



Muthoot Finance

MUTHOOT FINANCE LIMITED

Prospectus
Dated September 9, 2012

Our Company was originally incorporated as a private limited company on March 14, 1997 under the Companies Act, 1956, as amended ("Companies Act") as "The Muthoot Finance Private Limited" and was granted a certificate of incorporation by the Registrar of Companies, Kerala and Lakshadweep. 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 2, 2008 from the Registrar of Companies, Kerala and Lakshadweep. For further details regarding changes to the name and registered office of our Company, see the section titled "History and Main Objects" at page 82.

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

Telephone: (+91 484) 239 4712; **Facsimile:** (+91 484) 239 6506; **Website:** www.muthootfinance.com; **Email:** ncd@muthootgroup.com;

Company Secretary and Compliance Officer: Rajesh A.; **Telephone:** (+91 484) 353 5533; **Facsimile:** (+91 484) 239 6506;

E-mail: cs@muthootgroup.com

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, HERINAFTER 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 section titled "Risk Factors" at pages 9 to 30. This document has not been and will not be approved by any regulatory authority in India, including the Securities and Exchange Board of India, the Reserve Bank of India or any stock exchange in India.

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 the Issue have been rated "[ICRA] AA-/Stable" by ICRA for an amount of upto ` 5,000 million vide its letter dated August 23, 2012, and "CRISIL AA-/Stable" by CRISIL for an amount of upto ` 5,000 million vide its letter dated August 14, 2012. The rating of the NCDs by ICRA indicates a high degree of safety regarding timely servicing of financial obligations. The rating of 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 the NCDs and investors should take their own decisions. For further details, please refer to pages 282 to 286 for the rating letters and the rationale for the above ratings.

LISTING

The NCDs offered through this Prospectus are proposed to be listed on the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"). Our Company has obtained 'in-principle' approvals for the Issue from the BSE and NSE vide their letters dated September 3, 2012. For the purposes of the Issue, BSE shall be the Designated Stock Exchange.

LEAD MANAGERS TO THE ISSUE

 <p>ICICI SECURITIES LIMITED H.T. Parekh Marg, Churchgate Mumbai 400 020, India Telephone: (+91 22) 2288 2460 Facsimile: (+91 22) 2282 6580 Email: muthootfin.ncd@icicisecurities.com Investor Grievance Email: customercare@icicisecurities.com Website: www.icicisecurities.com Contact Person: Payal Kulkarni/ Amit Joshi Compliance Officer: Subir Saha SEBI Registration No.: INM000011179</p>	 <p>A. K. CAPITAL SERVICES LIMITED 30-39, Free Press House, Free Press Journal Marg 215, Nariman Point, Mumbai 400 021 Maharashtra, India Telephone: (+91 22) 6754 6500 Facsimile: (+91 22) 6610 0594 Email: mfncd2012@akgroup.co.in Website: www.akcapindia.com Investor Grievance Email: investor.grievance@akgroup.co.in Contact Person: Akshata Tambe/ Lokesh Singhi Compliance Officer: Vikas Agarwal SEBI Registration No.: INM000010411</p>	 <p>EDELWEISS FINANCIAL SERVICES LIMITED Edelweiss House, 14th Floor Off CST Road, Kalina Mumbai 400 098, Maharashtra, India Telephone: (+91 22) 4086 3535 Facsimile: (+91 22) 4086 3610 Email: muthootfin.ncd@edelcap.com Website: www.edelweissfin.com Investor Grievance Email: customerservice.mb@edelcap.com Contact Person: Sumeet Lath/ Viral Shah Compliance Officer: R Benganathan SEBI Registration No.: INM0000010650</p>	 <p>KARVY INVESTOR SERVICES LIMITED 701, Hallmark Business Plaza, Sant Dnyaneshwar Marg, Off Bandra Kurla Complex, Bandra East, Mumbai 400051 Maharashtra, India Telephone: (+91 22) 6149 1500 Facsimile: (+91 22) - 6149 1515 Email: muthootncd@karvy.com Website: www.karvy.com Investor Grievance Email: cmg@karvy.com Contact Person: Omkar Barve/ Sumit Singh Compliance Officer: Mr. V Madhusudhan Rao SEBI Registration No.: INM000008365</p>
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LEAD MANAGERS TO THE ISSUE

 <p>RR INVESTORS CAPITAL SERVICES (P) LIMITED 133A, 13th Floor Mittal Tower, A Wing, Nariman Point, Mumbai 400 021 Maharashtra, India Telephone: (+91 22) 2288 6627 Facsimile: (+91 22) 2285 1925 Email: muthootncd@rrfcl.com Website: www.rrfinance.com/ www.rrfcl.com Investor Grievance Email: investors@rrfcl.com Contact Person: Brahmudutta Singh Compliance Officer: Sandeep Mahajan SEBI Registration No.: INM000007508</p>	 <p>SBI CAPITAL MARKETS LIMITED 202, Maker Tower "E", Cuffe Parade Mumbai 400 005, Maharashtra, India Telephone: (+91 22) 2217 8300 Facsimile: (+91 22) 2217 8332 Email: mfncd2012@sbicaps.com Website: www.sbicaps.com Investor Grievance Email: investor.relations@sbicaps.com Contact Person: Apeksha A Munwane/ Anshika Malaviya Compliance Officer: Bhaskar Chakraborty SEBI Registration No.: INM000003531</p>	 <p>LINK INTIME INDIA PRIVATE LIMITED C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078, India Telephone: (+91 22) 2596 7878 Facsimile: (+91 22) 2596 0329 Email: mfl4.ncd@linkintime.co.in Investor Grievance Email: mfl4.ncd@linkintime.co.in Website: www.linkintime.co.in Contact Person: Dinesh Yadav SEBI Registration No.: INR000004058</p>	 <p>IDBI TRUSTEESHIP SERVICES LIMITED Asian Building, Ground Floor, 17 R. Kamani Marg, Ballard Estate, Mumbai 400 001, India Telephone: (+91 22) 4080 7000 Facsimile: (+91 477) 6631 1776 Email: sarita.iyer@idbitrustee.co.in Website: www.idbitrustee.co.in Contact Person: Sarita Iyer SEBI Registration No.: IND000000460</p>
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ISSUE PROGRAMME*

ISSUE OPENS ON : SEPTEMBER 17, 2012

ISSUE CLOSES ON : OCTOBER 5, 2012

* The Issue shall remain open for subscription from 10:00 a.m to 5:00 p.m. (Indian Standard Time) for the period indicated above, except that the Issue may close on such earlier date or extended date as may be decided by the Board or the NCD Public Issue Committee, subject to necessary approvals. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a reputed daily national newspaper on or before such earlier or extended date of Issue closure.

A copy of this Prospectus has been filed with the Registrar of Companies, Kerala and Lakshadweep, in terms of section 56 and section 60 of the Companies Act, along with the endorsed/ certified copies of all requisite documents. For further details see the section titled "Material Contracts and Documents for Inspection" at page 250.



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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or implies, the following terms have the following meanings in this Prospectus and references to any statute or regulations or policies includes any amendments or re-enactments thereto, from time to time.

Company related terms

Term	Description
“We”, “us”, “our”, “the Company”, and “Issuer”	Muthoot Finance Limited, a public limited company incorporated under the Companies Act, and having its registered and corporate 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 duly constituted committee thereof.
Directors	Unless otherwise specified, a director on the Board of Directors.
Equity Shares	Equity shares of face value of ₹ 10 each of our Company.
Equity Listing Agreement	The listing agreement entered into by our Company with the Stock Exchanges where the Equity Shares are listed.
Limited Review Financial Information	Financial information of our Company in accordance with the Equity Listing Agreement for the three months ended June 30, 2012, subjected to limited review by our Statutory Auditors.
“Memorandum”/ “MOA”	Memorandum of association of our Company.
NCD Public Issue Committee	The committee constituted by our Board of Directors by a board resolution dated July 25, 2011.
Promoters	M.G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot.
Reformatted Financial Statements	Reformatted financial statements of our Company prepared in accordance with Indian GAAP and the Companies Act for the financial years ended March 31, 2008, 2009, 2010, 2011 and 2012.
RoC	The Registrar of Companies, Kerala and Lakshadweep.
₹/ Rs./ INR/ Rupees	The lawful currency of the Republic of India.
Statutory Auditors	The statutory auditors of our Company, M/s. Rangamani & Co, Chartered Accountants.

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.
Applicant	A person who applies for the issuance and Allotment of the NCDs pursuant to the terms of this Prospectus and the Application Form.
Application	An application for Allotment of the NCDs.
Application Amount	The aggregate value of the NCDs applied for, as indicated in the Application Form.
Application Form	The form, physical or electronic, in terms of which the Applicant shall make an offer to subscribe to the NCDs and which will be considered as the Application for Allotment of NCDs in terms of this Prospectus.
“ASBA” or “Application Supported by Blocked Amount”	The Application (whether physical or electronic) used by an ASBA Applicant to make an Application by authorizing the SCSB to block the Application Amount in the specified bank account maintained with such SCSB.
ASBA Account	An account maintained with an SCSB which will be blocked by such SCSB to the extent of the Application Amount of an ASBA Applicant.
ASBA Applicant	Any Applicant who applies for NCDs through the ASBA process.
Bankers to the Issue/Escrow Collection Banks	The banks which are clearing members and registered with SEBI as bankers to the issue, with whom the Escrow Accounts will be opened in respect of the Issue, in this case being Axis Bank Limited, IndusInd Bank Limited, HDFC Bank Limited, IDBI Bank Limited, ICICI Bank Limited and State Bank of India.
Base Issue	Public issue of NCDs by our Company aggregating upto ₹ 2,500.0 million.
Basis of Allotment	The basis on which NCDs will be allotted to successful Applicants through the Issue and which is described in the section titled “ <i>Issue Procedure – Basis of Allotment</i> ” at page 196.
Coupon Rate	The rate of interest payable in connection with the NCDs in accordance with this Prospectus.

Term	Description
CRISIL	CRISIL Limited.
“Debentures”/ “NCDs”	Secured, redeemable, non-convertible debentures of our Company of face value of ₹ 1,000 each proposed to be issued by our Company in terms of this Prospectus.
Trustee/ Debenture Trustee	IDBI Trusteeship Services Limited.
Debenture Trust Deed	The trust deed to be executed by our Company and the Debenture Trustee for creating the security over the NCDs issued under the Issue.
Debt Application Circular	Circular no. CIR/IMD/DF – 1/20/ 2012 issued by SEBI on July 27, 2012.
Debt Listing Agreement	The listing agreement entered into between our Company and the relevant stock exchanges in connection with the listing of the debt securities of our Company.
Deemed Date of Allotment	The date as decided by the Board or the NCD Public Issue Committee, and as mentioned on the Allotment Advice.
Demographic Details	The demographic details of an Applicant, such as his address, bank account details for printing on refund orders and occupation.
Depositories Act	The Depositories Act, 1996.
Depository(ies)	NSDL and CDSL.
“Depository Participant”/“DP”	A depository participant registered with the SEBI under the Depositories Act.
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Applications and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1346920293590.html or at such other website as may be prescribed by SEBI from time to time.
Designated Date	The date on which the Escrow Collection Banks transfer the funds from the Escrow Accounts and the Registrar to the Issue issues instruction to SCSBs for transfer of funds from the ASBA Accounts to the Public Issue Accounts in terms of this Prospectus and the Escrow Agreement.
Designated Stock Exchange	BSE Limited.
Draft Prospectus/ Draft Offer Document	The draft prospectus dated August 24, 2012 filed with the Stock Exchanges for receiving public comments in accordance with the provisions of the Companies Act and the SEBI Debt Regulations.
Escrow Agreement	Agreement dated September 6, 2012 entered into amongst our Company, the Registrar, the Escrow Collection Banks, the Lead Managers, for collection of the Application Amounts and for remitting refunds, if any, of the amounts collected, to the Applicants (except ASBA Applicants) on the terms and conditions contained therein.
Escrow Accounts	Accounts opened in connection with the Issue with the Escrow Collection Banks and in whose favour Applicants (except for Applicants applying for the NCDs through the Online Stock Exchanges Mechanism and ASBA Applicants) will issue cheques or bank drafts or transfers through RTGS in respect of the Application Amount while submitting their Applications.
ICRA	ICRA Limited.
Insurance Companies	Insurance companies registered with the IRDA.
Issue	Public issue by our Company of NCDs aggregating upto ₹ 2,500.0 million with an option to retain over-subscription upto ₹ 2,500.0 million for issuance of additional NCDs aggregating to a total of upto ₹ 5,000.0 million.
Issue Agreement	Agreement dated August 24, 2012 entered into by our Company and the Lead Managers.
Issue Opening Date	September 17, 2012.
Issue Closing Date	October 5, 2012 or such early or extended date as may be decided by the Board or the NCD Public Issue Committee.
Issue Period	The period from September 17, 2012 to October 5, 2012 during which time the Issue shall remain open for subscription, with an option to close earlier and/or extend upto a period as may be determined by the Board or the NCD Public Issue Committee.
Lead Brokers	JM Financial Services Private Limited, A.K. Stockmart Private Limited, ICICI Securities Limited, Karvy Stock Broking Limited, RR Equity Brokers Private Limited, SMC Global Securities Limited, Enam Securities Private Limited, Edelweiss Securities Limited, HDFC Securities Limited, Standard Chartered Securities (India) Limited, Kotak Securities Limited, Bajaj Capital Investor Services Limited, Integrated Securities Limited, Anand Rath Financial Services Limited, Stock Holding Corporation of India Limited, Muthoot Securities Limited and SBICAP Securities Limited.
Lead Managers	ICICI Securities Limited, A.K. Capital Services Limited, Edelweiss Financial Services Limited, Karvy Investor Services Limited, RR Investors Capital Services (P) Limited and SBI Capital Markets Limited.
Market Lot	One NCD.
Members of the Syndicate	The Lead Managers, the Lead Brokers and sub-brokers.
NCD Holder(s)	The holders of the NCDs, whose name appears in the database of the relevant Depository (in case of NCDs in the dematerialized form) and/or the register of NCD Holders maintained by our Company (in case of NCDs held in the physical form).
Options	An option of NCDs which are identical in all respects including, but not limited to terms and conditions, listing and ISIN number and as further stated to be an

