less than 75% foreign investment will also be allowed to set up subsidiaries for undertaking other NBFC activities, subject to the subsidiaries also complying with the applicable minimum capital inflow i.e. (b)(i) and (b)(ii) above.

(f) Where FDI is allowed on an automatic basis without FIPB approval, the RBI would continue to be the primary agency for the purposes of monitoring and regulating foreign investment. In cases where FIPB approval is obtained, no approval of the RBI is required except with respect to fixing the issue price, although a declaration in the prescribed form, detailing the foreign investment, must be filed with the RBI once the foreign investment is made in the Indian company. The foregoing description applies only to an issuance of shares by, and not to a transfer of shares of, Indian companies. Every Indian company issuing shares or convertible debentures in accordance with the RBI regulations is required to submit a report to the RBI within 30 days of receipt of the consideration and another report within 30 days from the date of issue of the shares to the non-resident purchaser.

FDI is allowed under the automatic route upto 100 % in respect of projects relating to electricity generation, transmission and distribution, other than atomic reactor power plants. There is no limit on the project cost and the quantum of foreign direct investment.

IV. Labour Regulations

Shops and establishments regulations

The Company is governed by the shops and establishments laws as applicable in the various states where it has branches.These laws regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work, among other things.

Provident fund contributions

The Company is governed by the provisions of the Employees' Provident Funds Act, 1952 and is accordingly required to make periodic contributions to the Employees' Provident Fund Scheme and the Employees' Pension Scheme as applicable. The Company is also required to make contributions under the Employees' State Insurance Act, 1948.

Miscellaneous

The Company is also required to comply with the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, the Payment of Wages Act, 1936 and the Payment of Gratuity Act, 1972.

V. Intellectual property regulations

Trade Marks Act

The Trade Marks Act, 1999 (the "**Trademark Act**") governs the statutory protection of trademarks in India. In India, trademarks enjoy protection under both statutory and common law.Indian trademarks law permits the registration of trademarks for goods and services. Certification trademarks and collective marks are also registerable under the Trademark Act.

An application for trademark registration may be made by any person claiming to be the proprietor of a trademark and can be made on the basis of either current use or intention to use a trademark in the future. The registration of certain types of trade marks are absolutely prohibited, including trademarks that are not distinctive and which indicate the kind or quality of the goods.

Applications for a trademark registration may be made for in one or more international classes. Once granted, trademark registration is valid for ten years unless cancelled. If not renewed after ten years, the mark lapses and the registration for such mark has to be obtained afresh.

While both registered and unregistered trademarks are protected under Indian law, the registration of trademarks offers significant advantages to the registered owner, particularly with respect to proving infringement. Registered trademarks may be protected by means of an action for infringement, whereas unregistered trademarks may only be protected by means of the common law remedy of passing off. In case of the latter, the plaintiff must, prior to proving passing off, first prove that he is the owner of the trademark concerned. In contrast, the owner of a registered trademark is prima facie regarded as the owner of the mark by virtue of the registration obtained.

SUMMARY OF KEY PROVISIONS OF ARTICLES OF ASSOCIATION

Pursuant to Schedule II of the Companies Act and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares/debentures and/or on their consolidation/splitting, as applicable on and from the date of the Prospectus subsequent to the determination of the Issue Price, are detailed below.

Subject as hereinafter provided, the Regulations contained in Table "A" in the First Schedule to the Companies Act, 1956 shall apply to this Company.All references herein contained to any specified Regulations of Table "A", shall be inclusive of the first and the last Regulations referred to and in case of any conflict between the provisions herein contained and the incorporated Regulation of Table "A", the provisions herein contained shall prevail.

1. In these present regulations, the following words and expressions shall have the following meanings, unless excluded by the subject or context;

(a) "**Annual General Meeting**" means the annual general meeting of the Company convened and conducted in accordance with the Act.

(b) "**Articles of Association**" or "**Articles**" means these Articles of Association of the Company as originally framed or as altered from time to time by Special Resolution.

(c) "**Auditors**" means and includes those persons appointed as such for the time being by the Company.

(d) "**Beneficial Owner**" means a person whose name is recorded as such with a depository.

(e) "**Board**" or "**Board of Directors**" means the Directors of the Company collectively referred to in the Act.

(f) "**Bye-Laws**" means Bye-laws made by a Depository under Section 26 of the Depositories Act, 1996.

(g) "**Capital**" means the share capital, for the time being raised or authorised to be raised for the purposes of the Company.

(h) The term "**Control**" in relation to an entity, shall mean the legal or beneficial ownership directly or indirectly of more than 50% of the voting securities of such entity or controlling the majority of the composition of the Board of Directors or power to direct the management or policies of such entity by contract or otherwise. The term "controlling" and "controlled" shall be construed accordingly.

(i) "**Corporation**" includes a company, whether incorporated in India or abroad or any other form of organization established/incorporated as a separate legal entity under any charter of Government, whether State or Centre or with a combination of both.

(j) "**Debenture holders**" means the duly registered holders from time to time of the debentures of the Company and shall include in case of debentures held by a Depository, the beneficial owners whose names are recorded as such with the Depository.

(k) "**Debenture**" includes debenture-stock, bonds and other securities of the Company, whether constituting a charge on the assets of the Company or not.

(l) "**Depositories Act**" means the Depositories Act, 1996, including any statutory modifications or re-enactment for the time being in force.

(m) "**Depository**" means a Company formed and registered under the Act and which has been granted a Certificate of Registration as a Depository under the Securities and Exchange Board of India Act, 1992.

(n) “**Directors**” means the Directors, for the time being of the Company and includes Alternate Directors.

(o) “**Dividend**” includes interim dividend unless otherwise stated.

(p) “**Executor**” or “**Administrator**” means a person who has obtained probate or Letters of Administration, as the case may be, from some competent Court having effect in India and shall include the executor or Administrator or the holder of a certificate, appointed or granted by such competent court and authorised to negotiate or transfer the shares of the deceased member.

(q) “**Extraordinary General Meeting**” means an extraordinary general meeting of the Company convened and conducted in accordance with the Act.

(r) “**Financial Year**” shall have the meaning assigned thereto by Section 2 (17) of the Companies Act, 1956.

(s) “**Managing Director**” shall have the meaning assigned thereto in the Act.

(t) “**Member**” means the duly registered holder, from time to time, of the shares of the Company and includes the subscribers to the Memorandum of Association and in case of shares held by a Depository, the Beneficial Owners whose names are recorded as such with the Depository.

(u) “**Month**” means the English Calendar month.

(v) “**Office**” means the Registered Office, for the time being of the Company.

(w) “**Officer**” shall have the meaning assigned thereto by the Act.

(x) “**Ordinary Resolution**” shall have the meaning assigned thereto by the Act.

(y) “**Paid up**” includes “**credited as paid up**”.

(z) “**Participant**” means a person registered as such under Section 12 (1A) of the Securities and Exchange Board of India Act, 1992.

(aa) “**Person**” shall include any Association, Corporation, Company as well as individuals.

(bb) “**Proxy**” includes Attorney duly constituted under a Power Attorney.

(cc) “**Record**” includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the Regulations issued by the Securities and Exchange Board of India in relation to the Depositories Act, 1996.

(dd) “**Register**” means the Register of Members to be kept pursuant to the said Act.

(ee) “**Registered Owner**” means a depository whose name is entered as such in the records of the Company.

(ff) “**Registrar**” means the Registrar of Companies, Kerala and Lakshadweep at Ernakulam.

(gg) “**Seal**” means Common seal, for the time being of the Company.

(hh) “**SEBI**” means the Securities and Exchange Board of India.

(ii) “**Secretary**” means a Company Secretary within the meaning of clause (c) of sub-Section (1) of Section 2 of the Company Secretaries Act, 1980 and includes a person or persons appointed by the board to perform any of the duties of a Secretary subject to the provisions of the Act.

(jj) "**Section**" means Section of the Companies Act, 1956.

(kk) "**Security**" means such security as may be specified by the Securities and Exchange Board of India from time to time.

(ll) "**Share Warrant**" means share warrant issued pursuant to Section 114 of the Act.

(mm) "**Shares**" means the Equity shares of the Company unless otherwise mentioned.

(nn) "**Special Resolution**" shall have the meaning assigned thereto by Section 189 of the Companies, Act 1956.

(oo) "**Subordinated Debt Instruments**" or "**Subordinated Debts**" means an instrument, which is fully paid up, is unsecured, is subordinated to the claims of other creditors, is free from restrictive clauses and is not redeemable at the instance of the holder or without the consent of the supervisory authority of the Company.

(pp) "**The Act**" means the Companies Act, 1956 and subsequent amendments thereto or any statutory modification or re-enactment thereof, for the time being in force.

(qq) "**The Company**" or "**This Company**" means Muthoot Finance Limited.

(rr) "**these Presents**" or "**Regulations**" means these Articles of Association as originally framed or altered from time to time and include the Memorandum where the context so requires.

(ss) "**Transfer**" means (in either the noun or the verb form and including all conjugations thereof with their correlative meanings) with respect to the Shares, the sale, assignment, transfer or other disposition (whether for or without consideration, whether directly or indirectly) of any Shares or of any interest therein or the creation of any third party interest in or over the Shares, but excluding any renunciation of any right to subscribe for any shares offered pursuant to a rights issue to existing shareholders in proportion to their existing shareholding in the Company.

(tt) "**Writing**" and "**Written**" means and includes words, hand written, printed, typewritten, lithographed, represented or reproduced in any mode in a visible form.

(uu) Words and expressions used and not defined in the Act but defined in the Depositories Act, 1996 shall have the same meaning respectively assigned to them in that Act.

(vv) Words imparting persons include Corporations.

(ww) Words imparting the singular number include the plural and vice versa.

CAPITAL

(1) *Authorised Share capital*

The authorised share capital of the Company shall be such amount as is given in Clause V of the Memorandum of Association, as amended from time to time.

(2) *Shares at the disposal of the Directors*

Subject to the provisions of Section 81 of the Act and these Articles, the shares in the capital of the Company for the time being shall be under the control of the Board of Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares, and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.

(3) *Restrictions on Allotment*

(a) The Directors shall in making the allotments duly observe the provision of the Act;

(b) The amount payable on application on each share shall not be less than 5% of the nominal value of the share; and

(c) Nothing therein contained shall prevent the Directors from issuing fully paid up shares either on payment of the entire nominal value thereof in cash or in satisfaction of any outstanding debt or obligation of the Company.