Term	Description
Prospectus/ Offer Document	individual Option in this Prospectus. This Prospectus dated September 9, 2012 filed with the RoC in accordance with the SEBI Debt Regulations containing, inter alia the Coupon Rates, the terms of the Issue and the terms and conditions of the NCDs.
Public Issue Account	A bank account opened with any of the Bankers to the Issue by our Company under section 73 of the Companies Act to receive money from the Escrow Accounts on the Designated Date and where the funds shall be transferred by the SCSBs from the ASBA Accounts.
Record Date	The date for payment of interest in connection with the NCDs or redemption of the NCDs, which shall be 15 (fifteen) days prior to the date on which interest is due and payable, and/or the date of redemption.
Refund Account(s)	The account(s) opened by our Company with the Refund Bank(s), from which refunds of the whole or part of the Application Amounts (excluding for the ASBA Applicants), if any, shall be made.
Refund Bank	The Bankers to the Issue, with whom the Refund Account(s) will be opened, in this case being IDBI Bank Limited.
Registrar to the Issue	Link Intime India Private Limited.
SEBI Debt Regulations	The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
“Self Certified Syndicate Banks” or “SCSBs”	The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA, including blocking of an ASBA Account, a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1346920293590.html or at such other website as may be prescribed by SEBI from time to time.
Stock Exchanges	BSE and NSE.
Syndicate ASBA Application Locations	Application centres at Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat where the members of the Syndicate shall accept ASBA Applications.
Syndicate SCSB Branches	In relation to ASBA Applications submitted to a member of the Syndicate, such branches of the SCSBs at the Syndicate ASBA Application Locations named by the SCSBs to receive deposits of the Application Forms from the members of the Syndicate, and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1346919893589.htm or at such other website as may be prescribed by SEBI from time to time.
Tier I capital	Tier I capital means, owned fund 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, ten percent of the owned fund.
“Transaction Registration Slip” or “TRS”	The slip or document issued by any of the Members of the Syndicate, the SCSBs, or the Trading Members as the case may be, to an Applicant upon demand as proof of registration of his Application.
Tenor	The tenor of the NCDs.
Trading Members	Individuals or companies registered with SEBI as “trading members” who hold the right to trade in stocks listed on the Stock Exchanges, through whom investors can buy or sell securities listed on the Stock Exchanges, a list of which are available on www.bseindia.com/memberdir/members.asp (for Trading Members of BSE) and www.nseindia.com/members (for Trading Members of NSE).
Working Day	All days excluding Saturdays, Sundays or a public holiday in India or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881.

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	ICRA Management Consulting Services Limited.
IMaCS Industry Report 2009	IMaCS Research & Analytics Industry Reports, Gold Loans Market in India, 2009.
IMaCS Industry Report (2010 Update)	The update for the calendar year 2009-2010 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.

Term	Description
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 and abbreviations

Term	Description
AGM	Annual General Meeting.
AS	Accounting Standard.
BSE	BSE Limited.
CAGR	Compounded Annual Growth Rate.
CDSL	Central Depository Services (India) Limited.
Companies Act	Companies Act, 1956.
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 our Company 's sector of business as amended from time to time.
FEMA	Foreign Exchange Management Act, 1999.
FII/FIIs	Foreign Institutional Investor(s).
FY	Financial Year.
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.
MCA	Ministry of Corporate Affairs, GoI.
MICR	Magnetic Ink Character Recognition.
NECS	National Electronic Clearing Services.
NEFT	National Electronic Funds Transfer.
NRI	Non Resident Indian.
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.
RTGS	Real Time Gross Settlement.
SCRA	Securities Contracts (Regulation) Act, 1956.
SCRR	The Securities Contracts (Regulation) Rules, 1957.
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.
TDS	Tax Deducted at Source.
WDM	Wholesale Debt Market.

Notwithstanding anything contained herein, capitalised terms that have been defined in the sections titled “*Risk Factors*”, “*Capital Structure*”, “*Regulations and Policies*”, “*History and Main Objects*”, “*Statement of Tax Benefits*”, “*Our Management*”, “*Disclosures on Existing Financial Indebtedness*”, “*Pending Proceedings and Statutory Defaults*” and “*Issue Procedure*” on pages 9, 50, 212, 82, 56, 85, 145, 154, and 177 respectively will have the meanings ascribed to them in such sections.

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*” at page 9.

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 “*About the Issuer and Industry Overview*” and “*Our Business*” at pages 61 and 68, respectively. 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 our 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 the SEBI Debt Regulations, our Company and the Lead Managers will ensure that investors in India are informed of material developments between the date of filing this Prospectus with the RoC and the date of Allotment.

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 the Issue, 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 “United States” 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 financial year ended on March 31 of that particular year.

Presentation of financial information

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

Unless stated otherwise, the financial data in this Prospectus is derived from the Reformatted Financial Statements and the Limited Review Financial Information. The examination reports on the Reformatted Financial Statements, as issued by our Company’s Statutory Auditors are included in this Prospectus in the section titled “*Financial Information*” at page 103.

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 our 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.

Exchange rates

The exchange rates (in ₹) of the USD and Euro as for last 5 years and three months ended June 30, 2012 are provided below:

Currency	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	June 30, 2012
USD	39.97	50.95	45.14	44.65	51.16	56.31
EURO	63.09	67.48	60.56	63.24	68.34	70.91

Source: www.rbi.org.in

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 including the sections titled “Our Business” and “Financial Information” at pages 68 and 103, respectively, 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. The risks and uncertainties described in this section are not the only risks that we currently face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations and financial condition.

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.

Unless otherwise stated, financial information used in this section is derived from the Reformatted Financial Statements as of and for the years ended March 31, 2008, 2009, 2010, 2011 and 2012 prepared under the Indian GAAP.

INTERNAL RISK FACTORS

Risks relating to our Business and our Company

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

Our Company and our Directors are involved in certain legal proceedings, including criminal proceedings, in relation to inter alia civil suits, eviction suits and tax claims. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. For further details in relation to material legal proceedings, see the section titled “*Pending proceedings and statutory defaults*” at page 154.

We cannot provide any assurance in relation to the outcome of these proceedings. Any adverse decision may have an adverse effect on our business, financial condition and results of operations. Further, there is no assurance that similar proceedings will not be initiated against us in the future.

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. Further, any loss of rights to use the trademarks may adversely affect our reputation, goodwill, business and our results of operations.***

The brand and trademark “Muthoot”, and 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 M. George Muthoot, had adopted and had been using the Muthoot Trademarks since 1939 and that our Promoters had, since the demise of Late 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 1.00% of the gross income of our Company, subject to a maximum of 3.00% 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 adversely 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 public 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.

Further, RBI has introduced revisions to the guidelines on securitisation transactions on May 7, 2012 and August 21, 2012. Pursuant to the revised guidelines, assets with bullet repayment of both principal and interest are excluded from the eligibility norms for asset securitisation. Since our Gold Loans are currently structured as loans with bullet repayment of principal and interest, such Gold Loans are outside the purview of asset securitisation. Consequently, we may not be able to raise funds through securitisation including bilateral assignment of such Gold Loans. However, our outstanding amounts of gold portfolio sold under bilateral assignments were ₹ 4,341.0 million, ₹ 8,130.2 million, ₹ 20,083.2 million, ₹ 41,863.9 million and ₹ 33,352.1 million for the years ended March 31, 2008, 2009, 2010, 2011 and 2012, respectively.

We also face significant maturities of our debt each year. Out of our total outstanding debt of ₹193,833.0 million, an amount of ₹ 131,416.1 million will mature during the fiscal year 2013. In order to retire these instruments, we either will need to refinance this debt, which could be difficult in the event 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. If we fail to adequately manage our interest rate risk in the future it could have an adverse effect on our net interest margin, thereby adversely affecting our business and financial condition.***

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. Rise in inflation, and consequent changes in bank rates,

repo rates and reverse repo rates by the RBI has led to an increase in interest rates on loans provided by banks and financial institutions, and market interest rates in India have been volatile in recent periods.

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 March 31, 2012, 52.37% of our borrowings were at fixed rates of interest, comprising primarily of our privately placed secured non-convertible redeemable debentures, which constituted 34.10% of our total indebtedness. We cannot assure you 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. If we are unable to address the interest rate risk, it could have an adverse effect on our net interest margin, thereby adversely affecting our business and financial condition.

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. Failure to recover the value of the collateral could expose us to a potential loss, thereby adversely affect our financial condition and results of operations.***

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 value. In the event of any decrease in the price of gold, customers may not repay their loans and the value of 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 decreases 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 collateral gold jewellery through auctions primarily to local jewellers and there can be no assurance that we will be able to sell such gold jewellery at prices sufficient to cover the amounts under default.

We may also be affected by failure of employees to comply with internal procedures and inaccurate appraisal of credit or financial worth of our clients. Failure by our employees to properly appraise the value of the collateral provides us with no recourse against the borrower and the loan sanction may eventually result in a bad debt on our books of accounts. In the event we are unable to check the risks arising out of such lapses, our business and results of operations may be adversely affected.

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. Increasing competition may have an adverse effect on our net interest margin, and, if we are unable to compete successfully, our market share may decline.***

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 and future financial performance 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; in the event any of these contingent liabilities materialise, our financial condition may be adversely affected.***

For the year ended March 31, 2012, we had certain contingent liabilities not provided for, amounting to ₹ 4,679.1 million. The contingent liability amounts disclosed in our Reformatted Financial Statements represent estimates and assumptions of our management based on advice received.

The following are the details of the contingent liabilities of our Company as at March 31, 2012:

(₹ in millions)

Particulars	As at March 31, 2012
<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 ₹ 52,007,698.00 as Service tax liability and penalty. During the course of the proceedings Company paid ₹ 20,86,391.00. The Appellate Authority admitted the Appeal preferred by the company and granted stay of recovery, on pre-deposit of ₹ 83,00,000.00 . Pending disposal of appeal, no provision has been made by the company during the year.	49.92
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 ₹ 52.37 Lakhs . The Company has already paid the demand by way of Advance Tax, Tax Deducted at Source and adjustment against refund due. No additional income tax liability is expected. Hence no provision is required to be made by the company during the year.	NIL

Particulars	As at March 31, 2012
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 ₹ 15.21 Lakhs . The Company has already paid the demand by way of Advance Tax and Tax Deducted at Source. No additional income tax liability is expected. Hence no provision is required to be made by the company during the year.	NIL
iv) Income tax demand for Assessment Year 2009-10, pending in appeal with Commissioner of Income Tax (Appeals), Kochi Additional Commissioner of Income Tax, Range - 1, Kochi has passed an order demanding ₹ 13,782,470.00 towards income tax due for the Assessment Year 2009-10. The Commissioner of Income Tax (Appeals) admitted the appeal preferred by the Company. Pending disposal of appeal, no provision has been made by the company during the year.	13.78
Estimated amount of contracts remaining to be executed on capital accounts and not provided for	189.8
<u>Other money for which company is contingently liable:</u>	
i) Counter Guarantee provided to Banks	218.49
ii) Cash collateral provided as credit enhancement for bilateral assignment of receivables	2,610.70
iii) Over collateral provided as credit enhancement for bilateral assignment of receivables	25
iv) Corporate guarantee provided as credit enhancement for bilateral assignment of receivables	1,571.43
Total	4,679.1

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. Inability to effectively manage any our growth and related issues could materially and adversely affect our business and impact our future financial performance.*

In recent periods, we have experienced substantial growth. Our net profit, for the year ended March 31, 2008, 2009, 2010, 2011 and 2012 was ₹ 630.7 million, ₹ 978.7 million, ₹ 2,285.2 million, ₹ 4,941.7 million, and ₹ 8,920.2 million, respectively. Our gross retail loans outstanding grew year on year by 120.78% to ₹ 74,381.5 million as of March 31, 2010, by 113.34% to ₹ 158,684.5 million as of March 31, 2011 and by 55.48% to ₹ 246,736.0 million as of March 31, 2012.

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 we are 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. In the event that any state government requires us to comply with the provisions of their respective state money lending laws, or imposes any penalty, including for prior non-compliance, our business, results of operations and financial condition may be adversely affected.***

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 lending laws applicable 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 laws 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 laws 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 154. There are civil and criminal penalties for non-compliance with the relevant money lending laws. In the event that any state government 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 June 30, 2012, 2,435 out of our 3,780 branches are located in the south Indian states of Tamil Nadu (819 branches), Kerala (712 branches), Andhra Pradesh (542 branches), Karnataka (354 branches) and Union Territory of Pondicherry (eight branches). Any disruption, disturbance or breakdown in the economy of southern India could adversely affect the result of our business and operations. As of March 31, 2012, the south Indian states of Tamil Nadu, Kerala, Andhra Pradesh, Karnataka and the Union Territory of Pondicherry constituted 68.40% 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 southern 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 of March 31, 2012, we had an outstanding debt of ₹193,832.5 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 adversely 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, which may limit our ability to withstand competitive pressures and may reduce our flexibility in responding to changing business, regulatory and economic conditions.

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

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

The financing arrangements that we have entered into with certain banks and financial institutions and terms and conditions for issue of non-convertible debentures issued by us contain restrictive covenants, which among other things require us to obtain prior permission of such banks, financial institutions or debenture trustee 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, revaluation or sale of our assets, undertaking new projects, creating new subsidiaries, change in accounting policies, 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 certain equity investments agreements 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. ***Our Gold Loans 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.***

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 compared to a portion of our loans offered 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. For the year ended March 31, 2012 the outstanding portfolio of assigned loans was ₹ 33,352.1 million, constituting 13.52% 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. Such events may adversely affect our business, financial condition and results of our operations and our ability to assign our loans.