(4) *Increase of capital*

The Company at its General Meeting may, from time to time, by an Ordinary Resolution increase the capital by creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. The new shares shall be issued on such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe, and in particular, such shares may be issued with a preferential or qualified right to dividends, and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 87 of the Companies Act 1956. Whenever the capital of the Company has been increased under the provisions of the Articles, the Directors shall comply with the provisions of Section 97 of the Act.

(5) *Reduction of Share capital*

The Company may, subject to the provisions of Sections 78, 80, 100 to 105 (both inclusive) and other applicable provisions of the Act from time to time, by Special Resolution reduce its capital and any Capital Redemption Reserve Account or Share Premium Account in any manner for the time being authorised by law, and in particular, the capital may be paid off on the footing that it may be called up again or otherwise.

(6) *Sub-division and consolidation of Shares*

Subject to the provisions of Section 94 of the Act, the Company in General Meeting, may by an ordinary resolution from time to time:

(a) Divide, sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is sub-divided, may determine that as between the holders of the shares resulting from such sub-division one or more of such shares have some preference of special advantage as regards dividend capital or otherwise as compared with the others

(b) Subject as aforesaid, cancel shares which at the date of such general meeting have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

(7) *Power to issue preference shares*

Subject to the provisions of Section 80 of the Act, the Company shall have the powers to issue preference shares which are liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of such redemption.

(8) *Further Issue of shares*

(a) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares then:

(i) Such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on those share at that date.

(ii) The offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time not being less than thirty days from the date of offer within which the offer, if not accepted, will be deemed to have been declined.

(iii) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub clause (b) hereof shall contain a statement of this right.

(iv) After the expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as they may think, most beneficial to the Company.

(b) Notwithstanding anything contained in sub-clause (1) the further shares aforesaid may be offered to any persons {whether or not those persons include the persons referred to in clause (a) of sub- clause (1) hereof) in any manner whatsoever.

(i) If a special resolution to that effect is passed by the Company in General Meeting, or

(ii) Where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in the general meeting (including the casting vote, if any, of the Chairman.) by the members who, being entitled to do so, vote in person, or where proxies are allowed by proxy, exceed the votes, if any, cast against the proposal by members so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf that the proposal is most beneficial to the Company.

(c) Nothing in sub-clause (iii) of Article (13)(a) hereof shall be deemed:

(i) To extend the time within which the offer should be accepted; or

(ii) To authorise any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

(d) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debentures issued or loans raised by the Company:

(i) To convert such debentures or loans into shares in the Company; or

(ii) To subscribe for shares in the Company.

Provided that the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

(A) Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with Rules, if any, made by that Government in this behalf; and

(B) In the case of debentures or loans or other than debentures issued to or loans obtained from Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the Company in General Meeting before the issue of the debentures or raising of the loans.

(9) *Rights to convert loans into capital*

Notwithstanding anything contained in sub-clauses(s) above, but subject, however, to Section 81(3) of the Act, the Company may increase its subscribed capital on exercise of an option attached to the debentures or loans raised by the Company to convert such debentures or loans into shares or to subscribe for shares in the Company.

(10) *Allotment on application to be acceptance of Shares*

Any application signed by or on behalf of an applicant for shares in the Company followed by an allotment of any share therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the register, shall, for the purpose of these articles, be a Member.

(11) *Restrictions on Allotment*

The Board shall observe the restrictions as regards allotment of shares to the public contained in Section 69 and 70 of the Act and as regards return on allotments, the Directors shall comply with Section 75 of the Act.

(12) *Money due on Shares to be a debt to the Company*

The money (if any) which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise in respect of any shares allotted by them, shall immediately on the inscription of the name of allottee in the Register of Members as the name of the holder of such shares become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

(13) *Shareholders or heirs to pay unpaid amounts*

Every Member or his heir's executors or administrators shall pay to the Company the portion of the capital represented by his share or shares which may, for the time being remain unpaid thereon, in such amounts, at such time or times and in such manner, as the Board shall from time to time, in accordance with the Company's regulations require or fix for the payment thereof.

SHARE CERTIFICATES

2. (a) *Every Member entitled to certificate for his shares*

(i) Every member or allottee of shares shall be entitled, without payment, to receive one or more certificates specifying the name of the person in whose favour it is issued, the shares to which it relates, and the amount paid thereon. Such certificates shall be issued only in pursuance of a resolution passed by the Board or a Committee thereof and on surrender to the Company of fractional coupon of requisite value, save in case of issue of share certificates against letters of acceptance of or renunciation or in cases of issues of bonus shares.

(ii) Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of (1) two Directors or persons acting on behalf of the Directors under duly registered powers of attorney; and (2) the Secretary or some other persons appointed by the Board for the purpose and the two Directors or their attorneys and the secretary or other persons shall sign the Share Certificate, provided that if the composition of the Board permits, at least one of the aforesaid two Directors shall be a person other than the Managing Director.

(iii) Particulars of every share certificate issued shall be entered in the Registrar of Members against the name of the person to whom it has been issued, indicating date of issue.

(b) *Joint ownership of Shares*

Any two or more joint allottees of shares shall be treated as a single member for the purposes of this article and any share certificate, which may be the subject of joint ownership, may be delivered to any one of such joint owners on behalf of all of them. The Company shall comply with the provisions of Section 113 of the Act. The shares may be registered in the name of any person, company or other body corporate. Not more than four persons shall be registered as joint holders of any share.

(c) *Issue of new certificates in place of defaced, lost or destroyed certificate*

If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding ₹ 2 for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of BSE Limited or the Rules made under the Act or the rules made under Securities Contract (Regulation) Act, 1956 or any other Act or rules applicable in this behalf.

The provision of this Article shall *mutatis mutandis* apply to debenture certificates of the Company.

(d) *Renewal of Share Certificate*

When a new share certificate has been issued in pursuance of clause(d) of this article, it shall state on the face of it and against the stub or counterfoil to the effect that it is issued in lieu of share certificate No ……. sub-divided/replaced on consolidation of shares.

(e) When a new certificate has been issued in pursuance of clause (d) of this Article, it shall state on the face of it against the stub or counterfoil to the effect that it is duplicate issued in lieu of share certificate No……. The word 'Duplicate' shall be stamped or punched in bold letters across the face of the share certificate and when a new certificate has been issued in pursuance of clauses (c), (d), (e) and (f) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificates indicating against it,the names of the persons to whom the certificate is issued, the number and the necessary changes indicated in the Register of Members by suitable cross references in the "remarks" column.

(f) All *blank* forms, share certificates shall be printed only on the authority of a resolution duly passed by the Board.

3. *Rules to issue share certificates*

The rules under "The Companies (Issue of Share Certificate) Rules, 1960 shall be complied with in the issue, reissue, renewal of share certificates and the format sealing and signing of the certificates and records of the certificates issued shall be maintained in accordance with the said rules. The Company shall keep ready share certificates for delivery within 2 months after allotment.

4. *Responsibilities to maintain records*

The Managing Director of the Company for the time being or if the Company has no Managing Director, every Director of the Company shall be responsible for maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates.

5. *Rights of joint holders*

If any share stands in the names of two or more persons, the person first named in the Register shall, as regards receipt of dividends or bonus or service of notices and all or any other matters connected with the Company, except voting at meeting and the transfer of the shares be deemed the sole holder thereof but the joint holders of share shall be severally as well as jointly liable for payment of all installments and calls due in respect of such share and for all incidents thereof according to the Company's regulations.

UNDERWRITING & BROKERAGE

6. *Commission for placing shares, debentures, etc*

(a) Subject to the provisions of the Act, the Company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares, debentures, or debenture-stock of the Company or underwriting or procuring or agreeing to procure subscriptions (whether absolute or conditional) for shares, debentures or debenture-stock of the Company

(b) The Company may also, in any issue, pay such brokerage as may be lawful.

LIEN

7. *Company's lien on shares /debentures*

The Company shall have a first and paramount lien upon all the shares /debentures (other than fully paid up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at fixed time in respect of such shares/debentures, and no equitable interest in any shares shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed, the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from provisions of this clause.

CALLS ON SHARES

8. *Board to have right to make calls on Shares*

The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution), make such call as it thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively and each member shall pay the amount of every call so made on him to the person or persons and the member(s) and place(s) appointed by the Board. A call may be made payable by installments.

Provided that the Board shall not give the option or right to call on shares to any person except with the sanction of the Company in General Meeting.

9. *Notice for call*

Fourteen days notice in writing of any call shall be given by the Company specifying the date, time and places of payment and the person or persons to whom such call be paid.

10. *Liability of joint holders for a call*

The joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

11. *Calls to carry interest*

If a member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at 5% per annum or such lower rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.

12. *Dues deemed to be calls*

Any sum, which, as per the terms of issue of a share, becomes payable on allotment or at a fixed date whether on account of the nominal value of the share or by way of premium, shall for the purposes of the Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same may become payable and in case of non payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

13. *Proof of dues in respect of Shares*

On any trial or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares it shall be sufficient to prove (i) that the name of the members in respect of whose shares the money is sought to be recovered appears entered in the Register of Members as the holder, at or subsequent to the date on which the money sought to be recovered is alleged to have become due on the shares, (ii) that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the member or his representatives pursuance of these Articles, and (iii) it shall not be necessary to prove the appointment of the Directors who made such call, nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive of the debt.

14. *Partial payment not to preclude forfeiture*

Neither a judgment nor a decree in favour of the Company, for call or other moneys due in respect of any share nor any part payment or satisfaction thereunder, nor the receipt by the Company of a portion of any money which shall, from time to time be due from any member to the Company in respect of his shares either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce forfeiture of such shares as hereinafter provided.

15. *Payment in anticipation of call may carry* interest

(a) The Directors may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.

(b) The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.

FORFEITURE OF SHARES

16. *Board to have right to forfeit Shares*

If any member fails to pay any call or installment of a call or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may at any time thereafter during such time as the call or installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

17. *Notice for forfeiture of Shares*

(a) The notice shall name a further day (not earlier than the expiration of fourteen days from the date of notice) and place or places on which such call or installment and such interest thereon (at such rate as the Directors shall determine from the day on which such call or installment ought to have been paid) and expenses as aforesaid, are to be paid.

(b) The notice shall also state that in the event of the non-payment at or before the time the call was made or installment is payable the shares will be liable to be forfeited.

18. *Effect of forfeiture*

If the requirements of any such notice as aforesaid are not complied with,every or any share in respect of which such notice has been given may at any time thereafter, before the payment required by the notice has been made,be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.

19. *Forfeited Shares to be the property of the Company*

Any share so forfeited shall be deemed to be the property of the Company and may be sold, re-allocated or otherwise disposed of either to the original holder thereof or to any other person upon such terms and in such manner as the Board shall think fit.