15. ***If we are not able to control or reduce the level of non-performing assets in our portfolio, the overall quality of our loan portfolio may deteriorate and our results of operations may be adversely affected.***

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. Our gross NPAs as of year ended March 31, 2008, 2009, 2010, 2011 and 2012 were ₹ 92.6 million, ₹ 161.1 million ₹ 343.6 million, ₹ 460.1 million and ₹ 1,389.5 million, respectively. For further details on our non-performing assets, see the section titled “Our Business - Non-performing Assets” at page 76. The following table discloses the quantum of our non-performing assets in the preceding three financial years:

(₹ in millions, except those expressed in percentage terms)

	2008	2009	As of March 31, 2010	2011	2012
Gross NPAs	92.6	161.1	343.6	460.1	1389.5
Provisions	9.3	16.1	37.1	69.6	181.3
Net NPAs	83.3	145.0	306.4	390.5	1208.2
Net Retail loans	1,7921.8	25,559.8	54,298.3	116,820.6	213,383.9
Net NPAs/Net Retail loans (%)	0.46%	0.57%	0.56%	0.33%	0.57%
Gross Retail Loans	22,262.8	33,690.1	74,381.5	158,684.5	246,736.0
Gross NPAs/Gross Retail Loans (%)	0.42%	0.48%	0.46%	0.29%	0.56%
Amounts Written-off	-	-	6.2	18.3	69.2

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, which could have a material and adverse effect on our results of operations and financial condition.***

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. Any decline in the repayment capabilities of our borrowers, may result in increase in defaults, thereby adversely affecting our business and financial condition.***

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.

Any decline in the economic conditions may impact the repayment capabilities of our borrowers, which may result in increase in defaults, thereby adversely affecting our business and financial condition.

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 of March 31, 2012, we held cash balance of ₹ 2272.3 million and gold jewellery of 137.1 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. For example, (i) in 2011, we encountered two instances of staff fraud at our Jangareddygudem branch and Madhugiri branch, where ₹ 3,612,352 and ₹ 1,130,178, respectively were misappropriated by our employees, (ii) in fiscal year 2011, gold ornaments pledged by two of our customers at our Porur branch, and Kamarajasalai branch, against loan amounts of ₹ 3,022,000 and ₹ 1,260,520, respectively, were reported to be stolen goods and seized by the police, and (iii) in 2011 in the Patamate branch of our Company, 3,178.7 grams of spurious gold was pledged, against loan amounts of ₹ 4,951,200.

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.

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

As per the RBI norms, from March 31, 2011, we are required to maintain a capital adequacy ratio of at least 15.00% of our risk-weighted assets. Further, RBI has introduced minimum Tier I capital requirement of 12.00% to be effective from April 1, 2014 for NBFCs primarily engaged in lending against gold, including us. Our capital adequacy ratio was 18.29% as of March 31, 2012, with Tier I capital comprising of 12.84%. 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 and Tier I capital requirements with respect to our business of Gold Loans. There can be no assurance that we will be able to maintain adequate capital adequacy ratio or Tier I capital by raising additional capital in the future on terms favourable to us, or at

all. Failure to maintain adequate capital adequacy ratio or Tier I capital 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, which may adversely affect our business prospects, financial conditions and results of operations.***

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 attitude, 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 in additional geographical markets 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 operations and result in financial loss, disruption of our businesses, regulatory intervention or damage to our reputation.***

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 adversely affect our operations and 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 for 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 lending products we offer in order to maintain profitability. If the gross spread on our lending products were to reduce, there can be no assurance that we will be able to maintain our current levels of profitability which could adversely affect our results of operations.

24. ***Our ability to access capital also depends on our credit ratings. Any downgrade in our credit ratings would increase borrowing costs and constrain our access to capital and lending markets and, as a result, would negatively affect our net interest margin and our business.***

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 ₹ 4,000.0 million and ₹ 1,000.0 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 ₹ 10,428.0 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 adversely 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. If such provisions are not sufficient to provide adequate cover for loan losses that may occur, this could have an adverse effect on our financial condition, liquidity and results of operations.***

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” at page 76, as also in the section titled “Regulations and Policies in India - Systemically Important ND-NBFCs - Prudential Norms - Provisioning Requirements” at page 213.

26. ***We are subject to supervision and regulation by the RBI as a non-deposit-taking systemically important NBFC. In case of any adverse change in the regulations, we may have to comply with stricter regulations and guidelines issued by regulatory authorities in India which may adversely affect our business, results of operation and financial condition.***

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 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, RBI has introduced revisions to the guidelines on securitisation transactions pursuant to which, assets with bullet repayment of both principal and interest are excluded from the eligibility norms for asset securitisation. Further, RBI has restricted our loan-to-value ratio for Gold Loan to 60.00%, prohibited grant of any advance against

primary gold and gold coins and imposed minimum Tier I capital requirement effective from April 1, 2014 upon us.

Compliance with many of the regulations applicable to our operations may involve significant costs and otherwise may impose restrictions on our operations. 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. If the interpretation of the regulators and authorities varies from our interpretation, we may be subject to penalties and the business of our Company could be adversely affected. There can be no assurance that changes in these regulations and the enforcement of existing and future rules by governmental and regulatory authorities will not adversely affect our business, results of operation and financial condition.

27. *Our loan portfolio is not classified as priority sector advances by the RBI. Failure to raise capital by selling down our Gold Loan portfolio in a timely manner or at all can adversely affect our financial condition and results of operations.*

The RBI currently mandates domestic commercial banks operating in India to maintain an aggregate 40.00% (currently, 32.00% 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.

In the past, we have sold our gold portfolio under the bilateral assignments. The entire portfolio sold under bilateral assignments were categorised as a priority sector advance for the years ended March 31, 2009 and 2010. Further, ₹ 33,737.0 million for the year ended March 31, 2011 and ₹ 31,000.8 million for the year ended March 31, 2012 were categorized as priority sector advances. However, in accordance with the revised guidelines on priority sector lending issued by the RBI dated July 20, 2012, investments made by banks in securitised assets originated by NBFCs for loans against gold jewellery are not be eligible for priority sector lending. Accordingly, we will not be able to raise capital by selling down our Gold Loan portfolio under bilateral assignments to banks for meeting their priority sector lending norms.

Failure to raise capital by selling down our Gold Loan portfolio in a timely manner or at all can 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. Inability to effectively manage our risk management systems can adversely affect our business, financial condition and results of operation.*

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 and any failure to do so can adversely affect our business, financial condition and results of operation.

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. Failure to hire key executives or employees or the loss of key executives or employees could have a significant impact on our operations.***

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. Any liability in excess of our insurance claim could have a material adverse effect on our results of operations and financial position.***

We maintain insurance cover for our free hold real estate and tangible properties and infrastructure at all owned and leased premises which provide 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 June 30, 2012, we employed 25,103 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, financial condition and results of operations.*

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. Any limitation on our ability to borrow from such banks may increase our cost of borrowing, which could adversely impact our growth, business and financial condition.*

Under RBI Master Circular on bank finance to NBFCs issued on July 2, 2012, the exposure (both lending and investment, including off balance sheet exposures) of a bank to a single NBFC engaged in lending against collateral of gold jewellery (i.e. such loans comprising 50 per cent or more of its financial assets) should not exceed 7.50%, of the bank's capital funds. Banks may, however, assume exposures on a single NBFC up to 12.50%, of their capital funds provided the exposure in excess of 7.50% 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 and should include internal sub-limit to all NBFCs providing Gold Loans (i.e. such loans comprising 50 per cent or more of their financial assets), including us.

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, business and financial condition.

37. *We have entered into certain transactions with related parties. Any transaction with related parties may involve conflicts of interest.*

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.

For details regarding our related party transactions entered into by us as on March 31, 2012, see the section titled “Financial Information” beginning at page 103.

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 55. 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. We cannot assure you that exercise of control by our Promoters will always favour our best interest.***

Our Promoters along with relatives hold, 80.12% of our outstanding Equity Shares as on June 30, 2012. 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 which may not favour our best interest.

40. ***Our business strategy may change in the future and may be different from that which is contained herein. Any failure to successfully diversify into other businesses can adversely affect our financial condition.***

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.

We cannot assure you that any diversification into other businesses will be beneficial to us. Further, any failure to successfully diversify in new businesses can adversely affect our financial condition.

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 NCD Holders. 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 directly or indirectly between our business and the business of our Promoter 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. Loss of any member from our management team can adversely affect our business and results of operation.***

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 and results of operation 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. Any termination of arrangements for lease of our branches or our failure to renew the same in a favourable, timely manner, or at all, could adversely affect our business and results of operations.***

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, attempts to evict us or 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. For further details in relation to material eviction proceedings against us, see the section titled “Pending

proceedings and statutory defaults” at page 154.

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.

EXTERNAL RISK FACTORS

Risk factors related to India

47. ***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.

48. ***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 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.

49. ***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 First Quarter Review of Monetary Policy 2012-13 released by the RBI on July 31, 2012 (“Policy”) reveals that the GDP growth decelerated over four successive quarters from 9.2% in fourth quarter of the year 2010-11 to 5.3% in fourth quarter of the year 2011-12. Significant slowdown in industrial growth as well as deceleration in services sector activity pulled down the overall GDP growth to 6.5% for the year 2011-12, below the RBI's baseline projection of 7%. In the Annual Policy Statement for the year 2012-13 released by RBI on April 17, 2012, RBI had projected GDP growth for the year 2012-13 at 7.3% on the assumption of a normal monsoon and improvement in industrial activity. However, as

per the Policy, the monsoon has been deficient and uneven and the data on industrial production for April-May suggest that industrial activity, despite some recovery, remains weak. In addition, several risks to domestic growth have been highlighted in the Policy. First, global growth and trade volume are now expected to be lower than projected earlier. Second, given the greater integration of the Indian economy with the global economy, as per RBI this will have an adverse impact on growth, particularly in industry and the services sector. Any slowdown in the Indian economy, and in particular in the financing requirements of our customers could adversely affect our business.

50. ***A downgrade of India's sovereign debt rating may adversely affect our ability to raise additional debt financing. Failure to raise additional debt financing could adversely affect our business and financial condition.***

Recently, India's sovereign foreign currency long-term debt is downgraded by certain rating agencies citing structural challenges such as corruption, the absence, or inadequacy, of domestic reforms, and slow economic growth combined with elevated inflation. 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 future financial performance. This could adversely affect our business and financial condition.

51. ***India is vulnerable to natural disasters that could severely disrupt the normal operation of our business. Prolonged spells of natural disasters could adversely affect our business, financial condition and results of operation.***

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 adversely 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, financial condition and results of operation.

52. ***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 289,152.1 million as on August 3, 2012 (*Source: RBI Website as on August 15, 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 financial condition.

53. ***Companies operating in India are subject to a variety of central and state government taxes and surcharges. Any increases tax rates could adversely affect our business and results of operations.***

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 is expected to be effective from April 1, 2013. In addition, a new goods and services tax regime is expected to be introduced in next fiscal year, 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 32.44%. 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 and the NCDs

54. ***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*” at page 61. 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.

55. ***Changes in interest rate may affect the price of our NCD. Any increase in rate of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the price of our NCDs.***

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.

56. ***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. 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.***

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 100.00% 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.

57. ***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, which may have a bearing on the timely redemption of the NCDs by our Company.***

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, (the “**DRR 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 50.00% of the value of debentures issued through the public issue. Accordingly our Company is required to create a DRR of 50.00% of the value of debentures issued through the public issue. As further clarified by the DRR 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 50.00% of the value of the NCDs. This may have a bearing on the timely redemption of the NCDs by our Company.

58. ***There may be no active market for the NCDs on the retail debt market/capital market segment of the BSE and NSE. 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.

59. ***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 and NSE 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.

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

The NCDs proposed to be issued under the Issue have been rated '[ICRA] AA-(Stable)' by ICRA for an amount of upto ₹ 5,000.0 million vide its letter dated August 23, 2012 and 'CRISIL AA-/Stable' by CRISIL for an amount of upto ₹ 5,000.0 million vide its letter dated August 14, 2012. The rating of the NCDs by ICRA and by 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 282 to 286 for rating letters and rationale for the above rating.

61. ***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 the Gold Loan receivables are being used to secure our Company's debt. As of June 30, 2012, our Company's secured debt was ₹ 174,528.4 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.

62. ***Security provided for the Issue may not be enforceable if the security provided for the Issue is classified as 'Assets' under the IT Act and will be void as against any claim in respect of any tax or any other sum payable by our Company.***

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 August 22, 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 our Company, including as a result of the completion of these proceedings.

63. ***Payments to be made on the NCDs will be subordinated to certain tax and other liabilities preferred by law. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining to pay amounts due on the NCDs.***

The NCDs will be subordinated to certain liabilities preferred by law such as the claims of the Government on account of taxes, and certain liabilities incurred in the ordinary course of our business. In particular, in the event of bankruptcy, liquidation or winding-up, our Company's assets will be available to pay obligations on the NCDs only after all of those liabilities that rank senior to these NCDs have been paid as per section 530 of the Companies Act. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining to pay amounts due on the NCDs.

64. ***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 the section titled "*Objects of the Issue*" at page 55. 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 the Issue.

Prominent Notes:

- This is a public issue of NCDs aggregating upto ₹ 2,500.0 million with an option to retain over-subscription upto ₹ 2,500.0 million for issuance of additional NCDs aggregating to a total of upto ₹ 5,000.0 million.
- For details on the interest of our Company's Directors, see the sections titled "*Our Management*" and "*Capital Structure*" beginning at pages 85 and 50, 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 103.
- 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 196.
- Our Equity Shares are listed on the NSE and BSE. Our non-convertible debentures issued pursuant to three public issues in the past are listed on NSE and/or BSE.
- As of March 31, 2012, we had certain contingent liabilities not provided for, amounting to ₹ 4,679.1 million. For further information on such contingent liabilities, see "*Financial Information*" on page 103.
- For further information relating to certain significant legal proceedings that we are involved in, see "*Pending Proceedings and Statutory Defaults*" beginning on page 154.

SECTION III: INTRODUCTION

GENERAL INFORMATION

Our Company was originally incorporated as a private limited company on March 14, 1997 under the Companies Act, as “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 and Corporate Office

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

For details of change in our registered office, see the section titled “*History and Main Objects*” at page 82.