20. *Member to be liable even after forfeiture*

Any member whose shares have been forfeited shall, notwithstanding the forfeiture be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with the interest thereon from time to time of the forfeiture until payment at such rates as the Board may determine and the Board may enforce the payment thereof, if it thinks fit.

21. *Claims against the Company to extinguish on forfeiture*

The forfeiture of a share involves extinction, at the time of the forfeiture of all interest in and all claims and demands against the Company, in respect of the shares and all other rights incidental to the share, except only such of those rights as by these Articles expressly saved.

22. *Evidence of forfeiture*

A duly verified declaration in writing that the declarant is a Director or Secretary of the Company, and that a share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.

23. *Effecting sale of Shares*

Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinafter given, the Board may appoint some person to execute an instrument of transfer of the shares sold, cause the purchaser's name to be entered in the register in respect of the share sold, and the purchaser shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register in respect of such shares, the validity of the sale shall not be impeached by any person.

24. *Certificate of forfeited Shares to be void*

Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relevant shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and have no effect and the Directors shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto.

TRANSFER AND TRANSMISSION OF SHARES

25. *Register of transfers*

The Company shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of shares.

26. *Form or Instrument of Transfer*

The instrument of transfer shall be in writing and all the provisions of Section 108 of the Act, and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof. The Company shall use a common form of transfer in all cases.

27. *Directors may refuse to register transfer*

Subject to the provisions of Section 111A of the Act, Section 22A of the Securities Contracts (Regulation) Act, 1956, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board of Directors may, at their own absolute and uncontrolled discretion and by giving reason, refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or transmission by operation of law of the right to, any shares or interest of a Member in or debentures of the Company, whether fully paid or not. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever, except where the Company has a lien on the shares.

28. *Transfer of partly paid Shares*

Where in the case of partly paid shares, an application for registration is to be made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 110 of the Act.

29. *Survivor of joint holders recognised*

In case of the death of any one or more persons named in the Register of Members as the joint-holders of any shares, the survivors shall be the only person recognised by the Company as having any title to or interest in such share but nothing therein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.

30. *Transfers not permitted*

No share shall in any circumstances be transferred to any minor, insolvent or person of unsound mind, except fully paid shares through a legal guardian.

31. *Share Certificates to be surrendered*

Before the registration of a transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Company along with (save as provided in Section 108) properly stamped and executed instrument of transfer.

32. *No fee on transfer or transmission*

No fee shall be charged for registration of transfers, transmission, probate, succession certificate and Letters of administration, Certificate of Death or Marriage, Power of Attorney or similar other documents.

33. *Company not liable to notice of equitable rights*

The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the register of members) to the prejudice of persons having or claiming any equitable rights,title or interest in the said shares, notwithstanding that the Company may have had notice of such equitable rights referred thereto in any books of the Company and the Company shall not be bound by or required to regard or attend to or give effect to any notice which may be given to it of any equitable rights, title or interest or be under any liability whatsoever for refusing or neglecting to do so, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the board shall so think fit.

34. *Dematerialisation Of Securities*

(a) *Company to recognise interest in dematerialised securities under the Depositories Act, 1996.*

Either the Company or the investor may exercise an option to issue, deal in, hold the securities (including shares) with a depository in Electronic form and the certificates in respect thereof shall be dematerialised, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time or any statutory modification(s) thereto or re-enactment thereof.

(b) *Dematerialisation/Re-Materialisation of Securities*

Notwithstanding anything to the contrary or inconsistent contained in these Articles, the Company shall be entitled to dematerialise its existing securities, re-materialise its securities held in Depositories and/or offer its fresh securities in the de-materialised form pursuant to the Depositories Act, 1996 and the rules framed there under, if any.

(c) *Option to receive security certificate or hold securities with depository*

Every person subscribing to or holding securities of the Company shall have the option to receive the security certificate or hold securities with a Depository. Where a person opts to hold a security with the Depository,the Company shall intimate such Depository of the details of allotment of the security and on receipt of such information, the Depository shall enter in its record, the name of the allottees as the beneficial owner of that security.

(d) *Securities in electronic form*

All securities held by a Depository shall be dematerialised and held in electronic form. No certificate shall be issued for the securities held by the Depository. Nothing contained in Section 153, 153A, 153B, 187 B, 187 C and 372 of the Act, shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.

(e) *Beneficial owner deemed as absolute owner*

Except as ordered by the Court of competent jurisdiction or by law required, the Company shall be entitled to treat the person whose name appears on the register of members as the holders of any share or whose name appears as the beneficial owner of the shares in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognise any *benami*, trust, equity, equitable contingent, future, partial interest, other claim to or interest in respect of such shares or (except only as by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any share in the joint names of any two or more persons or the survivor or survivors of them.

(f) *Rights of depositories and beneficial owners*

Notwithstanding anything to the contrary contained in the Act, or these Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.

Save as otherwise provided above, the Depository is the registered owner of the securities, and shall not have any voting rights or any other rights in respect of the securities held by it.

Every person holding securities of the Company and whose name is entered as a beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a Depository.

(g) *Register and index of beneficial owners*

The Company shall cause to be kept a Register and Index of members in accordance with all applicable provisions of the Act and the Depositories Act, 1996 with details of shares and debentures held in physical and dematerialised forms in any media as may be permitted by law including any form of electronic media.

The Register and Index of beneficial owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be a Register and Index of members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India a Branch register of Members resident in that State or Country.

(h) *Cancellation of certificates upon surrender by person*

Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a participant, the Company shall cancel such certificates and shall substitute in its record, the name of the depository as the Registered owner in respect of the said securities and shall also inform the Depository accordingly.

(i) *Service of documents*

Notwithstanding anything contained in the Act, or these Articles, to the contrary, where securities are held in a depository, the record of the beneficial ownership may be served by such depository on the Company by means of hard copies or through electronic mode or by delivery of floppies or discs.

(j) *Allotment of securities*

Where the securities are dealt within a Depository, the Company shall intimate the details of allotment of relevant securities to the Depository on allotment of such securities.

(k) *Transfer of securities*

The Company shall keep a Register of Transfers and shall have recorded therein fairly and distinctly, particulars of every transfer or transmission of shares held in material form. Nothing contained in these Articles shall apply to transfer of securities held in depository.

(l) *Distinctive number of securities held in a depository*

The shares in the capital shall be numbered progressively according to their several denominations, provided, however that the provisions relating to progressive numbering shall not apply to the shares of the Company which are in dematerialised form. Except in the manner provided under these Articles, no share shall be sub-divided. Every forfeited or surrendered share be held in material form shall continue to bear the number by which the same was originally distinguished.

(m) *Provisions of articles to apply to shares held in depository*

Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depositories Act, 1996.

(n) *Depository to furnish information*

Every Depository shall furnish to the Company information about the transfer of securities in the name of the beneficial owner at such intervals and in such manner as may be specified by laws and the Company in that behalf.

(o) *Option to opt out in respect of any such security*

If a beneficial owner seeks to opt out of a Depository in respect of any security, he shall inform the Depository accordingly. The Depository shall on receipt of such information make appropriate entries in its records and shall inform the Company. The Company shall within 30 (thirty) days of the receipt of intimation from a Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the beneficial owner or the transferee as the case may be.

(p) *Overriding effect of this article*

Provisions of the Articles will have full effect and force not withstanding anything to the contrary or inconsistent contained in any other Articles of these presents.

35. *Nomination Facility*

(a) Every holder of shares, or holder of debentures of the Company may at any time, nominate, in the prescribed manner a person to whom his shares in or debentures of the Company shall vest in the event of his death.

(b) Where the shares in or debentures of the Company or held by more than one person jointly, the joint holders may together nominate in the prescribed manner, a person to whom all the rights in the shares or debentures of the Company shall vest in the event of death of all the joint holders.

(c) Notwithstanding any thing contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise in respect of such shares in or debentures of the Company where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in or debentures of the Company, the nominee shall, on the death of the shareholder or debenture holder of the Company or as the case may be on the death of the joint holders become entitled to all the rights in the shares or debentures of the

Company or as the case may be all the joint holders in relation to such shares in or debenture of the Company to the exclusion of all the other persons, unless the nomination is varied or cancelled in the prescribed manner.

(d) Where the nominee is a minor it shall be lawful for the holder of shares or debentures, to make the nomination and to appoint in the prescribed manner any person to become entitled to shares in or debentures of the Company in the event of his death in the event of minority of the nominee.

(e) Any person who becomes a nominee by virtue of the provisions of Section 109 A upon the production of such evidence as may be required by the Board and subject as hereinafter provided elect either

(i) registered himself as holder of the shares or debentures as the case may be, or

(ii) To make such transfer of the share or debenture as the case may be, as the deceased shareholder or debenture holder, as the case may be could have made.

(f) If the person being a nominee, so becoming entitled, elects to be registered himself as a holder of the share or debenture as the case may be, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied by a Death Certificate of the deceased share holder or debenture holder as the case may be.

(g) All the limitations, restrictions and provisions of this Act, relating to the right to transfer and registration of transfer of shares or debentures shall be applicable to any such notice or transfer as aforesaid as if the death of the member had not occurred and the notice or transfer where a transfer is signed by that shareholder or debenture holder, as the case may be.

(h) A person being a nominee, becoming entitled to a share or debenture by reason of the death of the holder shall be entitled to same dividends and other advantages to which he would be entitled if he were the registered holder of the share or debenture, except that he shall not, before being registered a member in respect of his share of debenture, be entitled in respect of it to exercise any right conferred by membership in relation to the meetings of the Company.

(i) Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture and if the notice is not complied with within 90 days, the Board may thereafter withhold payments of all dividends, bonus, or other monies payable in respect of the share or debenture, until the requirements of the notice have been complied with.

(j) A Depository may in terms of Section 58 A at any time, make a nomination and above provisions shall as far as may be, apply to such nomination.

36. *Buy back of Shares*

The Company shall be entitled to purchase its own shares or other securities, subject to such limits, upon such terms and conditions and subject to such approvals as required under Section 77 A and other applicable provisions of the Act, The Securities and Exchange Board of India Act, 1992 and the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 and any amendments, modification(s), re-promulgation (s) or re-enactment(s) thereof.

SHARE WARRANTS

37. *Rights to issue share warrants*

(a) The Company may issue share warrants subject to, and in accordance with provisions of Section 114 and 115 of the Act.

(b) The Board may, in its discretion, with respect to any share which is fully paid up on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) as the Board may from time to time require as to the identity of the person signing the application, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require having been paid, issue a warrant.