Registration

Details	Registration/Identification number
Company registration number	011300
CIN	L65910KL1997PLC011300
Registration number from the RBI for carrying on the business of an NBFC- ND- SI	N.16.00167

Company Secretary and Compliance Officer

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 can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems, such as non-receipt of Allotment Advice, credit of Allotted NCDs in beneficiary accounts, NCD Certificates (for Applicants who have applied for Allotment in physical form), refund orders and interest on the Application Amounts.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, Application Form number, address of the Applicant, number of NCDs applied for, amount paid on application, Depository Participant and the collection centre of the Members of the Syndicate where the Application was submitted.

All grievances related to ASBA process where the application is submitted to a Member of the Syndicate should be addressed to the Registrar to the Issue with a copy to the relevant Member of the Syndicate and the relevant SCSB.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB, giving full details such as name, address of Applicant, Application Form number, number of NCDs applied for, amount blocked on Application and the Designated Branch or the collection centre of the SCSB where the Application Form was submitted by the ASBA Applicant.

All grievances arising out of Applications for the NCDs made through the Online Stock Exchanges Mechanism or through Trading Members may be addressed directly to the respective Stock Exchanges.

Lead Managers

ICICI Securities Limited

ICICI Centre, H.T. Parekh Marg, Churchgate
Mumbai 400 020, India
Telephone: (+91 22) 2288 2460
Facsimile: (+91 22) 2282 6580
Email: muthootfin.ncd@icicisecurities.com
Investor Grievance Email: customercare@icicisecurities.com
Website: www.icicisecurities.com
Contact person: Payal Kulkarni/ Amit Joshi
Compliance Officer: Subir Saha
SEBI Registration number: INM000011179

A. K. Capital Services Limited

30-39, Free Press House, Free Press Journal Marg
215, Nariman Point, Mumbai 400 021
Maharashtra, India
Telephone: (+91 22) 6754 6500
Facsimile: (+91 22) 6610 0594
Email: mflncd2012@akgroup.co.in
Website: http://www.akcapindia.com
Investor Grievance Email: investor.grievance@akgroup.co.in
Contact Person : Akshata Tambe/ Lokesh Singhi
Compliance Officer: Vikas Agarwal
SEBI Registration No.: INM000010411

Edelweiss Financial Services Limited

Edelweiss House, 14th Floor
Off CST Road, Kalina
Mumbai 400 098, Maharashtra, India
Telephone: (+91 22) 4086 3535
Facsimile: (+91 22) 4086 3610
Email: muthootfin.ncd@edelcap.com
Website: www.edelweissfin.com
Investor Grievance Email: customerservice.mb@edelcap.com
Contact Person : Sumeet Lath / Viral Shah
Compliance Officer: Mr. B. Renganathan
SEBI Registration No.: INM0000010650

Karvy Investor Services Limited

701, Hallmark Business Plaza
Sant Dnyaneshwar Marg
Off Bandra Kurla Complex
Bandra East, Mumbai - 400051
Maharashtra, India
Telephone: (+91 22) 6149 1500
Facsimile: (+91 22) - 6149 1515
Email: muthootncd@karvy.com
Website: www.karvy.com
Investor Grievance Email: cmg@karvy.com
Contact Person: Omkar Barve/ Sumit Singh
Compliance Officer: V Madhusudhan Rao
SEBI Registration No.: INM000008365

RR Investors Capital Services (P) Limited

133A, Mittal Tower, A Wing, Nariman Point
Mumbai - 400 021
Maharashtra, India
Telephone: (+ 91 22) 2288 6627
Facsimile: (+91 22) 2285 1925
Email: muthootncd@rrfcl.com
Website: www.rrfinance.com/rrfcl.com
Investor Grievance Email: investors@rrfcl.com
Contact Person: Brahm Dutta Singh
Compliance Officer: Sandeep Mahajan
SEBI Registration No.: INM000007508

SBI Capital Markets Limited

202, Maker Tower E, Cuffe Parade
Mumbai - 400 005, Maharashtra, India
Telephone: (+91 22) 2217 8300
Facsimile: (+91 22) 2218 8332
Email: mflncd2012@sbicaps.com
Website: www.sbicaps.com
Investor Grievance Email: investor.relations@sbicaps.com
Contact Person : Apeksha A Munwane / Anshika Malaviya
Compliance Officer: Bhaskar Chakraborty
SEBI Registration No.: INM 000003531

Lead Brokers**A.K.Stockmart Private Limited**

30-39, Free Press House
Free Press Journal House,
215, Nariman House
Mumbai-400 021, India
Telephone: (+91 22) 6754 4666
Facsimile: (+91 22) 6634 9300
Email: ankit@akgroup.co.in
Website: www.akcapindia.com
Contact person: Ankit Gupta
SEBI Registration No.: INB
231269532/ INB011269538

Anand Rathi Shares and Stock Brokers Limited

4th Floor, Silver Metropolis
Jai Coach Compound, Opposite
Bimbisar Nagar
Goregaon (E)
Mumbai- 400 063, India
Telephone: (+91 22) 4001 3773
Facsimile: (+91 22) 4001 3770
Email: vinaymahajan@rathi.com
Website: www.rathi.com
Contact person: Vinay Mahajan
SEBI Registration No.:
INB011371557 (BSE), INB
230676935 (NSE)

Bajaj Capital Investor Services Limited

5th Floor, 97
Bajaj House, Nehru Place
New Delhi- 110019, India
Telephone: (+91 11) 4169 3000
Facsimile: (+91 11) 6660 8888
Email: surajitm@bajajcapital.com
Website: www.justrade.in
Contact person: Surajit Misra
SEBI Registration No: INB
231269334 (NSE), INB 011269330
(BSE)

Bonanza Portfolio Limited

Delta House, J1
Cama Industrial Estate
Walbhat Road, Goregaon East
Mumbai- 63, India
Telephone: (+91 22) 4059 5727
Facsimile: (+91 22) 4059 5790
Email:
abhinay.c@bonanzaonline.com
Website: www.bonanzaonline.com
Contact person: Abhinay Chikne
SEBI Registration No.: NSE CM-
INB230637836

Edelweiss Broking Limited

Edelweiss House Off. C.S.T. Road
Kalina, Mumbai-400098, India
Telephone: (+91 22) 6747 1341
Facsimile: (+91 22) 67471341
Email: amit.dalvi@edelcap.com
Website: www.edelweissfin.com
Contact Person: Amit Dalvi
SEBI Registration No.:
INB/INFINE231311631 (NSE)/
INB011311637 (BSE)

Enam Securities Private Limited

Hari Chmaber, Ground Floor
58/64, S.B.Road
Fort - 400023, Mumbai, India
Telephone: (+91 22) 2267 7901
Facsimile: (+91 22) 2266 5613
Email: mukesh@enam.com /
vinay@enam.com
Website: www.enam.com
Contact Person: Vinay Ketkar/
Mukesh Kachalia
SEBI Registration No:
INM000006856

HDFC Securities Limited

I Think Techno Campus
 "Alpha", Office Floor 8
 Opp. Crompton Greaves
 Near Kanjunmarg Station
 Kanjunmarg (East)
 Telephone: (+91 22) 3075 3442
 Facsimile: (+91 22) 3075 3435
 Email: sunil.raula@hdfcsec.com
 Website: www.hdfcsec.com
 Contact Person: Sunil Raula
 SEBI Registration No.: BSE:
 INBO11109437; NSE:
 INB231109431

JM Financial Services Private Limited

Apeejay House, 3rd Floor
 Dinshaw Vachha Road
 Churchgate- 400020
 Mumbai, India
 Telephone: (+91 22) 3021 3500/
 6704 0404
 Facsimile: (+91 22) 6654 1511
 Email: rohit.singh@jmfl.com
 deepak.vaidya@jmfl.com
 Website:
 www.jmfinancialservices.in
 Contact Person: Rohit Singh/
 Deepak Vaidya
 SEBI Registration No: INB/F/E
 231054835 (NSE), INB/F
 011054831 (BSE)

Muthoot Securities Limited

Alpha Plaza, K.P. Vallon Road
 Kadavanthra, Cochin-682020
 Kerala, India
 Telephone: (+91 484) 3937 555
 Facsimile: (+91 484) 2310 332
 Email:
 securities@muthootsecurities.com
 Website:
 www.muthootsecurities.com
 Contact Person: Ragesh G.R.
 SEBI Registration No.: IN B/F/E
 231294332 (NSE)/ IN B/F
 011294338 (BSE)/ IN/E 011294332

SBICAP Securities Limited

Mafatlal Chambers, 2nd Floor
 C Wing, N.M. Joshi Marg
 Lower Parel, Mumbai- 400013, India
 Telephone: (+91 22) 4227 3300
 Facsimile: (+91 22) 4227 3390
 Email:
 archana.dedhia@sbicapsec.com
 Website: www.sbicapsec.com
 Contact Person: Archana Dedhia
 SEBI Registration No.:

ICICI Securities Limited

ICICI Centre, H.T.Parekh Marg,
 Churchgate, Mumbai-400 020, India
 Telephone: (+91 22) 2288 2460
 Facsimile: (+91 22) 2282 6580
 Email:
 muthootfin.ncd@icicisecurities.com
 Website: www.icicisecurities.com
 Contact Person: Mitesh Shah
 SEBI Registration No.:
 INB011286854 (BSE)/
 INB230773037 (NSE)

Karvy Stock Broking Limited

Karvy House, 46, Avenue 4
 Street No. 1, Banjara Hills
 Hyderabad- 500 034, India
 Telephone: (+91 40) 2331 2454
 Facsimile: (+91 40) 6662 1474
 Email: ramapriyanpb@karvy.com
 Website: www.karvy.com
 Contact Person: P.B. Ramapriyan
 SEBI Registration No.:
 INB230770138

RR Equity Brokers Private Limited

47, M.M.Road, Rani Jhansi Marg
 Jhandewalan, New Delhi-110055
 India
 Telephone: (+91 11) 23636362/
 23636363
 Facsimile: (+91 11) 23636666
 Email: manishagarwal@rrfcl.com
 Website: www.rrfcl.com
 Contact Person: Manish Agarwal
 SEBI Registration No.:
 INB011219632 (BSE)/
 INB231219636 (NSE)

Standard Chartered Securities (India) Limited

Standard Chartered Tower, 201-B/1
 1st Floor, Western Express Highway
 Goregaon (East),
 Mumbai – 400063, India
 Telephone: (+91 22) 6755 9626
 Facsimile: (+91 22) 6755 9607
 Email: rahul.kumble@sc.com
 Website:
 www.standardcharteredtrade.co.in

Integrated Enterprises (India) Limited

15, 1st Floor, Modern House
 Dr. V.B.Gandhi Marg
 Fort, Mumbai- 400023, India
 Telephone: (+91 22) 4066 1800
 Facsimile: (+91 22) 2287 4676
 Email: krishnan@integratedindia.in
 Website: www.integratedindia.in
 Contact Person: V. Krishnan
 SEBI Registration No.:
 INB231271835

Kotak Securities Limited

Nirlon House, 3rd Floor
 Dr. Annie Besant Road
 Near passport Office, Worli
 Mumbai- 400 025, India
 Telephone: (+91 22) 6740 9431/
 6740 9708
 Facsimile: (+91 22) 6661 7041
 Email: sanjeeb.das@kotak.com/
 umesh.gupta@kotak.com
 Website: www.kotak.com
 Contact Person: Sanjeeb Kumar Das/
 Umesh Gupta
 SEBI Registration No:
 INB230808130/ INB010808153

SMC Global Securities Limited

17, Netaji Subhash Marg
 Opposite Golcha Cinema
 Daryaganj, Delhi, India
 Telephone: (+91 11) 6607 0400
 Facsimile: (+91 11) 2326 3297
 Email: mkg@smcindiaonline.com/
 neerajkhanna@smcindiaonline.com
 neerajkhanna@smcindiaonline.com
 Website: www.smctradeonline.com
 Contact Person: Mahesh Gupta
 SEBI Registration No: 23/07714-31

SHCIL Services Limited

SHCIL House, P-51
 T.T.C. Industrial Area
 MIDC, Mahape
 Navi Mumbai- 400710, India
 Telephone: (+91 22) 2788 5335/
 2788 5338
 Facsimile: (+91 22) 6177 8648
 Email: raviranjana@stockholding.com
 Website: www.shcilservices.com
 Contact Person: Ravi Ranjan

INB231052938

Contact Person: Rahul Kumble
SEBI Registration No.:
INB011333334 (BSE)/
INB231333338

SEBI Registration No.:
INB011253839/INB231253833/
INF231253833

Debenture Trustee

IDBI Trusteeship Services Limited

Asian Building, Ground Floor,
17 R. Kamani Marg, Ballard Estate,
Mumbai- 400 001, India
Telephone: (+91 22) 4080 7000
Facsimile: (+91 477) 6631 1776
Email: sarita.iyer@idbitrustee.com
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
Telephone: (+91 22) 2596 7878
Facsimile: (+91 22) 2596 0329
Email: mfl4.ncd@linkintime.co.in
Investor Grievance Email: mfl4.ncd@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Dinesh Yadav
SEBI Registration No.: INR000004058

Statutory Auditors

M/s. Rangamani & Co

Chartered Accountants
17/598, 2nd Floor, Card Bank Building
West of YMCA Bridge
VCSB Road
Allepey 688 001
Kerala, India
Telephone: (+91 477) 2251915
Email: sreenivasan2121@gmail.com
Firm Registration number: 003050S

Credit Rating Agencies

ICRA Limited

1105, Kailash Building
11th Floor, Kasturba Gandhi Marg
New Delhi – 110001, India
Telephone: (+9111) 23357940-50
Facsimile: (+9111) 23357014
Website: www.icra.in
SEBI Registration Number: IN/CRA/003/1999

CRISIL Limited

CRISIL House, Central Avenue
Hiranandani Business Park, Powai

Mumbai 400 076, India.
Telephone: (+91 22) 3342 3000
Facsimile: (+91 22) 3342 3050
Website: www.crisil.com
SEBI Registration Number: IN/CRA/001/1999

Disclaimer clause of ICRA

“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 its 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.

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 this rating, the same would stand withdrawn unless revalidated before the expiry of 3 months.”

Disclaimer clause of CRISIL

“A CRISIL rating reflects CRISIL’s current opinion on the likelihood of timely payment of 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 and 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 practise of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL is not responsible for any error and especially states that it has no financial liability whatsoever to the subscribers/ users/ transmitters/ distributors of its ratings. For the latest rating information of any company rated by CRISIL please contact CRISIL RATING DESK, at CRISILratingdesk@crisil.com or at (+91 22) 3342 3001 – 09.”

Legal counsel to the Issue

Luthra & Luthra Law Offices

103, Ashoka Estate
24, Barakhamba Road
New Delhi 110 001, India.
Telephone: (+ 91 11) 4121 5100
Facsimile: (+ 91 11) 2372 3909

Escrow Collection Banks/ Bankers to the Issue

Axis Bank Limited

Ground Floor
Chicago Plaza, Rajaji Road
Kochi 682 035
Telephone: (+91 484) 441 1008
Facsimile: (+91 484) 238 4273
Email: suraj.das@axisbank.com/
kochi.operationshead@axisbank.com/
venkitachalam.anand@axisbank.com
Website www.axisbank.com
Contact Person: Suraj Das/ Venkitachalam Anand/ G.

HDFC Bank Limited

Corporate Banking
9th Floor, No. 115
Dr. Radhakrishnan Salai
Mylapore
Chennai 600 004, India
Telephone: (+91 44) 2847 7243
Facsimile: (+91 44) 2847 7250
Email: Rajesh.KumarM@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Rajesh Kumar M

Vancheeswaran
SEBI Registration Number: INBI00000017

SEBI Registration Number: INBI00000063

IndusInd Bank Limited

Cash Management Services
Solitaire Corporate Park
No. 1001, Building no. 10
Ground Floor, Guri Hargovindji Marg
Andheri (East)
Mumbai 400 093
Telephone: (+91 22) 6722 3901 – 3917
Facsimile: (+91 22) 6772 3998
Email: sanjay.vasarkar@indusind.com
Website: www.indusind.com
Contact Person: Sanjay Vasarkar/ Harpal Singh
SEBI Registration Number: INBI00000002

ICICI Bank Limited

Capital Market Division
Rajabhadur Mansion
30, Mumbai Samachar Marg
Fort, Mumbai 400 001
Telephone: (+91 22) 6631 0322
Facsimile: (+91 22) 6631 0350
Email: anil.gadoo@icicibank.com
Website: www.icicibank.com
Contact Person: Anil Gadoo
SEBI Registration Number: INBI00000004

IDBI Bank Limited

Unit no. 2, Corporate Park
Near Swastik Chambers, Sion – Trombay Road
Chembur, Mumbai – 400 071
Telephone: (+91 22) 6690 8402
Facsimile: (+91 22) 6690 8424
Email: v.jayanathan@idbi.co.in
Website: www.idbibank.com
Contact Person: V. Jauanathan
SEBI Registration Number: INBI00000076

State Bank of India

Capital Market Branch
Videocon Heritage (Killick House)
Ground Floor, Charanjit Lal Marg, Mumbai 400 001
Telephone: (+91 22) 2209 4932/ 2209 4927
Facsimile: (+91 22) 2209 4921/ 2209 4922
Email: nib.11777@sbi.co.in/ sbi11777@yahoo.co.in
Website: www.statebankofindia.com
Contact Person: Anil Sawant
SEBI Registration Number: INBI00000038

Refund Banks

IDBI Bank Limited

Unit no. 2, Corporate Park
Near Swastik Chambers, Sion – Trombay Road
Chembur, Mumbai – 400 071
Telephone: (+91 22) 6690 8402
Facsimile: (+91 22) 6690 8424
Email: v.jayanathan@idbi.co.in
Website: www.idbibank.com
Contact Person: V. Jauanathan
SEBI Registration Number: INBI00000076

Self Certified Syndicate Banks

The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA, including blocking of an ASBA Account, a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1333446433717.html or at such other website as may be prescribed by SEBI from time to time.

Trading Members

Individuals or companies registered with SEBI as “trading members” who hold the right to trade in stocks listed on the Stock Exchanges, through whom investors can buy or sell securities listed on the Stock Exchanges, a list of which are available on www.bseindia.com/memberdir/members.asp (for Trading Members of BSE) and www.nseindia.com/members (for Trading Members of NSE).

Bankers to the Company

Axis Bank Limited

Ground Floor, Chicago Plaza
Rajaji Road Kochi 682 035

HDFC Bank Limited

Corporate Banking
9th Floor, No. 115

Telephone: (+91 484) 441 1008
Facsimile: (+91 484) 238 4273
Email: suraj.das@axisbank.com/
kochi.operationshead@axisbank.com/
venkitachalam.anand@axisbank.com
Website www.axisbank.com
Contact Person: Suraj Das/ Venkitachalam Anand/ G.
Vancheeswaran

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Telephone: (+91 44) 2847 7243
Facsimile: (+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
SA Road, Kadavanthra
Kochi 682 016, India
Tel: (+91 484) 401 1365
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 0390/ 231 8889/ 329 0300
Fax: (+91 484) 231 9042
Email: pm.suresh@idbi.co.in
Website: www.idbi.com
Contact Person: P.M. Suresh

Credit Rating and Rationale

The NCDs proposed to be issued under the Issue have been rated “[ICRA] AA-/ Stable” by ICRA for an amount of upto ₹ 5,000.0 million vide its letter dated August 23, 2012, and “CRISIL AA-/Stable” by CRISIL for an amount of upto ₹ 5,000.0 million vide its letter dated August 14, 2012. The rating of the NCDs by ICRA indicates a high degree of safety regarding timely servicing of financial obligations. The rating of NCDs by CRISIL indicates a high degree of safety regarding timely servicing of financial obligations. For the rationale for these ratings, see Annexure B of this Prospectus at page 282.

Expert Opinion

Our Company has not obtained any expert opinions in relation to the Issue.

Minimum subscription

If our Company does not receive the minimum subscription of 75.00% of the Base Issue i.e. ₹ 1,875.0 million, prior to or on the Issue Closing Date, the entire subscription amount shall be refunded to the Applicants within the time period prescribed under applicable regulatory/ statutory requirements. 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.

Utilisation of the proceeds of the Issue

Our Board of Directors undertakes 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 Companies 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
- our Company shall utilise the proceeds of the Issue only upon creation of the security as stated in this Prospectus.

Issue Programme

The Issue shall remain open for subscription from 10:00 a.m. till 5.00 p.m. (Indian Standard Time) for the period indicated below, except that the Issue may close on such earlier date or extended date as may be decided by the Board

or the NCD Public Issue Committee, subject to necessary approvals. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a reputed daily national newspaper on or before such earlier or extended date of Issue closure.

ISSUE OPENS ON	SEPTEMBER 17, 2012
ISSUE CLOSES ON	OCTOBER 5, 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 March 31, 2012 comprised approximately six million loan accounts in India that we serviced through 3,678 branches across 20 states, the national capital territory of Delhi and four union territories in India. We have since increased our branch network to 3,780 branches as of June 30, 2012. As of June 30, 2012, we employed 25,103 persons in our operations.

We are a “Systemically Important Non-deposit taking NBFC” headquartered in the south 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. For the years ended March 31, 2008, 2009, 2010, 2011 and 2012, revenues from our Gold Loan business constituted 95.97%, 96.71%, 98.08%, 98.75% and 99.12%, 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 of March 31, 2012 we had ₹ 66,102.0 million in outstanding Muthoot Gold Bonds and ₹ 127,730.0 million in other borrowings. We also raise capital by issuing commercial paper and listed and 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. Our average disbursed Gold Loan amount outstanding was ₹ 40,611 per loan account as of March 31, 2012. For the year ended March 31, 2012, our retail loan portfolio earned, on an average, interest of 1.86% per month, or 22.34% per annum.

As of March 31, 2008, 2009, 2010, 2011 and 2012, 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 ₹ 244,173.0 million, respectively, and approximately 30.1 tons, 38.9 tons, 65.5 tons, 112.0 tons and 137.1 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 0.56% of our gross retail loan portfolio under management as of March 31, 2008, 2009, 2010, 2011 and 2012, respectively.

For the years ended March 31, 2008, 2009, 2010, 2011 and 2012, our total income was ₹ 3,686.4 million, ₹ 6,204.0 million, ₹ 10,893.8 million, ₹ 23,158.7 million and ₹ 45,490.6 million, respectively, demonstrating an annual growth rate of 57.56%, 68.29%, 75.59%, 112.59% and 96.42%, respectively. For the years ended March 31, 2008, 2009, 2010, 2011 and 2012 our profit after tax was ₹ 630.6 million, ₹ 978.7 million, ₹ 2,285.2 million, ₹ 4,941.8 million and ₹ 8,920.2 million, respectively, demonstrating an annual growth rate of 43.80%, 55.20%, 133.49%, 116.25% and 80.51%, respectively. As of March 31, 2008, 2009, 2010, 2011 and 2012, our net worth was ₹ 2,223.6 million, ₹ 3,702.3 million, ₹ 5,845.5 million, ₹ 13,344.1 million, and ₹ 29,257.3 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). Our loan portfolio as of March 31, 2012 comprised approximately six million loan accounts, in India with Gold Loans outstanding of ₹ 244,173.0 million.
- We have the largest branch network among gold loan NBFCs, according to the IMaCS Industry Report (2010 update). Our branch network has expanded significantly in recent years from 373 branches as of March 31, 2005 to 3,780 branches as of June 30, 2012, comprising 657 branches in northern India, 2,435 branches in southern India, 500 branches in western India and 188 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 south Indian states of Tamil Nadu, Kerala, Andhra Pradesh and Karnataka. As of March 31, 2012, the south Indian states of Tamil Nadu, Kerala, Andhra Pradesh, Karnataka and the Union Territory of Pondicherry constituted 68.40% 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, our retail loan portfolio has grown from ₹ 22,262.8 million as of March 31, 2008 to ₹ 246,736.0 million as of March 31, 2012. 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, except in case of first time customer where it may take upto half an hour for carrying out one-time-compliance with the KYC norms. 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 three public issue of secured non-convertible debentures in September 2011 raising ₹ 6,932.8 million, in January 2012 raising ₹ 4,593.1 million and in April 2012 raising ₹ 2,597.5 million. For further information, see the sections titled “*History and Main Objects*” and “*Capital Structure*” at pages 82 and 50, respectively. As of March 31, 2008, 2009, 2010, 2011 and 2012, aggregate outstanding amount of our Muthoot Gold Bonds portfolio was ₹ 12,403.3 million, ₹ 19,019.8 million, ₹ 27,192.5 million, ₹ 39,832.3 million and ₹ 66,102.4 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 of March 31, 2008, 2009, 2010 2011 and 2012, our outstanding borrowings from banks were ₹ 5,884.9 million, ₹ 11,067.6 million, ₹ 21,278.7 million ₹ 60,529.1 million and ₹ 86,470.1 million, respectively. We also issue subordinated debt which is considered as Tier II capital of our Company under private placement mode to mainly retail investors through our branch network. For details in relation to our credit rating of our debt instruments, see sub-section titled “*Our Strategies - Access to low-cost and diversified sources of funds*” at page 43.

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 Kochi and in New Delhi, and regional training centers at each of our regional offices. 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 Strategies

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 south 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 945 branches in the last fiscal year and 102 branches between April 1, 2012 and June 30, 2012, 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 to 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 ₹ 10,428.0 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 March 31, 2012, the outstanding amount issued under commercial paper and a rated short-term non-convertible debenture was ₹ 7,694.5 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 ₹ 4,000.0 million and ₹ 1,000.0 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 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 June 30, 2012, we had installed surveillance cameras in 3,001 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 the information provided in the section titled “*Terms of the Issue*” at page 161.

Common Terms of the NCDs

Issuer	Muthoot Finance Limited
Issue	Public issue by our Company of NCDs aggregating upto ₹ 2,500.0 million with an option to retain over-subscription upto ₹ 2,500.0 million for issuance of additional NCDs, aggregating to a total of upto ₹ 5,000.0 million.
Stock exchanges proposed for listing of the NCDs	BSE and NSE.
Issuance and trading	The NCDs will be issued in both physical as well as dematerialised form. Trading in the NCDs will however take place compulsorily in dematerialised form. Please note, however, that Applicants cannot apply for Allotment of NCDs under Option V in physical form.
Trading lot	1 (one) NCD
Depositories	NSDL and CDSL
Security	The security for the NCDs for the purpose of this Issue will be created in accordance with the terms of the Debenture Trust Deed. For further details see the section titled “ <i>Issue Structure</i> ” at page 165.
Rating	The NCDs proposed to be issued under the Issue have been rated “[ICRA] AA -/ Stable” by ICRA for an amount of upto ₹ 5,000.0 million vide its letter dated August 23, 2012, and “CRISIL AA-/Stable” by CRISIL for an amount of upto ₹ 5,000.0 million vide its letter dated August 14, 2012. The rating of the NCDs by ICRA indicates a high degree of safety regarding timely servicing of financial obligations. The rating of 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 the NCDs and investors should take their own decisions. For further details, please refer to Annexure B at page 282 for the rationale for the above ratings.
Issue Programme*	The Issue shall be open from September 17, 2012 to October 5, 2012 with an option to close earlier and/or extend upto a period as may be determined by the Board or the NCD Public Issue Committee.
Pay-in date	3 (Three) days from the date of upload of the Application on the electronic platform of the Stock Exchanges or the date of realisation of the cheques/demand drafts, whichever is later.
Deemed Date of Allotment	The Deemed Date of Allotment shall be the date as decided by the Board, or the NCD Public Issue Committee, and as mentioned on the Allotment Advice.
Day count basis	Actual/ Actual.

* * The Issue shall remain open for subscription from 10:00 a.m. till 5.00 p.m. (Indian Standard Time) for the period indicated above, except that the Issue may close on such earlier date or extended date as may be decided by the Board or the NCD Public Issue Committee, subject to necessary approvals. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a reputed daily national newspaper on or before such earlier or extended date of Issue closure.