38. *Rights of warrant holders*

(a) The bearer of the share warrant may at any time deposit the warrant at the office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right to signing a requisition, for calling a meeting of the Company, and of attending, and voting and exercising other privileges of a member at any meeting held after the expiry of two clear days from time of the deposit, as if his name were inserted in the Register of Members as the holder of the shares included in the deposited warrant.

(b) Not more than one person shall be recognised as the depositor of the share warrant.

(c) The Company shall, on two days written notice, return the deposited share warrant to the depositor.

39. (a) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a meeting of the Company, or attend, or vote or exercise any other privileges of a member at a meeting of the Company, or be entitled to receive any notice from the Company.

(b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the shares included in the warrant, and he shall be a member of the Company.

40. *Board to make rules*

The Board may, from time to time, make rules as to the terms on which it shall think fit, a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

GENERAL MEETINGS

41. *Annual General Meeting*

The Company shall, in addition to any other meetings hold a General Meeting which shall be called as its Annual General Meeting, at the intervals and in accordance with the provisions of the Act.

42. *Extraordinary General Meeting*

(a) The Board may, whenever it thinks fit, convene an Extraordinary General Meeting at such date, time and at such place as it deems fit, subject to such directions if any, given by the Board.

(b) The Board shall, on the requisition of members, convene an Extraordinary General Meeting of the Company in the circumstances and in the manner provided under Section 169 of the Act.

43. *Notice for General Meeting*

All General Meetings shall be convened by giving not less than twenty- one days notice excluding the day on which the notice is served or deemed to be served (i.e. on expiry of 48 hours after the letter containing the same is posted) and the date of the meeting, specifying the place and hour of the meeting and in case of any special business proposed to be transacted, the nature of that business shall be given in the manner mentioned in Section 173 of the Act. Notice shall be given to all the share-holders and to such persons as are under Act and/or these Articles entitled to receive such notice from the Company but any accidental omission to give notice to or non-receipt of the notice by any member shall not invalidate the proceedings of any General Meeting.

44. *Shorter Notice admissible*

With the consent of all the members entitled to vote, at an Annual General Meeting or with the consent of the members holding 95 percent of such part of the paid-up share capital of the Company as gives a right to vote thereat, any general meeting may be convened by giving a shorter notice than twenty one days.

45. *Special and Ordinary Business*

(a) All business shall be deemed special that is transacted at an Extraordinary General Meeting and also that is transacted at an Annual General Meeting with the exception of sanctioning of dividend, the consideration of the accounts, balance sheet and the reports of the Directors and Auditors, the election of Directors in place of those retiring by rotation and the appointment of and the fixing up of the remuneration of the Auditors.

(b) In case of special business as aforesaid, an explanatory statement as required under Section 173 of the Act shall be annexed to the notice of the meeting.

46. *Quorum for General Meeting*

Five members or such other number of members as the law for the time being in force prescribes, personally present shall be quorum for a General Meeting and no business shall be transacted at any General Meeting unless the requisite quorum is present at the commencement of the meeting.

47. *Time for Quorum and adjournment*

If within half an hour from the time appointed for a meeting a quorum is not present, the meeting, if called upon the requisition of members, shall be dissolved and in any other case, it shall stand adjourned to the same day in the next week at the same time and place and if at the adjourned meeting also, a quorum is not present within half an hour from the time appointed for the meeting, the members present shall be quorum.

48. *Chairman of General Meeting*

The Chairman, if any, of the Board of Directors shall preside as Chairman at every General Meeting of the Company.

49. *Decision by Poll*

If a poll is duly demanded, it shall be taken in such manner as the Chairman directs and the results of the poll shall be deemed to be the decision of the meeting on the resolution in respect of which the poll was demanded.

50. *Poll to be immediate*

(a) A poll demanded on the election of Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time not later than forty eight hours from the time of demand as the Chairman of the meeting directs.

(b) A demand for a poll shall not prevent the continuance of a Meeting of the transaction of any business other than that on which a poll has been demanded.

(c) The demand for a poll may be withdrawn at any time before the declaration of the result by the person or persons who made the demand.

51. *Postal Ballot*

(a) Notwithstanding any of the provisions of these Articles the Company may, and in the case of resolutions relating to such business as notified under the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the general meeting of the Company.

(b) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under section 192A of the Act and the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, as amended from time to time.

VOTE OF MEMBERS

52. *Vote of Shareholders*

(a) On a show of hands every member holding equity shares and present in person shall have one vote.

(b) On a poll, every member holding equity shares therein shall have voting rights in proportion to his shares of the paid up equity share capital.

(c) On a poll, a member having more than one vote, or his proxy or other persons entitled to vote for him need not use all his votes in the same way.

53. *Voting by joint holders*

In the case of joint-holders the vote of the first named of such joint holders who tender a vote whether in person or by proxy shall be accepted to the exclusion of the votes of other joint holders.

54. *Proxy*

On a poll, votes may be given either personally or by proxy.

55. *Instrument of Proxy*

(a) The instrument appointing a proxy shall be in writing under the hand of appointer or of his attorney duly authorised in writing or if appointed by a Corporation either under its common seal or under the hand of its attorney duly authorised in writing. Any person whether or not he is a member of the Company may be appointed as a proxy.

(b) The instrument appointing a proxy and Power of Attorney or other authority (if any) under which it is signed must be deposited at the registered office of the Company not less than forty eight hours prior to the time fixed for holding the meeting at which the person named in the instrument proposed to vote, or, in case of a poll, not less than twenty four hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

(c) The form of proxy shall be a two-way proxy as given in Schedule IX of the Act enabling the share holder to vote for/against any resolution.

56. *Validity of Proxy*

A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed or the transfer of the shares in respect of which the proxy is given provided that no intimation in writing of such death, insanity,revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

57. *Corporate Shareholders*

Any Corporation which is a member of the Company may, by resolution of its Board of Directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company and the said person so authorised shall be entitled to exercise the same powers on behalf of the Corporation which he represents as that Corporation could have exercised if it were an individual member of the Company.

DIRECTOR

58. *Number of Directors*

Unless otherwise determined by General Meeting, the number of Directors shall not be less than three and not more than twelve, including all kinds of Directors.

59. *Share qualification not necessary*

Any person whether a member of the Company or not may be appointed as Director and no qualification by way of holding shares shall be required of any Director.

60. *Director's power to fill-up casual vacancy*

Any casual vacancy occurring in the Board of Directors may be filled up by the Directors, and the person so appointed shall hold office up to the date, up to which Director in whose place he is appointed would have held office if it has not been vacated as aforesaid

61. *Additional Directors*

The Board of Directors shall have power at any time and from time to time to appoint one or more persons as Additional Directors provided that the number of Directors and Additional Directors together shall not exceed the maximum number fixed. An additional Director so appointed shall hold office up to the date of the next Annual general Meeting of the Company and shall be eligible for re-election by the Company at that Meeting.

62. *Alternate Directors*

The Board of Directors may appoint an Alternate Director to act for a Director (hereinafter called the original Director) during the absence of the original Director for a period of not less than 3 months from the state in which the meetings of the Board are ordinarily held. An Alternate Director so appointed shall vacate office if and when the original Director returns to the state in which the meetings of the Board are ordinarily held. If the term of the office of the original Director is determined before he so returns to the state aforesaid any provision for the automatic reappointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.

63. *Remuneration of Directors*

Every Director other than the Managing Director and the Whole-time Director shall be paid a sitting fee not exceeding such sum as may be prescribed by the Act or the Central Government from time to time for each meeting of the Board of Directors or any Committee thereof attended by him and shall be paid in addition thereto all travelling, hotel and other expenses properly incurred by him in attending and returning from the meetings of the Board of Directors or any committee thereof or General Meeting of the Company or in connection with business of the Company to and from any place.

64. *Continuing Director may act*

The continuing Directors may act notwithstanding any vacancy in the Board but if the number is reduced below three, the continuing Directors or Director may act for the purpose of increasing the number of Directors to three or for summoning a general meeting of the Company but for no other purpose.

ROTATION AND RETIREMENT OF DIRECTORS

65. *One-third of Directors to retire every year*

Subject to the provisions of Article 138 of the Articles, at the Annual General Meeting of the Company to be held in every year, one third of such of the Directors as are liable to retire by rotation for time being, or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office, and they will be eligible for re-election.

66. *Increase or reduction in the number of Directors*

Subject to the provisions of Section 252, 255, 259 of the Act, the Company in General Meeting may by Ordinary Resolution increase or reduce the number of its Directors.

67. *Power to remove Director by ordinary resolution*

Subject to the provisions of the Act, the Company may by an ordinary resolution in General Meeting remove any Director before the expiration of his period of office and may, by an ordinary resolution, appoint another person instead; the person so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected as Director.

68. *Director for subsidiary Company*

Directors of this Company may be or become a Director of any Company promoted by this Company or in which it may be interested as Vendor, Shareholder or otherwise and no such Director shall be accountable for any benefits received as a Director or member of such Company.

69. *Meetings of the Board*

(a) The Board of Directors shall meet at least once in every three calendar months for the dispatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit provided that at least four such meetings shall be held in every year.

(b) The Managing Director may, at any time summon a meeting of the Board and the Managing Director or a Secretary or a person authorised in this behalf on the requisition of Director shall at any time summon a meeting of the Board. Notice of meeting of the Board shall be given in writing or by other electronic mode atleast 7 days prior to the meeting to every Director for the time being in India, and at his usual address in India to every other Director.

70. *Quorum*

The quorum for a meeting of the Board shall be one-third of its total strength (any fraction contained in that one-third being rounded off as one) or two Directors whichever is higher, provided that where at any time the number of interested Directors is equal to or exceeds two-thirds of total strength, the number of remaining Directors, that is to say the number of Directors who are not interested, present at the meeting being not less than two, shall be the quorum during such time. The total strength of the Board shall mean the number of Directors actually holding office as Directors on the date of the resolution or meeting, that is to say, the total strength of Board after deducting therefrom the number of Directors, if any, whose places are vacant at the time.

71. *Questions how decided*

(a) Save as otherwise expressly provided in the Act, a meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the Regulations of the Company for the time being vested in or exercisable by the Directors generally and all questions arising at any meeting of the Board shall be decided by a majority of the Board.

(b) In case of an equality of votes, the Chairman shall have second or casting vote in addition to his vote as Director.

72. *Right of continuing Directors when there is no quorum*

The continuing Directors may act notwithstanding any vacancy in the Board but if and so long as their number is reduced below three, the continuing Directors or Director may act for the purpose of increasing the number of Directors to three or of summoning a General Meeting of the Company but for no other purpose.