The specific terms of each instrument are set out below:

Options	I	II	III	IV	V
Frequency of interest payment	Annual	Annual	Monthly	Annual	N.A.
Minimum application	₹ 10,000 (10 NCDs) (for all options of NCDs, namely Option I, Option II, Option III, Option IV and Option V either taken individually or collectively)				
In multiples of	₹ 1,000 (One NCD)	₹ 1,000 (One NCD)	₹ 1,000 (One NCD)	₹ 1,000 (One NCD)	₹ 1,000 (One NCD)
Face value of NCDs (₹ / NCD)	₹ 1,000	₹ 1,000	₹ 1,000	₹ 1,000	₹ 1,000
Issue Price (₹ / NCD)	₹ 1,000	₹ 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	Through various options available
Coupon Rate (%) for NCD Holders in Category I, Category II and	11.50%	11.75%	11.75%	12.00%	N.A.

Options	I	II	III	IV	V
Category III					
Effective yield (per annum) for NCD Holders in Category I, Category II and Category III	11.50%	11.75%	12.40%	12.00%	12.25%
Tenor	24 months	36 months	60 months	60 months	72 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.	60 months from the Deemed Date of Allotment.	72 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.	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 the Issue have been rated “[ICRA] AA -/ Stable” by ICRA for an amount of upto ₹ 5,000.0 million vide its letter dated August 23, 2012, and “CRISIL AA-/Stable” by CRISIL for an amount of upto ₹ 5,000.0 million vide its letter dated August 14, 2012. The rating of the NCDs by ICRA indicates a high degree of safety regarding timely servicing of financial obligations. The rating of 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 the NCDs and investors should take their own decisions. For further details, please refer to Annexure B at page 282 for the rationale for the above ratings.				
Deemed Date of Allotment	The Deemed Date of Allotment shall be the date as decided by the Board or the NCD Public Issue Committee, and as mentioned on the Allotment Advice.				
Security	First <i>pari passu</i> charge on the identified immovable property and a first <i>pari passu</i> charge on current assets, book debts, loans and advances, and receivables including gold loan receivables, both present and future, of our Company.				

Please see the sections titled “*Issue Procedure – Who can apply*” and “*Issue Procedure – Basis of Allotment*” at pages 177 and 196, 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*” at page 103.

REFORMATTED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

Rs. In Millions

Particulars		As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
EQUITY AND LIABILITIES						
I	Shareholders' funds					
(a)	Share capital	3,717.13	3,202.13	3,010.00	490.00	50.00
(b)	Reserves and surplus	25,540.19	10,142.00	2,835.46	3,212.27	2,173.58
		29,257.32	13,344.13	5,845.46	3,702.27	2,223.58
II	Non-current liabilities					
(a)	Long-term borrowings	62,416.53	26,692.18	11,208.20	6,638.74	5,017.95
(b)	Other Long term liabilities	2,686.94	1,258.61	749.82	443.94	251.28
		65,103.47	27,950.79	11,958.02	7,082.68	5,269.23
III	Current liabilities					
(a)	Short-term borrowings	92,386.82	72,414.08	22,315.07	11,468.93	6,264.75
(b)	Trade Payables & Other current liabilities	44,227.65	22,899.69	23,056.51	14,909.89	8,843.96
(c)	Short-term provisions	2,746.76	601.31	180.44	43.90	36.38
		139,361.23	95,915.08	45,552.02	26,422.72	15,145.09
	Total Equity and Liabilities (I+II+III)	233,722.02	137,210.00	63,355.50	37,207.67	22,637.90
ASSETS						
IV	Non-current assets					
(a)	Fixed assets					
	Tangible assets	2,621.06	1,835.57	1,242.05	1,161.91	992.51
	Intangible assets	5.84	2.21	3.54	87.80	92.51
	Capital work-in-progress	38.95	47.97	83.37	34.01	63.63
	Intangible assets under development	16.42	-	-	-	-
(b)	Non-current investments	75.05	75.05	75.05	75.31	55.31
(c)	Deferred tax assets (net)	3.90	(24.74)	(24.83)	(37.87)	(41.73)
(d)	Long-term loans and advances	1,098.70	903.86	429.71	233.42	121.81
(e)	Other non-current assets	0.51	-	-	-	-
		3,860.43	2,839.92	1,808.89	1,554.58	1,284.04
V	Current Assets					
(a)	Current investments	900.00	-	-	10.00	128.13
(b)	Trade receivables	7,340.23	3,468.66	1,392.02	1,196.73	689.34
(c)	Cash and Cash Equivalents	7,950.39	13,754.95	5,759.92	8,825.32	2,580.38
(d)	Short-term loans and advances	213,600.22	117,057.22	54,390.16	25,599.29	17,954.79
(e)	Other current assets	70.75	89.25	4.51	21.75	1.22
		229,861.59	134,370.08	61,546.61	35,653.09	21,353.86
	Total Assets (IV+V)	233,722.02	137,210.00	63,355.50	37,207.67	22,637.90
		As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
	Net Worth Represented by					
	Share Capital	3,717.13	3,202.13	3,010.00	490.00	50.00
	Reserves and Surplus	25,540.19	10,142.00	2,835.46	3,212.27	2,173.58
	NET WORTH	29,257.32	13,344.13	5,845.46	3,702.27	2,223.58

REFORMATTED SUMMARY STATEMENT OF PROFIT AND LOSS

Rs. In Millions

	Particulars	For the year Ended March 31, 2012	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
A	INCOME					
i	Revenue from Operations	45,366.72	23,015.05	10,804.94	6,120.66	3,662.49
ii	Other income	123.84	143.62	88.86	83.36	23.89
	Total Revenue	45,490.56	23,158.67	10,893.80	6,204.02	3,686.38
B	EXPENSES					
i	Employee benefits expense	4,144.77	2,209.49	1,169.44	677.01	405.35
ii	Finance costs	23,698.99	10,382.87	4,745.36	3,109.28	1,797.99
iii	Other expenses	3,393.18	2,239.47	1,146.57	698.59	380.68
iv	Directors Remuneration	192.00	192.00	192.23	120.90	48.90
v	Depreciation and amortization Expense	329.18	180.98	157.51	109.69	76.77
vi	Provisions and Write Offs	419.97	341.75	27.16	6.85	6.91
	Total expenses	32,178.09	15,546.56	7,438.27	4,722.32	2,716.60
C	Profit Before Tax (A-B)	13,312.47	7,612.11	3,455.53	1,481.70	969.78
D	Tax expense					
i	Current tax	4,420.86	2,670.46	1,192.81	508.36	339.39
ii	Deferred tax	(28.63)	(0.11)	(13.03)	(3.86)	(5.58)
	Total tax expenses	4,392.23	2,670.35	1,179.78	504.50	333.81
E	Profit for the year	8,920.24	4,941.76	2,275.75	977.20	635.97
	Adjustments of earlier year Income Tax Interest paid in 2009-10 reclassified to the respective years	-	-	9.41	(4.46)	(5.32)
	Adjustment of excess provision of income tax, for earlier years written back	-	-	-	5.96	-
	Net Adjustments (Refer note C of Annexure VI)	-	-	9.41	1.50	(5.32)
	Net Profit/(Loss) as Restated	8,920.24	4,941.76	2,285.16	978.70	630.65

REFORMATTED SUMMARY OF CASH FLOW STATEMENT

Rs. In Millions

Particulars	For the year Ended March 31, 2012	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
A Cash Flow From Operating Activities					
Net Profit Before Taxation	13,312.47	7,612.11	3,455.53	1,481.70	969.78
Adjustments for:-					
Add: Provision for Non-Performing Assets and Standard assets	350.74	323.46	20.98	6.85	6.91
Add: Finance Cost	23,698.99	10,382.87	4,745.36	3,109.28	1,797.99
Add: Income Tax Paid	-	32.27	-	-	-
Add: Loss on Sale of Fixed Assets	-	0.13	-	-	-
Add: Depreciation and amortisation	329.17	180.98	157.51	109.69	76.76
Less: Profit on sale of Fixed Assets	(0.40)	-	(4.60)	(0.18)	(0.08)
Less: Interest received on Bank Deposits	(122.57)	(142.92)	(83.71)	(72.26)	(22.28)
Operating profit before working capital changes	37,568.40	18,388.90	8,291.07	4,635.08	2,829.08
Adjustments for:-					
(Increase) / Decrease in Loans and Advances	(96,737.84)	(63,061.72)	(29,023.70)	(7,817.05)	(4,016.39)
(Increase) / Decrease in Trade receivables	(3,871.57)	(2,076.64)	(195.29)	(409.79)	(652.66)
(Increase) / Decrease in other receivables	(0.52)	-	-	-	-
Increase / (Decrease) in Current liabilities	200.12	170.62	1,800.74	69.02	965.57
Increase / (Decrease) in Other Liabilities	16.62	2.08	40.37	(0.54)	20.28
Cash generated from operations	(62,824.79)	(46,576.76)	(19,086.81)	(3,523.28)	(854.13)
Finance cost paid	(19,909.08)	(11,201.22)	(3,867.68)	(2,597.08)	(2,018.06)
Direct tax paid	(4,354.21)	(2,605.32)	(1,067.84)	(506.19)	(318.52)
Net cash from operating activities (A)	(87,088.08)	(60,383.30)	(24,022.33)	(6,626.55)	(3,190.71)
B Cash Flow From Investing Activities					
Purchase of Fixed Assets	(1,118.78)	(773.86)	(326.88)	(274.81)	(664.58)
Sale of Fixed Assets	0.89	0.58	50.48	0.62	0.67
(Increase) / Decrease in Capital Work in Progress	(7.39)	(44.08)	(49.36)	63.63	(50.48)
(Investments in Bonds)/ Sale of Bonds	(900.00)	-	10.00	(20.00)	-
Interest received on Bank Deposits	141.07	58.18	123.38	99.19	595.72
Net Cash from Investing Activities (B)	(1,884.21)	(759.18)	(192.38)	(131.37)	(118.67)
C Cash From Financing Activities					
Net Proceeds from Issue of Debentures	34,646.13	16,289.75	8,672.68	6,616.54	3,571.15
Increase / (Decrease) in Loan from Directors / Relatives of Directors	(559.54)	246.99	103.49	114.24	44.97
Increase / (Decrease) in Borrowings from Bank /Financial Institutions	31,790.84	39,250.59	10,211.09	5,070.71	1,711.53
Increase / (Decrease) in Inter Corporate Loan	127.40	(13.70)	14.53	2.22	(1.10)
Increase / (Decrease) in Subordinated debt	7,695.24	3,859.18	2,147.53	699.15	-
Increase / (Decrease) in Commercial Papers	746.67	6,947.81	-	-	-
Issue of Equity Shares	9,012.50	2,556.90	-	500.00	-
Expenses for Initial Public Offer	(291.49)	-	-	-	-
(Increase)/ Decrease in bank deposits held for greater than 3 months	127.01	(1,737.69)	309.41	(500.04)	(789.20)
Net Cash from Financing Activities (C)	83,294.76	67,399.83	21,458.73	12,502.82	4,537.35
Net Increase In Cash And Cash Equivalents (A+B+C)	(5,677.53)	6,257.35	(2,755.98)	5,744.90	1,227.97
Cash And Cash Equivalent At The Beginning of The Year	10,989.18	4,731.83	7,487.81	1,742.91	514.94
Cash And Cash Equivalent At The End of The	5,311.65	10,989.18	4,731.83	7,487.81	1,742.91

Particulars		For the year Ended March 31, 2012	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
Year						
Components of Cash and Cash Equivalents at the end of the year						
Current Account with Banks		2,989.30	9,329.38	3,552.13	1,475.80	311.26
Deposit with Banks		50.00	309.71	100.21	5,543.50	1,160.01
Cash on Hand		2,272.35	1,350.09	1,079.49	468.51	271.64
Total		5,311.65	10,989.18	4,731.83	7,487.81	1,742.91

CAPITAL STRUCTURE

Details of share capital

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

	Particulars	Amount in ₹
A	Authorised share capital	
	450,000,000 Equity Shares	4,500,000,000
	5,000,000 redeemable preference shares of ₹ 1,000 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

Details of changes in the authorised capital of our Company as on the date of this Prospectus

S.No.	Particulars of increase	Date of shareholders' meeting	AGM/EGM
1.	Increase in the authorised share capital from ₹ 6,000,000 divided into 600,000 Equity Shares to ₹ 26,000,000 divided into 2,600,000 Equity Shares.	November 20, 2001	EGM
2.	Increase in authorised share capital from ₹ 26,000,000 divided into 2,600,000 Equity Shares to ₹ 86,000,000 divided into 8,600,000 Equity Shares.*	August 21, 2004	Court convened general meeting
3.	Increase in authorised share capital from ₹ 86,000,000 divided into 8,600,000 Equity Shares to ₹ 500,000,000 divided into 50,000,000 Equity Shares.	September 10, 2008	AGM
4.	Increase in authorised share capital from ₹ 500,000,000 divided into 50,000,000 Equity Shares to ₹ 3,500,000,000 divided into 350,000,000 Equity Shares.	August 24, 2009	EGM
5.	Increase in authorised share capital from ₹ 3,500,000,000 divided into 350,000,000 Equity Shares to ₹ 4,500,000,000 divided into 450,000,000 Equity Shares.	September 21, 2010	EGM
6.	Increase in authorised share capital from ₹ 4,500,000,000 divided into 450,000,000 Equity Shares to ₹ 9,500,000,000 divided into 450,000,000 Equity Shares 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 the section titled "History and Main Objects" at page 82.*

Notes to capital structure

1. *Share capital history of our Company*

(a) *Equity Share capital history of our Company*

The Equity Share capital history of our Company is as follows.

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	2,770	10	10	Cash	Preferential	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 (₹)
27, 2007					Allotment ⁽⁶⁾			
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 an 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 an 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 an 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 an 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 an 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 an 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 our Company whereby every shareholder of Muthoot Enterprises Private Limited is entitled to shares of our Company in the ratio of 3:1. For further details regarding the scheme of arrangement and amalgamation, see "History and Main Objects" on page 82.

⁽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.*

Except as disclosed below, our Company has not issued any Equity Shares for consideration other than cash.