73. *Election of Chairman of Board*

(a) The Board may elect a Chairman of its meeting and determine the period for which he is to hold office.

(b) If no such Chairman is elected or at any meeting the Chairman is not present within five minutes after the time appointed for holding the meeting the Directors present may choose one among themselves to b the Chairman of the Meeting.

74. *Powers to be exercised by Board only at a Meeting of the Board of Directors*

(a) The Board of Directors shall exercise the following powers on behalf of the Company and the said powers shall be exercised only by resolution passed at a meeting of the Board:

(i) Power to make calls on shareholders in respect of moneys unpaid on their shares;
(ii) Power to issue debentures;
(iii) Power to borrow money otherwise than on debentures:
(iv) Power to invest the funds of the Company;
(v) Power to make loans.

(b) The Board of Directors may by a meeting delegate to any committee or the Directors or to the Managing Director the powers specified in sub clauses (iii), (iv) and (v) above.

(c) Every resolution delegating the power set out in sub clause (iii) above shall specify the total amount up to which moneys may be borrowed by the said delegate.

(d) Every resolution delegating the power referred to in sub-clause (iv) above shall specify the total amount, up to which the fund may invested and the nature of the investments which may be made by the delegate.

(e) Every resolution delegating the power referred to in sub-clause (v) above shall specify the total amount up to which the loans may be made by the delegate, the purposes for which the loans may be made and the maximum amount of loans which may be made for each such purpose in individual cases.

75. *Delegation of Powers*

(a) The Board may, subject to the provisions of the Act, delegate any of its powers to any committee or the Directors or to the Managing Director as it thinks fit.

(b) Any committee so formed shall, in the exercise of the power so delegated conform to any regulations that may be imposed on it by the Board.

76. *Validity of acts done by Board or a Committee*

All acts done by any meeting of the Board, of a committee thereof, or by any person acting as a Director shall notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid or that they or any of them were disqualified be as valid as if even such Director or such person has been duly appointed and was qualified to be a Director.

(c) *Resolution by Circulation*

Save as otherwise expressly provided in the Act, a resolution in writing circulated in draft together with the necessary papers, if any, to all the Directors or to all the members of the committee then in India, not being less in number than the quorum fixed of the meeting of the Board or the Committee, as the case may be and to all other Directors or members at their usual address in India and approved by such of the Directors as are then in India or by a majority of such of them as are entitled to vote at the resolution shall be valid and effectual as if it had been a resolution duly passed at a meeting of he Board or committee duly convened and held.

77. *Assignment of Securities*

Debentures, debenture-stock, bonds or other securities may be assignable free from any equities between the Company and the person to whom the same may be issued.

78. *Terms of Issue of Debentures*

Any debentures, debenture stock, or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall or shall not be convertible into shares of any denomination and with or with out any privileges and conditions as to redemption, surrender, drawings, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with a right of conversion into or allotment of shares shall be issued only with the consent of the Company in a General Meeting by a Special Resolution.

79. *Debenture Directors*

Any Trust Deed for securing debentures or debenture stock may, if so arranged, provide for the appointment from time to time by the trustee thereof or by the holders of debentures or debenture stock of some person to be a Director of the Company and may empower such trustee or holders of debentures or debenture stock from time to time to remove any Directors so appointed. A Director appointed under this Article is herein referred to as a "Debenture Director" and the Debenture Director means a Director for the time being in office under this Article. A Debenture Director shall not be bound to hold any qualification shares, not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provision shall have effect notwithstanding any of the other provisions herein contained.

80. *Nominee Directors*

(a) So long as any moneys remain owing by the Company to any All India Financial Institutions, State Financial Corporation or any financial institution owned or Controlled by the Central Government or State Government or any Non Banking Financial Company Controlled by the Reserve Bank of India or Banks or any such Company from whom the Company has borrowed for the purpose of carrying on its objects or each of the above has granted any loans / or subscribes to the Debentures of the Company or so long as any of the aforementioned companies of financial institutions holds or continues to hold debentures /shares in the Company as a result of underwriting or by direct subscription or private placement or so long as any liability of the Company arising out of any guarantee furnished on behalf of the Company remains outstanding, and if the loan or other agreement with such corporation so provides, the corporation shall have a right to appoint from time to time any person or persons as a Director or Directors, whole- time or non whole- time (which Director or Director/s is/are hereinafter referred to as "Nominee Directors/s) on the Board of the Company and to remove from such office any person or person so appointed and to appoint any person or persons in his /their place(s).

(b) The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s. At the option of the corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation or so long as they holds or continues to hold Debentures/shares in the Company as result of underwriting or by direct subscription or private placement or the liability of the Company arising out of the Guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall vacate such office immediately on the moneys owing by the Company to the Corporation are paid off or they ceasing to hold Debentures/Shares in the Company or on the satisfaction of the liability of the Company arising out of the guarantee furnished.

(c) The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and of the Meetings of the Committee of which Nominee Director/s is/are member/s as also the minutes of such Meetings. The Corporation shall also be entitled to receive all such notices and minutes.

(d) The Company shall pay the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees commission, monies or remuneration in any form is payable to the Directors of the Company, the fees, commission, monies and remuneration in relation to such Nominee Director/s shall accrue to the nominee appointer and same shall accordingly be paid by the Company directly to the Corporation.

(e) Provided that the sitting fees, in relation to such Nominee Director/s shall also accrue to the appointer and same shall accordingly be paid by the Company directly to the appointer.

81. *Register of Charges*

The Directors shall cause a proper register to be kept, in accordance with the Act, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the Act in regard to the registration of mortgages and charges therein specified.

82. *Subsequent assigns of uncalled capital*

Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same, subject to such prior charges and shall not be entitled to obtain priority over such prior charge.

(d) *Charge in favour of Director for Indemnity*

If the Director or any person, shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or part of the assets of the Company by way of indemnity to secure the Directors or other persons so becoming liable as aforesaid from any loss in respect of such liability.

MANAGING DIRECTOR(S)/ WHOLE-TIME DIRECTOR(S)

83. (a) The Board may from time to time and with such sanction of the Central Government as may be required by the Act, appoint one or more of the Directors to the office of the Managing Director or whole-time Directors. The Managing Director shall not be liable to retirement by rotation as long as he holds office as Managing Director.

(b) The Directors may from time to time resolve that there shall be either one or more Managing Directors or Whole time Directors.

(c) In the event of any vacancy arising in the office of a Managing Director or Whole-time Director, the vacancy shall be filled by the Board of Directors subject to the approval of the members.

If a Managing Director or whole time Director ceases to hold office as Director, he shall ipso facto and immediately cease to be Managing Director/whole time Director.

84. *Powers and duties of Managing Director or Whole-Time Director*

The Managing Director/Whole-time Director shall subject to the supervision, control and direction of the Board and subject to the provisions of the Act, exercise such powers as are exercisable under these presents by the Board of Directors, as they may think fit and confer such power for such time and to be exercised as they may think expedient and they may confer such power either collaterally with or to the exclusion of any such substitution for all or any of the powers of the Board of Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any such powers. The Managing Directors/ whole time Directors may exercise all the powers entrusted to them by the Board of Directors in accordance with the Board's direction.

85. *Remuneration of Managing Directors/Whole Time Directors*

Subject to the provisions of the Act and subject to such sanction of Central Government\Financial Institutions as may be required for the purpose, the Managing Directors/whole-time Directors shall receive such remuneration (whether by way of salary commission or participation in profits or partly in one way and partly in another) as the Company in General Meeting may from time to time determine.

86. *Reimbursement of expenses*

The Managing Directors\whole-time Directors shall be entitled to charge and be paid for all actual expenses, if any, which they may incur for or in connection with the business of the Company. They shall be entitled to appoint part time employees in connection with the management of the affairs of the Company and shall be entitled to be paid by the Company any remuneration that they may pay to such part time employees.

87. *Business to be carried on by Managing Directors/ Whole time Directors*

(a) The Managing Directors\Whole Time Directors shall have subject to the supervision, control and discretion of the board, the management of the whole of the business of the Company and of all its affairs and shall exercise all powers and perform all duties in relation to the Management of the affairs and transactions of Company, except such powers and such duties as are required by law or by these presents to be exercised or done by the Company in General Meeting or by Board of Directors and also subject to such conditions or restriction imposed by the Act or by these presents.

(b) Without prejudice to the generality of the foregoing and subject to the supervision and control of the Board of Directors, the business of the Company shall be carried on by the Managing Director/ Whole time Director and they shall have all the powers except those which are by law or by these presents or by any resolution of the Board required to be done by the Company in General Meeting or by the Board.

(c) The Board may, from time to time delegate to the Managing Director or Whole time Director such powers and duties and subject to such limitations and conditions as they may deem fit. The Board may from time to time revoke, withdraw, alter or vary all or any of the powers conferred on the Managing Director or Whole time Director by the Board or by these presents.

COMMON SEAL

88. *Custody of Common Seal*

The Board shall provide for the safe custody of the Common Seal for the Company and they shall have power from time to time to destroy the same and substitute a new seal in lieu thereof; and the Common Seal shall be kept at the Registered Office of the Company and committed to the custody of the Managing Director or the Secretary if there is one.

89. *Seal how affixed*

The seal shall not be affixed to any instrument except by authority of a resolution of the Board or a committee of the Board authorised by it in that behalf, and except in the presence of at least one Director or of the secretary or such other person as the Board may appoint for the purpose except for the purpose of executing the share certificate.Every deed or other instrument to which the seal is required to be affixed shall, unless the same is executed by a duly constituted attorney for the Company, be signed by that Director or the secretary or such other person aforesaid in whose presence the seal shall have been affixed provided nevertheless that any instrument bearing the seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority issuing the same.

DIVIDENDS

90. *Right to dividend*

(a) The profits of the Company, relating thereto created or authorised to be created by these presents and subject to the provisions of the presents as to the Reserve Fund, shall be divisible among the members in proportion to the amount of capital paid up on the shares held by them respectively and the last day of the year of account in respect of which such dividend is declared and in the case of interim dividends on the close of the last day of the period in respect of which such interim dividend is paid.

(b) Where capital is paid in advance of calls, such capital shall not, confer a right to participate in the profits.

91. *Declaration of Dividends*

The Company in General Meeting may declare dividends but no dividend shall exceed the amount recommended by the Board.

92. *Interim Dividends*

The Board may from time to time pay to the members such interim dividends as appear to them to be justified by the profits of the Company.

93. *Dividends to be paid out of profits*

No dividend shall be payable except out of the profits of the year or any other undistributed profits except as provided by Section 205 of the Act.