Date of allotment	No. of Equity Shares	Issue price (₹)	Reasons for allotment	Benefits accruing to our Company
March 21, 2005	1, 993, 230	-	Pursuant to scheme of amalgamation ⁽¹⁾	Allotment pursuant to a 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 our Company whereby every shareholder of Muthoot Enterprises Private Limited is entitled to shares of our Company in the ratio of 3:1. For further details regarding the scheme of arrangement and amalgamation, see the section titled "History and Main Objects" at page 82.

2. Share holding pattern of our Company

The shareholding pattern of our Company as on August 24, 2012, is as follows.

Category of shareholder	Number of shareholders	Total number of Equity Shares	Number of shares held in dematerialized form	Total shareholding as a % of total number of Equity Shares (A+B)	Shares pledge or otherwise encumbered Number As a % of shares		Total shareholding as a % of total number of Equity Shares (A+B+C)
Shareholding of Promoter and Promoter Group (A)							
Indian							
Individuals/ Hindu Undivided Family	13	297,797,872	297,797,872	80.12	-	-	80.12
Central Government/ State Government(s)	-	-	-	-	-	-	-
Bodies Corporate	-	-	-	-	-	-	-
Financial Institutions/ Banks	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-
Foreign							
Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-
Bodies Corporate (OCB)	-	-	-	-	-	-	-
Institutions/ FII	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-
Total Shareholding of Promoter and Promoter Group (A)	13	297,797,872	297,797,872	80.12	-	-	80.12
Public shareholding (B)							
Institutions (B1)							
Mutual Funds/ UTI	11	15,508,148	15,508,148	4.17	-	-	4.17
Financial Institutions/ Banks	2	8,200	8,200	0.00	700	8.54	0.00
Central Government/ -State Government(s)	-	-	-	-	-	-	-
Venture Capital Funds	-	-	-	-	-	-	-
Insurance Companies	-	-	-	-	-	-	-
Foreign Institutional Investors	40	21,727,092	21,727,092	5.85	-	-	5.85
Foreign Venture Capital Investor	-	-	-	-	-	-	-
Qualified Foreign Investors (Individuals)	-	-	-	-	-	-	-
Qualified Foreign Investors (Corporations)	-	-	-	-	-	-	-
Sub-Total (B)(1)	53	37,243,440	37,243,440	10.02	700	0.00	10.02
Non-institutions (B2)							
Bodies Corporate	442	4,203,344	4,203,344	1.13	791,757	18.84	1.13
Individual shareholders holding nominal share capital upto ₹ 1 lakh	62,349	6,787,456	6,784,388	1.83	15,356	0.23	1.83
Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	48	2,561,595	2,561,595	0.69	324,230	12.66	0.69
Qualified Foreign Investors (Individuals)	-	-	-	-	-	-	-
Qualified Foreign Investors (Corporations)	-	-	-	-	-	-	-
Trusts	6	1,416	1,416	0.00	-	-	0.00
Clearing members	175	226,260	226,260	0.06	14,631	6.47	0.06
Foreign nationals	-	-	-	-	-	-	-
Non Resident Indians (Repatriation basis)	801	565,537	565,537	0.15	-	-	0.15
Non Resident Indians (Non-repatriation basis)	220	71,058	71,058	0.02	-	-	0.02
Foreign Companies	4	2,225,479	22,254,790	5.99	-	-	5.99
Others	-	-	-	-	-	-	-
Market Makers	-	-	-	-	-	-	-
Office Bearers	-	-	-	-	-	-	-
Sub-Total (B)(2)	64,045	36,671,456	36,668,388	9.87	1,145,974	3.13	9.87
Total Public Shareholding (B) = (B)(1)+(B)(2)	64,098	73,914,896	73,911,828	19.88	1,146,674	1.55	19.88
Total (A)+(B)	64,111	371,712,768	371,709,700	100.00	1,146,674	0.31	100.00

Category of shareholder	Number of shareholders	Total number of Equity Shares	Number of shares held in dematerialized form	Total shareholding as a % of total number of Equity Shares (A+B)	Shares pledge or otherwise encumbered Number As a % of shares	Total shareholding as a % of total number of Equity Shares (A+B+C)
Shares held by custodians and against which Depository receipts have been issued (C)						
(1) Promoter and Promoter Group	-	-	-	-	-	-
(2) Public	-	-	-	-	-	-
GRAND TOTAL (A)+(B)+(C)	64,111	371,712,768	371,709,700	100.00	1,146,674	0.31

3. Top ten shareholders of our Company

Our top ten shareholders and the number of Equity Shares held by them as on as on August 24, 2012 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 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.	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

4. Top ten holders of debt instruments as on August 24, 2012

For details of the top ten holders of debt instruments of our Company as on August 24, 2012, please see “Annexure A – Top ten holders of our debt instruments” at page 253.

5. Debt to equity ratio

The debt to equity ratio prior to this Issue is based on a total outstanding debt of ₹ 197,146.2 million and shareholder funds amounting to ₹ 31,718.3 million as on June 30, 2012. The debt equity ratio post the Issue, (assuming subscription of NCDs aggregating to ₹ 5,000.0 million) would be 6.37 times, based on a total outstanding debt of ₹ 202,146.2 million and shareholders’ funds of ₹ 31,718.3 million as on June 30, 2012.

Particulars	(in ₹ million)	
	Prior to the Issue	Post the Issue [#]
Secured loans as on June 30, 2012	174,528.0	179,528.0
Unsecured loans as on June 30, 2012	22,618.2	22,618.2
Total debt	197,146.2	202,146.2
Share capital as on June 30, 2012	3717.1	3717.1
Reserves as on June 30, 2012	28,001.2	28,001.2
Less: Miscellaneous Expenditure (to the extent not written off or adjusted) as on June 30, 2012	-	-
Total Shareholders’ Funds	31,718.3	31,718.3
Debt Equity Ratio (No. of Times)#	6.22	6.37

[#] The debt-equity ratio post the Issue is indicative and is on account of assumed inflow of ₹5,000.0 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, see the section titled “Disclosures on Existing Financial Indebtedness” at page 145.

OBJECTS OF THE ISSUE

Issue proceeds

Our Company has filed this Prospectus for a public issue of NCDs aggregating upto ₹ 2,500.0 million with an option to retain over-subscription upto ₹ 2,500.0 million for issuance of additional NCDs, aggregating to a total of upto ₹ 5,000.0 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 shall monitor the utilisation of the proceeds of the Issue. Our Company will disclose in our Company's financial statements for the relevant financial year commencing from the financial year ended March 31, 2013, 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 our 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 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, as may be approved by the Board, and/or any duly constituted committee of Directors of our Company, as the case may be. Such investments would be in accordance with the investment policies approved by our Board from time to time.

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, any key managerial personnel, or companies promoted by our Promoters except in the usual course of business.

Further, our Company undertakes that proceeds from the Issue from the 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 extant RBI regulations.

STATEMENT OF TAX BENEFITS

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE DEBENTURE HOLDERS

Under the current tax laws, the following tax benefits, inter alia, will be available to the Debenture Holders. 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.

A. IMPLICATIONS UNDER THE INCOME-TAX ACT, 1961 ('I.T. ACT')

I. To the 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 I.T. Act and such tax would need to be withheld at the time of credit/payment as per the provisions of Section 193 of the I.T. Act. However, no income tax is deductible at source in respect of the following:

a. In case the payment of interest on debentures to a resident individual or a Hindu Undivided Family ('HUF') Debenture Holder does not or is not likely to exceed Rs. 5,000 in the aggregate during the Financial year and the interest is paid by an account payee cheque.

b. On any security issued by a company in a dematerialized form and is listed on recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 and the rules made thereunder. (w.e.f. 01.06.2008).

c. 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 I.T. Act; and that certificate is filed with the Company before the prescribed date of closure of books for payment of debenture interest

d. (i) When the resident Debenture Holder with Permanent Account Number ('PAN') (not being a company or a firm) submits a declaration as per the provisions of section 197A(1A) of the I.T. Act in the prescribed Form 15G verified in the prescribed manner to the effect that the tax on his estimated total income of the financial year in which such income is to be included in computing his total income will be NIL. However under section 197A(1B) of the I.T. Act, Form 15G cannot be submitted nor considered for exemption from tax deduction at source if the aggregate of interest income credited or paid or likely to be credited or paid during the Financial 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 01.04.2012, the maximum amount of income not chargeable to tax in case of individuals (other than senior citizens and super senior citizens) and HUFs is Rs. 2,00,000; ; 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 Financial year (Senior Citizen) is Rs. 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 Financial year (Super Senior Citizen) is Rs. 5,00,000 for Financial Year 2012-13.

(ii) Senior citizens, who are 60 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 I.T. Act even if the aggregate income credited or paid or likely to be credited or paid exceeds the maximum amount not chargeable to tax, provided that the tax due on total income of the person is NIL.

(iii) In all other situations, tax would be deducted at source as per prevailing provisions of the I.T. Act. Form No.15G with PAN / Form No.15H with PAN / Certificate issued u/s 197(1) has to be filed with the Company before the prescribed date of closure of books for payment of debenture interest without any tax withholding.

2. In case where tax has to be deducted at source while paying debenture interest, the Company is not required to deduct surcharge, education cess and secondary and higher education cess.

3. Under section 2(29A) of the IT Act, read with section 2(42A) of the I.T. 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 I.T. 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 after reducing indexed cost of acquisition or 10% of capital gains without indexation of the cost of acquisition. The capital gains will be computed by deducting expenditure incurred in connection with such transfer and cost of acquisition/indexed cost of acquisition of the debentures from the sale consideration.

However as per the third proviso to section 48 of I.T. Act, benefit of indexation of cost of acquisition under second proviso of section 48 of I.T. Act, is not available in case of bonds and debenture, except capital indexed bonds. Thus, long term capital gains arising out of listed debentures would be subject to tax at the rate of 10 % computed without indexation.

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.

4. 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 I.T. Act. The provisions relating to maximum amount not chargeable to tax described at para 2 above would also apply to such short term capital gains.

5. 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 I.T. Act.

II. To the Non Resident Debenture Holder

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

a. Under section 115E of the I.T. 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 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 I.T. Act, 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 section 10(4B) of the I.T. Act in accordance with and subject to the provisions contained therein.

c. Under section 115G of the I.T. Act, it shall not be necessary for a non-resident Indian to file a return of income under section 139(1) of the I.T. 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 I.T. Act in accordance with and subject to the provisions contained therein.

d. Under section 115H of the I.T. 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 as a resident, 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 I.T. Act, a Non-Resident Indian may opt not to be governed by the provisions of Chapter XII-A of the I.T. Act. In that case,

a. Long term capital gains on transfer of listed debentures would be subject to tax at the rate of 10% computed without indexation

b. Short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months preceding the date of transfer, would be taxed at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act

c. Where, 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 I.T. Act.

3. Under Section 195 of the I.T. Act, the company is required to deduct the applicable tax at source ie. 20% on investment income and 10% on any long-term capital gains as per section 115E, and at the normal rates for Short Term Capital Gains if the payee Debenture Holder is a Non Resident Indian.

4. In case of foreign companies, where the income paid or likely to be paid exceeds Rs. 1,00,00,000 a surcharge of 2% of such tax liability is payable. 2% education cess and 1% secondary and higher education cess on the total income tax (including surcharge) is also deductible.

5. The Finance Act, 2012 (by way of insertion of a new section 194LC in the I.T. Act) provides for lower rate of withholding tax at the rate of 5% (as against 20%) on payment by way of interest paid by an Indian company to a non-resident (including

a foreign company) in respect of borrowing made in foreign currency from sources outside India between July 1, 2012 and July 1, 2015, under a loan agreement approved by Central Government.

6. As per section 90(2) of the I.T. Act read with the Circular no. 728 dated October 30, 1995 issued by the Central Board of Direct Taxes, 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. However, submission of tax residency certificate, containing prescribed particulars is a mandatory condition for availing benefits under any DTAA.

7. 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 I.T. Act, from the Assessing Officer before the prescribed date of closure of books for payment of debenture interest. However, an application for the issuance of such certificate would not be entertained in the absence of PAN as per the provisions of section 206AA.

III. To the Foreign Institutional Investors (FIIs)

1. In accordance with and subject to the provisions of section 115AD of the I.T. Act, long term capital gains on transfer of debentures by FIIs 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 benefit of cost indexation will not be available. Further, benefit of provisions of the first proviso of section 48 of the I.T. 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 of Section 115AD. In addition to the aforesaid tax, in case of foreign corporate FIIs where the income exceeds Rs. 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 FII's.

3. In accordance with and subject to the provisions of section 196D(2) of the I.T. Act, no deduction of tax at source is applicable in respect of capital gains arising on the transfer of debentures by FIIs.

4. The provisions at para II (6 and 7) above would also apply to FIIs.

IV. To the Other Eligible Institutions

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 I.T. Act subject to and in accordance with the provisions contained therein.

V. Exemption under Sections 54EC and 54F of the I.T. Act

1. Under section 54EC of the I.T. Act, long term capital gains arising to the debenture holders on transfer of their debentures in the company shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months after the date of transfer. If only part of the capital gain is so invested, the exemption shall be proportionately reduced. However, if the said notified bonds are transferred or converted into money within a period of three years from their date of acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money. However, the exemption is subject to a limit of investment of Rs 50 Lakhs during any financial year in the notified bonds. Where the benefit of section 54EC of the Act has been availed of on investments in the notified bonds, a deduction from the income with reference to such cost shall not be allowed under section 80C of the Act.

2. As per the provisions of section 54F of the I.T. Act, any long-term capital gains on transfer of a long term capital asset (not being residential house) arising to a Debenture Holder who is an individual or Hindu Undivided Family, is exempt from tax if the entire net sales consideration is utilized, within a period of one year before, or two years after the date of transfer, in purchase of a new residential house, or for construction of residential house within three years from the date of transfer. If part of such net sales consideration is invested within the prescribed period in a residential house, then such gains would be chargeable to tax on a proportionate basis. This exemption is available, subject to the condition that the Debenture Holder does not own more than one residential house at the time of such transfer. If the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such residential house is transferred. Similarly, if the Debenture Holder purchases within a period of two years or constructs within a period of three years after the date of transfer of capital asset, another residential house (other than the new residential house referred above), then the original exemption will be taxed as capital gains in the year in which the additional residential house is acquired.