94. *Dividend warrant*

Any dividend payment in cash in respect of a share may be paid by cheque or warrant or demand draft sent through the post to the registered address of the holder or in the case of joint holders to the registered address of the holder who is first named in the register and every cheque or warrant shall be made payable to the order of the person to whom it is sent.

95. *Reserve Funds*

(a) The Board may, before recommending any dividends, set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends and pending such application, may, at the like discretion either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time think fit.

(b) The Board may also carry forward any profits when it may think prudent not to appropriate to Reserves.

96. *Deduction of arrears*

The Board may deduct from any dividend payable to any members all sums of money, if any, presently payable by him to the Company on account of the calls or otherwise in relation to the shares of the Company.

97. *Adjustment of dividends against calls*

Any General Meeting declaring a dividend may make a call on the members as such amount as the meeting fixed, but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the members be set off against the call.

98. *Receipt of joint holder*

Any one of two or more joint holders of a share may give effectual receipt for any dividends, or other moneys payable in respect of such shares.

99. *Notice of dividends*

Notice of any dividend that may have been declared shall be given to the persons entitled to share thereto in the manner mentioned in the Act.

100. *Dividends not to bear interest*

No dividends shall bear interest against the Company.

101. *Transfer of shares not to pass right to dividends*

Subject to the provisions of Section 206 A of the Act, any transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

102. *Unpaid or Unclaimed Dividend*

(a) Where the Company has declared a dividend but which has not been paid or claimed or the dividend warrant in respect thereof has not been posted within 30 days from the date of declaration, the Company shall transfer the total amount of dividend which remains unpaid or unclaimed within 7 days from the expiry of the said period of 30 days, to a special account to be opened by the Company in that behalf in any scheduled bank.

(b) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the Fund known as Investors Education And Protection Fund established under section 205C of the Act. A claim to any money so transferred to the account may be preferred to the Central Government by the shareholders to whom the money is due.

(c) No unclaimed or unpaid dividend shall be forfeited by the Board.

There shall be no forfeiture of unclaimed dividends before the claim becomes barred by law and the Company shall comply with all the provisions of Section 205A of the Act in respect of unpaid or unclaimed divided.

CAPITALISATION OF PROFITS

103. *Capitalisation of Profits*

(a) The Company in General Meeting, may, on recommendation of the Board resolve:

(i) That it is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution; and

(ii) That such sum be accordingly set free for distribution in the manner specified in the sub-clause (b) amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportion.

(b) The sum aforesaid shall not be paid in cash but shall be applied, either in or towards:

(i) Paying up any amounts for the time being unpaid on shares held by such members respectively

(ii) Paying up in full, unissued share of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or

(iii) Partly in the way specified in sub-clause (i) and partly that specified in sub clause (ii).

(c) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.

(d) A share premium account and a capital redemption reserve account may, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.

104. *Power of Directors for declaration of bonus issue*

(a) Whenever such a resolution as aforesaid shall have been passed, the Board shall:

(i) make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issues of fully paid shares, if any, and

(ii) generally do all acts and things required to give effect thereto.

(b) The Board shall have full power:

(i) to make such provisions, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit, in the case of shares or debentures becoming distributable in fraction; and also

(ii) to authorise any person, on behalf of all the members entitled thereto, to enter into an agreement with the Company providing for the allotment to such members, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalisation or (as the case may require) for the payment of by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any parts of the amounts remaining unpaid on their existing shares.

(c) Any agreement made under such authority shall be effective and binding on all such members.

ACCOUNTS

105. *Books of Account to be kept*

(a) The Board of Directors shall cause true accounts to be kept of all sums of money received and expended by the Company and the matters in respect of which such receipts and expenditure takes place, of all sales and purchases of goods by the Company, and of the assets, credits and liabilities of the Company.

(b) If the Company shall have a Branch Office, whether in or outside India, proper books of account relating to the transactions effected at the office shall be kept at that office, and proper summarised returns made up to date at intervals of not more than three months, shall be sent by Branch Office to the Company at its registered office or to such other place in India, as the Board thinks fit where the main books of the Company are kept.

(c) All the aforesaid books shall give a fair and true view of the affairs of the Company or of its Branch Office, as the case may be with respect to the matters aforesaid, and explain its transactions.

106. *Where Books of accounts to be kept*

The Books of Account shall be kept at the Registered Office or at such other place in India as the Directors think fit.

107. *Inspection by Members*

No member (not being a Director) shall have any right of inspecting any account or books or documents of the Company except as conferred by statute.

108. *Boards Report to be attached to Balance Sheet*

(a) Every Balance Sheet laid before the Company in General Meeting shall have attached to it a report by the Board of Directors with respect to the state of the Company's affairs, the amounts if any, which it proposes to carry to any Reserves in such Balance Sheet; and the amount, if any which it recommends to be paid by way of dividend,material changes and commitments, if any, effecting the financial positions of the Company which have occurred between the end of the financial year of the Company to which the Balance Sheet related and the date of report.

(b) The report shall, so far as it is material for the appreciation of the state of the Company's affairs by its members and will not in the Board's opinion be harmful to the business of the Company or any of its subsidiaries deal with any changes which have occurred during the financial year in the nature of the Company's business, or in the Company's subsidiaries or in nature of the business carried on by them and generally in the classes of business in which the Company has an interest.

(c) The Boards Report shall also include a statement showing the name of every employee of the Company who was in receipt of such sum as remuneration as may be prescribed by the Act or the Central Government from time to time during the year to which the Report pertains.

(d) The Board shall also give the fullest information and explanation it its report in cases falling under the proviso to Section 222 on every reservation, qualification or adverse remark contained in the auditors Report.

(e) The Board shall have the right to charge any person being a Director with a duty of seeing that the provisions of sub-clauses (a) to (c) of this Article are complied with.

AUDIT

109. *Accounts to be audited*

Every Balance Sheet and Profit & Loss Account shall be audited by one or more Auditors to be appointed as hereinafter set out.

(a) The Company at the Annual General Meeting in each year shall appoint an Auditor or Auditors to hold office from the conclusion of that meeting until conclusion of the next Annual General Meeting and every Auditor so appointed shall be intimated of his appointment within seven days.

(b) Where at an Annual General Meeting, no Auditors are appointed, the Central Government may appoint a person to fill the vacancy.

(c) The Company shall within seven days of the Central Government's power under sub clause (b) becoming exercisable, give notice of that fact to the Government.

(d) The Directors may fill any casual vacancy in the office of an Auditor but while any such vacancy continues, the remaining auditors (if any) may act. Where such a vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in General Meeting.

(e) A person, other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless special notice of a resolution of appointment of that person to the office of Auditor has been given by a member to the Company not less than fourteen days before the meeting in accordance with Sec. 190 and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the members in accordance with provisions of Sec. 190 and all the other provision of Section 225 shall apply in the matter. The provisions of this sub-clause shall also apply to a resolution that a retiring Auditor shall not be re-appointed.

(f) The persons qualified for appointment as Auditors shall be only those referred to in Section 226 of the Act.

(g) None of the persons mentioned in Sec. 226 of the Act as are not qualified for appointment as Auditors shall be appointed as Auditors of the Company.

110. *Audit of Branch Offices*

The Company shall comply with the provisions of the Act in relation to the audit of the accounts of Branch Offices of the Company.

111. *Remuneration of Auditors*

The remuneration of the Auditors shall be fixed by the Board as authorised in General Meeting from time to time.

AUTHENTICATION OF DOCUMENTS

112. *Authentication of documents and proceedings*

Save as otherwise expressly provided in the Act or these Articles, a document or proceeding requiring authentication by the Company may be signed by a Director, the Managing Director, the Manager, the Secretary or an authorised officer of the Company and need not be under its seal.

WINDING UP

113. *Application of assets*

Subject to the provisions of the Act as to preferential payment the assets of the Company shall, on its winding up, be applied in satisfaction of its liabilities *pari passu* and, subject to such application shall be distributed among the members according to their rights and interests in the Company.

114. *Division of assets of the Company in specie among members*

If the Company shall be wound up whether voluntarily or otherwise, the liquidators may with sanction of a special resolution divide among the contributories in specie or kind any part of the assets of the Company and any with like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories of any of them, as the liquidators with the like sanction shall think fit, in case any share to be divided as aforesaid involve as liability to calls or otherwise any persons entitled under such division to any of the said shares may within ten days after the passing of the special resolution by notice in writing, direct the liquidators to sell his proportion and pay them the net proceeds, and the liquidators shall, if practicable, act accordingly.

SECRECY CLAUSE

115. *Secrecy*

No member shall be entitled to inspect the Company's works at its branch offices, regional offices or such other offices of the Company, without the permission of the Managing Director or to require discovery of any information respectively any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, history of trade or secret process which may be related to the conduct of the business of the Company and which in the opinion of the Managing Director it will be inexpedient in the interest of the members of the Company to communicate to the public.

116. *Duties of Officers to observe secrecy*

Every Director, Managing Directors, Manager, Secretary, Auditor, Trustee, Members of Committee, Officer, Servant, Agent, Accountant or other persons employed in the business of the Company shall, if so required by the Director before entering upon his duties, or any time during his term of office, sign a declaration pledging himself to observe secrecy relating to all transactions of the Company and the state of accounts and in matters relating thereto and shall by such declaration pledge himself not to reveal any of such matters which may come to his knowledge in the discharge of his official duties except which are required so to do by the Directors or any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provision of these Articles or law.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts which are or may be deemed material have been entered or are to be entered into by the Company. These contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of the Company situated at Muthoot Chambers, 2nd Floor, Opposite Saritha Theatre Complex, Banerji Road, Ernakulam, Kerala 682 018 from 10.00 AM to 5.00 P.M on any business days from the date of filing of this Prospectus until the date of closure of the Issue.

A. ***Material Contracts***

1. Engagement Letter dated February 13, 2012 received from the Company appointing the Lead Managers.

2. Issue Agreement dated February 13, 2012 between the Company and the Lead Managers.

3. Memorandum of Understanding dated February 13, 2012 with the Registrar to the Issue.

4. Debenture Trustee Agreement dated February 08, 2012 executed between the Company and the Debenture Trustee.

5. Escrow agreement dated February 23, 2012 executed by the Company, the Registrar, the Escrow Collection Bank(s), the Refund Bank and the Lead Managers.

6. Memorandum of Understanding dated February 23, 2012 with the Lead Brokers to the Issue.

7. Tripartite agreement between the Company, Registrar to the Issue and CDSL dated December 08, 2010 and letter of extension dated March 14, 2011.

8. Tripartite agreement between the Company, Registrar to the issue and NSDL dated August 25, 2006.

9. The agreed form of the Debenture Trustee Deed to be executed between the Company and the Debenture Trustee.

B. ***Material Documents***

1. Certificate of Incorporation of the Company dated March 14, 1997, issued by Registrar of Companies, Kerala and Lakshadweep.

2. Memorandum and Articles of Association of the Company.

3. The certificate of registration No. N.16.00167 dated December 12, 2008 issued by Reserve Bank of India u/s 45 IA of the Reserve Bank of India, 1934.

4. Credit rating letter dated February 06, 2012 from ICRA and credit rating letter dated February 06, 2012 from CRISIL, granting credit ratings to the NCDs.

5. Copy of the Board Resolution dated January 31, 2012 approving the Issue.

6. Resolution passed by the shareholders of the Company at the Annual General Meeting held on September 28, 2011, approving the overall borrowing limit of Company.

7. Consents of the Directors, Lead Managers to the Issue, Lead Brokers, Compliance Officer of our Company, Debenture Trustee, Credit Rating Agencies for the Issue, Legal Advisor to the Issue, Bankers to the Company, Bankers to the Issue and the Registrar to the Issue, to include their names in this Prospectus.

8. The consent of the Statutory Auditors of our Company, namely Rangamani & Co. for inclusion of(a)their names as the Statutory Auditors, (b) examination reports on Reformatted Summary Financial Statements in the form and context in which they appear in this Prospectus.

9. The examination report of the Statutory Auditors dated February 08, 2012 in relation to the Reformatted Summary Financial Statements included herein.

10. Annual Reports of the Company for the last five Financial Years 2006-07 to 2010-11.

11. Due Diligence certificate dated February 23, 2012 filed by the Lead Managers with SEBI.

12. In-principle approval, dated February 22, 2012 for the Issue issued by the BSE.

DECLARATION

We, the Directors of the Company, certify that all the relevant provisions of the Companies Act, 1956 and the guidelines issued by the Government of India or the guidelines issued by the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with. We further certify that the disclosures made in this Prospectus are true and correct and in conformity with Schedule II of the Companies Act, 1956, Schedule I of SEBI (Issue and Listing of Debt Securities) Regulations, 2008, and the Listing Agreement to be executed with the stock exchanges, and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 1956 or the Securities and Exchange Board of India Act, 1992 or rules, guidelines and circulars issued thereunder.

SIGNED BY ALL DIRECTORS:

M. G. George Muthoot
Whole Time Director and Chairman :

George Thomas Muthoot
Whole Time Director :

George Jacob Muthoot
Whole Time Director :

George Alexander Muthoot
Managing Director :

P. George Varghese
Independent Director :

K. John Mathew
Independent Director :

John K Paul
Independent Director :

George Joseph
Independent Director :

Date: February 23, 2012

Place: Kochi, India

CRISIL GRADING LETTER

[APPENDED OVERLEAF]

CRISIL RATINGS

CONFIDENTIAL

Ref. no.: MR/FSR/MFL/2011-12/1531

February 06, 2012

Mr. George Alexander Muthoot
Managing Director
Muthoot Finance Ltd.
Corporate Office - Muthoot Chambers,
Opp. Saritha Theatre Complex,
Benerji Road, Kochi – 682 018.
FAX: 484 – 2390126

Dear Mr. Muthoot,

Re: CRISIL Rating for the Rs.6.0 billion Non-Convertible Debenture issue of Muthoot Finance Ltd.

We refer to your request for a rating for the captioned Debt Programme.

CRISIL has, after due consideration, assigned a **"CRISIL AA-/Stable"** (pronounced "CRISIL double A minus rating with stable outlook") rating to the captioned Debt Programme. Instruments with this rating are considered to have the **high degree of safety** regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

As per our Rating Agreement, CRISIL would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL reserves the right to suspend, withdraw, or revise the rating / outlook assigned to the captioned programme at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL believes may have an impact on the rating.

Further, in view of your decision to accept the CRISIL Rating, we request you to apprise us of the instrument details (in the enclosed format) as soon as it has been placed. In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL will be necessary.

Should you require any clarifications, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Rupali Shanker
Head – Financial Sector Ratings

M Ramesh
Manager – Financial Sector Ratings

A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL. CRISIL ratings are based on information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor.

CRISIL has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. For the latest rating information on any instrument of any company rated by CRISIL, please contact CRISIL RATING DESK at CRISILratingdesk@crisil.com or at (+91 22) 3342 3001 – 09.

CRISIL RATINGS

Details Of the Rs.6.0 billion Non-Convertible Debenture issue of Muthoot Finance Ltd.

	1st tranche		*2nd tranche*		*3rd tranche*	
Instrument Series:						
Amount Placed:						
Maturity Period:						
Put or Call Options (if any):						
Coupon Rate:						
Interest Payment Dates:						
Principal Repayment Details:	Date	Amount	Date	Amount	Date	Amount
Investors:						
Trustees:						

In case there is an offer document for the captioned Debt programme, please send us a copy of it.

CRISIL RATING RATIONALE

Muthoot Finance Limited

Rs.6.00 Billion Non-Convertible Debentures	**CRISIL AA-/Stable (Assigned)**
Non-Convertible Debentures Aggregating Rs.17.9328 Billion	**CRISIL AA-/Stable (Reaffirmed)**
Rs.1000.0 Million Subordinated Bonds Issue	**CRISIL AA-/Stable (Reaffirmed)**
Rs.40.0 Billion Short-Term Debt Programme	**CRISIL A1+ (Reaffirmed)**

CRISIL has assigned its '**CRISIL AA-/Stable**' rating to the Rs.6-billion non-convertible debentures (NCDs) of Muthoot Finance Ltd (MFL), while reaffirming its ratings on MFL's other above-mentioned debt instruments and programmes at '**CRISIL AA-/Stable/CRISIL A1+**'.

The ratings continue to reflect MFL's established track record in the business of financing against gold jewellery, its strong and stable asset quality, and healthy capitalisation and earnings profile. These rating strengths are partially offset by MFL's susceptibility to adverse changes in regulatory and legislative framework and geographic and product concentration.

MFL's promoter family has a long and established track record, extending to over seven decades, in the business of financing against gold jewellery, which has helped MFL design an appropriate assessment and underwriting methodology that has helped it to maintain its strong asset quality, scale up its business significantly, and facilitate easy replication over various geographies. The promoters' experience and strong reputation, and the company's stringent controls and processes have helped MFL scale up its business significantly since 2006-07 (refers to financial year, April 1 to March 31). The company's assets under management (AUM) increased to Rs.158.7 billion as on March 31, 2011, from Rs.14.5 billion as on March 31, 2007, a phenomenal growth of 11 times in four years. The AUM was Rs.228.9 billion as on December 31, 2011.

MFL has maintained a strong and stable asset quality over the past few years. The gross non-performing asset (NPA) ratio in MFL's gold loan financing portfolio was low at 0.29 per cent as on March 31, 2011, compared with 0.46 per cent a year ago. It was 0.57 per cent as on December 31, 2011. Besides, strong credit underwriting norms, marked by a conservative loan to value (LTV) ratio of around 70 per cent, enable MFL to maintain consistently high level of asset quality. Furthermore, the ability to auction gold ornaments in case of delinquencies helps minimise losses considerably. However, any material increase in LTV ratio at origination beyond the current levels would mean increasing risk of the underlying portfolio that could lead to change in CRISIL's view on MFL's asset quality. CRISIL will continue to closely monitor the LTV ratio. MFL has a healthy earnings profile, supported by its high interest spreads and low credit costs. MFL's net profitability margin (NPM), based on quarterly average, was 5.5 per cent in 2010-11, as against 5.1 per cent in the previous year. The removal of priority sector lending (PSL) benefits and increasing interest rates have increased the cost funds for MFL by about 200 basis points (bps; 100 bps equals 1 percentage point). However, MFL has passed on the increased cost to its customers. MFL's NPM is expected to remain comfortable, at around 4 per cent, over the medium term.

MFL is susceptible to adverse changes in regulatory and legislative framework. In January 2011, the Reserve Bank of India (RBI) removed the benefit of priority sector status for bank lending to, and portfolios originated by, gold loan companies. Given MFL's large dependence on bank funding, any changes in regulations or policies relating to bank financing could adversely affect its growth or profitability. The Supreme Court is yet to give its verdict on applicability of The Kerala Money Lenders Act, 1958, for non-banking financial companies (NBFCs); an unfavourable verdict could not only adversely affect MFL's lending rates but also increase its operational expenditure, given the requirements (under the said Act) of registering all establishments with state authorities and complying with state regulations. Furthermore, MFL has high concentration in South India, which accounts for more than 74 per cent of its total loans; thus, it remains vulnerable to the economic, social, and political upheavals in the region. In addition, MFL's operations remain confined to financing against gold ornaments; this segment constitutes over 99 per cent of its total advances; MFL is, thus, susceptible to risks of revenue concentration over a single asset class.

Outlook: Stable

CRISIL believes that MFL will maintain its growth, strong asset quality, and earnings profile, over the long term. The outlook may be revised to 'Positive' if MFL improves its competitive positioning significantly without weakening its capitalisation, asset quality, or earnings profile. Conversely, the outlook may be revised to 'Negative' in case of a steep decline in the company's asset quality or capitalisation.

About the Company

MFL, an NBFC, was set up as a private limited company in 1997 and reconstituted as a public limited company in November 2008. MFL is in the business of financing against used household gold jewellery. MFL is also the flagship company of the Muthoot Group, which is also into hospitality, healthcare, media, education, information technology, foreign exchange, insurance distribution, and money transfer services. MFL operates through a nationwide network of 3480 branches as on December 31, 2011. MFL is the largest gold loan company in India.

The Muthoot Group has been organising chit funds and financing against used household gold ornaments since 1939. The financial services business was started by the late Mr. M George Muthoot, father of the current promoter-directors of MFL. The financing against gold jewellery business was initially carried out under Muthoot Bankers, a partnership firm. In 2001, when MFL was registered by RBI as an NBFC, the group started carrying out the lending business under MFL.

For 2010-11, MFL reported a profit after tax (PAT) of Rs.4.9 billion on a total income of Rs.23.2 billion, as against a PAT of Rs.2.3 billion on a total income of Rs.10.9 billion for the preceding year. For the nine months ended December 31, 2011, MFL reported PAT of Rs.6.6 billion on a total income of Rs.32.6 billion, compared to Rs.3.5 billion of PAT and Rs.15.6 billion of total income for the corresponding period of the previous year.

ICRA GRADING LETTER

[APPENDED OVERLEAF]

I C R A Limited
An Associate of Moody's Investors Service

CONFIDENTIAL

Ref No: RTG/Chen/267/11-12 February 06, 2012

Mr. Oommen K. Mammen
Chief Financial Officer
Muthoot Finance Limited
Muthoot Chambers
Opp. Saritha Theatre Complex
Banerji Road
Ernakulam
Kerala – 682 018

Dear Sir,

Re: ICRA Credit Rating for Rs.600 crore Non Convertible Debenture Programme of Muthoot Finance Limtied.

Please refer to your Rating Requisition dated January 28, 2012 and the subsequent Rating Agreement of January 28, 2012 for carrying out the rating of the captioned Non-Convertible Debenture (NCD) Programme. The Rating Committee of ICRA, after due consideration, has assigned a "[ICRA]AA-" (pronounced ICRA double A minus) rating to the captioned NCD Programme. Instruments with [ICRA]AA rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. Within this rating category, rating modifiers {"+" (plus) / "-"(minus)} can be used with the rating symbol. The modifiers reflect the comparative standing within the rating category. The outlook on the Rating is Stable.

In any of your publicity material or other document wherever you are using our above rating, it should be stated as **"[ICRA]AA-"** with Stable Outlook. We would appreciate if you can sign on the duplicate copy of this letter and send it to us within 7 days from the date of this letter as confirmation about the use of the assigned rating. The rationale for assigning the above rating will be sent to you on receipt of your confirmation about the use of our rating, as above. Any intimation by you about the above rating to any Banker/Lending Agency/Government Authorities/Stock Exchange would constitute use of this rating by you.

This rating is specific to the terms and conditions of the proposed issue as was indicated to us by you and any change in the terms or size of the issue would require the rating to be reviewed by us. If there is any change in the terms and conditions or size of the instrument rated, as above, the same must be brought to our notice before the issue of the instrument. If there is any such change after the rating is assigned by us and confirmed to use by you, it would be subject to our review and may result in change in the rating assigned.

ICRA reserves the right to suspend, withdraw or revise the above at any time on the basis of new information or unavailability of information or such other circumstances, which ICRA believes, may have an impact on the rating assigned to you.

Karumuttu Centre, 5th Floor
634, Anna Salai, Nandanam,
Chennai - 600 035.

Tel.: +(91 44) 4596 4300
Fax: +(91 44) 2434 3663

website : www.icra.in
email : info@icraindia.com

Regd. Office: 1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi - 110001

The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold the bonds to be issued by you. If the instrument rated, as above, is not issued by you within a period of 3 months from the date of this letter communicating the rating, the same would stand withdrawn unless revalidated before the expiry of 3 months.

You are required to forthwith inform us about any default or delay in repayment of interest or principal amount of the instrument rated, as above, or any other debt instruments/ borrowing. You are also required to keep us forthwith informed of any other developments which may have a direct or indirect impact on the debt servicing capability of the company including any proposal for re-schedulement or postponement of the repayment programmes of the dues/ debts of the company with any lender(s)/ investor(s).

You are required to inform us immediately as and when the borrowing limit for the instrument rated, as above, or as prescribed by the regulatory authority (ies) is exceeded.

We thank you for your kind cooperation extended during the course of the rating exercise. Should you require any clarification, please do not hesitate to get in touch with us.

With kind regards,

Yours sincerely,
for ICRA Limited

P. Avinash

(P. Avinash)
Senior Analyst

(K. Srikumar)
Senior Analyst

ICRA RATING RATIONALE

ICRA assigns [ICRA]AA- /Stable to the Rs. 600 crore long term Non Convertible Debenture programme of Muthoot Finance Limited

RATING

INSTRUMENT	AMOUNT	RATING
NON CONVERTIBLE DEBENTURE	RS. 600 CRORE	[ICRA]AA-(STABLE) (ASSIGNED)

ICRA has assigned the rating of [ICRA]AA- (pronounced ICRA double A Minus) with Stable outlook to the Rs. 600 crore Non Convertible Debenture programme of Muthoot Finance Limited (MFL)†. ICRA also has an outstanding rating of [ICRA]AA-(Stable) on the Rs. 1,800 crore Non Convertible Debentures, Rs. 100 crore Subordinate debt and Rs. 5,475 crore[1] long term bank line programme of the company and a rating of [ICRA]A1+ on the Rs. 200 crore Commercial Paper/ Short term debt programme and Rs. 4,803 crore[1] short term bank lines of the company†.

The rating factors in MFL's well established market position and its promoters knowledge and track-record of operating in the niche gold loan business segment, which has enabled the company to maintain healthy earnings (PAT/ AMA[2] of 3.92% and PAT/ Net worth of 41.15% in September 30, 2011), while expanding the scale of operations. The rating factors in the company's good asset quality, supported by moderate Loan to Value ratio's, the liquid nature of the underlying security (gold) and good monitoring and internal audit systems, which have so far enabled it to maintain good control over operations. Capital in relation to managed assets of the company stood at 16.31%[3] (Tier 1 capital % of 12.05%) in September 30, 2011 against 12.12% (Tier 1 capital of 8.14%) as on March 31, 2011, following an augmentation of its equity base during the period though an Initial Public Offering (IPO); going forward the expected internal capital generation of MFL is expected to enable it to maintain an adequate capital structure in relation to its expansion plans over the medium term. ICRA however has noted a possible compression in incremental interest spreads of MFL in the current financial year by around 75-100 bp on account of rising cost of its funding with a systemic hardening of interest rates and also with the removal of priority sector classification benefit enjoyed earlier on loans availed by it from banks. However in ICRA's view, interest spreads, albeit at lower levels, are expected to remain healthy, which along with benefits accruing from improving operating efficiencies as volumes from its newer branches build-up, would enable to the company to maintain good profitability. The rating remains constrained due to concentration of company's business to Gold loans, its lack of diversification in its earnings, its marginal borrower profile, exposure to market and operational risk associated with Gold Loan business and a high pace of expansion. Going forward it would however be critical for the company to maintain its low level of credit provisions, through a strict control over asset quality. The rating also factors in the healthy liquidity position of the company, supported by its relatively well matched ALM profile. Besides availability of un-utilized bank lines, MFL enjoys a good franchise in South India which enables it to diversify its funding profile by tapping funding from retail customers; as on Sep-11 funding through retail sources accounted for around 31% of total funding[4] availed by the company.

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† For complete rating scale and definitions, please refer to ICRA's website www.icra.in or other ICRA Rating Publications.

1 Includes Rs. 1,125 cr of interchangeable limits, between long term and short term, subject to total rated bank loans not exceeding Rs. 9,353 crore

2 Profit After Tax / Average Managed Assets

3 (Tier 1 + Tier 2 Capital as on September 30, 2011) / (Risk Weighted assets + off balance sheet portfolio – credit enhancements) as on September 30, 2011

4Total borrowings + off-balance sheet portfolio

MFL remains subject to state regulatory risks- the ‘Kerala Money Lender’s Act’ (KML), which apart from other things, empowers the state government to regulate lending rates of money lenders operating in the state and requires money lenders to register their branches with the state authorities. Issue of applicability of the KML Act to NBFC’s is sub-judice at the Supreme Court and any ruling which require NBFC’s to comply with the KML Act could have an impact on the earnings and growth prospects of the company in the state of Kerala, which accounts for around 12% of its portfolio as on September 30, 2011. However, the impact on asset quality may not be significant as the company can auction the gold ornaments.

As on September 30, 2011 MFL’s credit portfolio was Rs. 20,940 crore out of which 99% was in the form of loans against gold and the balance in loans against Non Convertible Debentures issued by MFL. The company’s branch network has a large branch network of 3274 branches spread across 21 states and four Union Territories as on September 30, 2011. Gold loans traditionally have been prominent in South India as a means to raise immediate short term funding by pledging of household gold ornaments. Average ticket sizes in the segment are at ~Rs. 37,765/- for MFL in Sep-11. Given the popularity of the product in South India 72% of the company’s portfolio and 65% of branches in Sep-11 were in the South. MFL however has over the past few years focused on expanding outside the south and the share of portfolio of the company from these states has increased to 28% in Sep-11 against 14% in Mar-06. Going forward the company is expected to continue to expand the scale of its operations by leveraging its existing branches and also by increasing its geographic penetration

About the company:
Muthoot Finance Ltd (MFL) is the flagship company of South India based business house ‘The Muthoot Group’. The group is diversified into financing, healthcare, real estate, education, hospitality, forex, wealth management services, money transfer services, power generation and entertainment. MFL is engaged in the loan against gold ornament segment and had a managed advance base of Rs. 15,868 cr as on March 31, 2011. The group’s lending operations were commenced in 1939 by Late. Mr. M. George Muthoot and since then loan against gold ornaments has been the core business of the group. Until 2001 the business operated under ‘Muthoot Bankers’, a partnership firm. Subsequently the business was transferred to ‘Muthoot Finance Pvt. Ltd’ and in November 2001 when the company received its NBFC registration from RBI. The company was converted into a public limited company in FY 2009 and its name was changed to ‘Muthoot Finance Limited’ (MFL). MFL is classified as an NBFC- SI- Non Deposit taking. Though the company is non deposit accepting NBFC, it does accept debentures and subordinate debt instruments from retail investors (not considered as public deposits), which accounted for close to 31% of the company’s total funding as on September 30, 2011.

As on September 30, 2011 the promoters of the company held a 80.12% stake in the company. The promoters of the company diluted their stake from 93% following issue of fresh shares in April 2011 through an Initial public Offering. Earlier in 2010-11 the promoters diluted their 100% stake to 93% with the issue of fresh equity shares to private equity investors– Matrix Partners, Barings India Private Equity, Kotak India Private Equity, Kotak Investment Advisors Limited and the Wellcome Trust Limited.
MFL for the financial year ended March 31, 2011 reported a PAT of Rs. 494.18 crore on a managed asset base of Rs. 18,152 crore compared to a PAT of Rs. 227.6 crore on a managed asset base of Rs. 8451 crore during the previous financial year. During the half year ended September 30, 2011 the company reported an 88% y-o-y growth in PAT to Rs. 406.0 crore on a total managed asset base of Rs. 23308 crore. As on September 30, 2011 total0 capital in relation to managed assets of the company was 16.31 % (Tier 1 capital of 12.05%).

February 2012

FOR FURTHER DETAILS PLEASE CONTACT:

ANALYST CONTACTS:

MS. VIBHA BATRA, ICRA GURGAON (TEL. NO. +91-124-4545302)

VIBHA@ICRAINDIA.COM

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JAYANTAC@ICRAINDIA.COM

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