VI. Requirement to furnish PAN under the I.T. Act

1. Sec.139A(5A)

a. Section 139A(5A) requires every person from whose income tax has been deducted at source under chapter XVII-B of the I.T. Act to furnish his PAN to the person responsible for deduction of tax at source.

2. Sec.206AA:

a. Section 206AA of the I.T. Act requires every person entitled to receive any sum, on which tax is deductible under Chapter XVIIIB ('deductee') to furnish his PAN to the deductor, failing which attracts tax shall be deducted at the higher of the following rates:

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

b. A declaration under Section 197A(1) or 197A(1A) 197A(1C) shall not be valid unless the person furnishes his PAN in such declaration and the deductor is required to deduct tax as per Para (a) above in such a case

c. Where a wrong PAN is provided, it will be regarded as non furnishing of PAN and Para (a) above will apply

VII. Taxability of Gifts received for nil or inadequate consideration

As per section 56(2)(vii) of the I.T. Act, where an 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 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 debentures as exceeds such consideration;

shall be taxable as the income of the recipient at the normal rates of tax

However, this provision would not apply to any receipt:

- (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 Section 10(20) of the I.T. Act
- (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 Section 10(23C)
- (g) from any trust or institution registered under section 12AA.

B. IMPLICATIONS UNDER THE WEALTH TAX ACT, 1957

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

1. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

2. The above statement covers only certain relevant benefits under the Income-tax Act, 1961 and Wealth Tax Act, 1957(collectively referred to as 'direct tax laws') and does not cover benefits under any other law.

3. The above statement of possible tax benefits are as per the current direct tax laws relevant for the assessment year 2013-14. Several of these benefits are dependent on the Debenture Holder fulfilling the conditions prescribed under the relevant provisions.

4. This statement is intended only to provide general information to the Debenture Holders and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each Debenture Holder is advised to consult his/her/its own tax advisor with respect to specific tax consequences of his/her/its holding in the debentures of the Company.

5. The stated benefits will be available only to the sole/ first named holder in case the debenture is held by joint holders.

6. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant tax treaty, if any, between India and the country in which the non resident has fiscal domicile.

7. In respect of non-residents, taxes paid in India could be claimed as a credit in accordance with the provisions of the relevant tax treaty.

8. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

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 our 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 fourth largest economy in the world after the European Union, the United States and China with an estimated GDP of approximately US\$ 4.515 trillion in 2011, 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 6.50% in the financial year ended March 31, 2012.

According to India Brand Equity Foundation, India is one of the largest bullion markets in the world. India accounts for nearly one third of the total world demand for gold and is also the largest consumer of gold jewellery in the world (approximately 20.00% of global gold consumption), and the largest importer of gold in the world. (Source: *IBEF*, <http://www.ibef.org/industry/gemsjewellery.aspx>) According to the ASSOCHAM India, gold imports accounted for 9.60% of India's total imports in the year 2011 and was the second most imported commodity during this period. (Source: http://www.assocham.org/arb/general/Indias_Gold_Rush_Its_Impact_and_Sustainability.pdf)

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;
- cooperative 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 December 31, 2011, there were 167 scheduled commercial banks ("SCBs"), (including regional rural banks ("RRBs")) in India (Source: *RBI, Quarterly Statistics on Deposits and Credit of Scheduled Commercial*

Banks, December 2011). As on December 31, 2011, the number of banked centres served by SCBs was 35,582 of which 27,964 were single office centres and 70 centres had 100 or more bank offices (*Source: RBI, Quarterly Statistics on Deposits and Credit of Scheduled Commercial Banks, December 2011*). 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

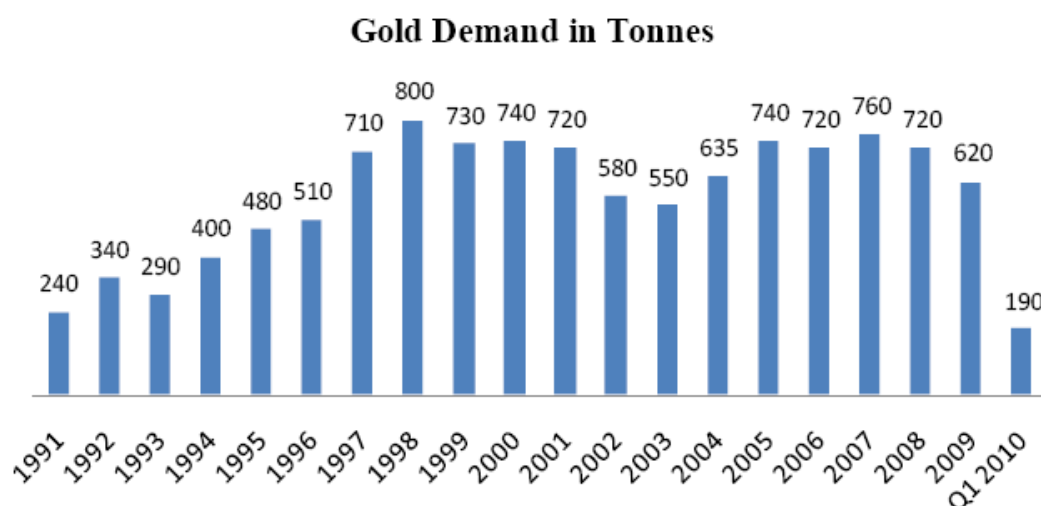
An NBFC is a company registered under the Companies Act and is engaged in the business of loans and advances, acquisition of shares/stock/bonds/debentures/securities issued by Government or local authority or other securities of like marketable nature, leasing, hire-purchase, insurance business, chit 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. 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 May 31, 2012, there were 271 NBFCs in India permitted to accept public deposits (*Source: <http://rbidocs.rbi.org.in/rdocs/Publications/PDFs/59260.pdf>*). Further, according to the RBI there were 11,440 NBFCs in India that are not permitted to accept public deposits (*Source: http://www.rbi.org.in/scripts/nbfcpublication_new.aspx*) and as of October 15, 2011 there were 774 NBFCs in India (new) that are not permitted to accept public deposits. (*Source: http://www.rbi.org.in/scripts/bs_nbfclist.aspx*)

Gold Finance Industry in India

India is one of the largest markets for gold and as of fiscal 2010, accounts for approximately 10.00% 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).

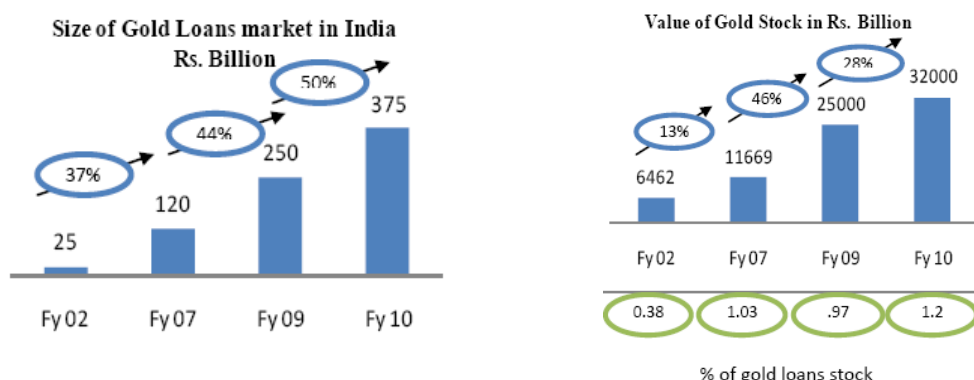
Gold Loans have emerged as key gold based financial products, and in the year ended March 31, 2010, the organized Gold Loans market in India was estimated at between ₹ 350.0 billion and ₹ 400.0 billion with a CAGR of approximately 40.00% during fiscal 2002 to fiscal 2010. Notwithstanding the above, the organized Gold Loans portfolio accounted for merely 1.20% 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 35.00-40.00% 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 India has been the largest market accounting for approximately 40.00% of the gold demand, followed by the western region at approximately 25.00%, the northern region at 20.00-25.00%, and the eastern region at approximately 10.00-10.05% 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 65.00% 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 30.00%. 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 85.00-90.00% 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 50.00% 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 ₹ 60.0 billion (75.00% 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 8.00-10.00% 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 60.40% of rural households in India were farmer households, out of which 48.60% were indebted. The incidence of indebtedness was highest in the state of Andhra Pradesh (82.00%) followed by Tamil Nadu (74.50%), Punjab (65.40%), Kerala (64.40%), Karnataka (61.60%) and Maharashtra (54.80%) (*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 30.00-35.00% 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 100.00%, Capital Adequacy Ratio of 12.00%

** Risk Weightage of 50.00%, Capital Adequacy Ratio of 10.00%

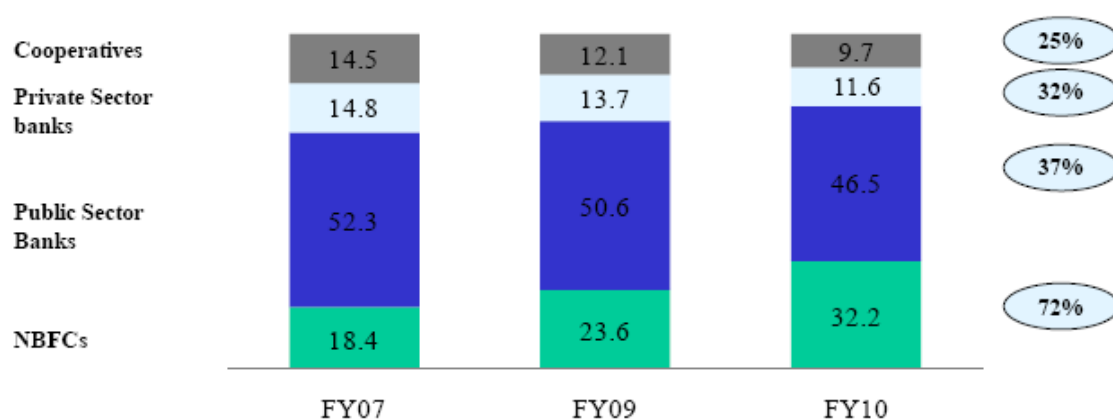
*** Risk Weightage of 100.00%, Capital Adequacy Ratio of 10.00% (*Source: IMaCS Industry Report 2009*)

Competition

The Gold Loans market has been dominated by SCBs focused on southern India, and NBFCs with market shares of approximately 58.00% and 32.00%, 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 55.00-65.00% by banks while it varies from 70.00-80.00% by NBFCs, which may be further adjusted subject to the purity of gold. Further, the interest rates charged by the banks varied from 8.00-10.00% in case of loans for agricultural purposes and approximately 12.00-13.00% on loans for non-agricultural purposes while NBFCs charge interest rates between 22.00% and 26.00% (*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 58.00% and 32.00%, 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

Since the gold loans 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	Traditi onal NBFCs	Traditi onal old private and public	Co-operativ e 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 March 31, 2012 comprised approximately six million loan accounts in India that we serviced through 3,678 branches across 20 states, the national capital territory of Delhi and four union territories in India. We have since increased our branch network to 3,780 branches as of June 30, 2012. As of June 30, 2012, we employed 25,103 persons in our operations.

We are a “Systemically Important Non-deposit taking NBFC” headquartered in the south 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. For the years ended March 31, 2008, 2009, 2010, 2011 and 2012, revenues from our Gold Loan business constituted 95.97%, 96.71%, 98.08%, 98.75% and 99.12%, 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 of March 31, 2012 we had ₹ 66,102.0 million in outstanding Muthoot Gold Bonds and ₹ 127,730.0 million in other borrowings. We also raise capital by issuing commercial paper and listed and 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. Our average disbursed Gold Loan amount outstanding was ₹ 40,611 per loan account as of March 31, 2012. For the year ended March 31, 2012, our retail loan portfolio earned, on an average, interest of 1.86% per month, or 22.34% per annum.

As of March 31, 2008, 2009, 2010, 2011 and 2012, 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 ₹ 244,173.0 million, respectively, and approximately 30.1 tons, 38.9 tons, 65.5 tons, 112.0 tons and 137.1 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 0.56% of our gross retail loan portfolio under management as of March 31, 2008, 2009, 2010, 2011 and 2012, respectively.

For the years ended March 31, 2008, 2009, 2010, 2011 and 2012, our total income was ₹ 3,686.4 million, ₹ 6,204.0 million, ₹ 10,893.8 million, ₹ 23,158.7 million and ₹ 45,490.6 million, respectively, demonstrating an annual growth rate of 57.56%, 68.29%, 75.59%, 112.59% and 96.42%, respectively. For the years ended March 31, 2008, 2009, 2010, 2011 and 2012 our profit after tax was ₹ 630.6 million, ₹ 978.7 million, ₹ 2,285.2 million, ₹ 4,941.8 million and ₹ 8,920.2 million, respectively, demonstrating an annual growth rate of 43.80%, 55.20%, 133.49%, 116.25% and 80.51%, respectively. As of March 31, 2008, 2009, 2010, 2011 and 2012, our net worth was ₹ 2,223.6 million, ₹ 3,702.3 million, ₹ 5,845.5 million, ₹ 13,344.1 million, and ₹ 29,257.3 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). Our loan portfolio as of March 31, 2012 comprised approximately six million loan accounts, in India with Gold Loans outstanding of ₹ 244,173.0 million.
- We have the largest branch network among gold loan NBFCs, according to the IMaCS Industry Report (2010 update). Our branch network has expanded significantly in recent years from 373 branches as of March 31, 2005 to 3,780 branches as of June 30, 2012, comprising 657 branches in northern India, 2,435 branches in southern India, 500 branches in western India and 188 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 south Indian states of Tamil Nadu, Kerala, Andhra Pradesh and Karnataka. As of March 31, 2012, the south Indian states of Tamil Nadu, Kerala, Andhra Pradesh, Karnataka and the Union Territory of Pondicherry constituted 68.40% 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, our retail loan portfolio has grown from ₹ 22,262.8 million as of March 31, 2008 to ₹ 246,736.0 million as of March 31, 2012. 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, except in case of first time customer where it may take upto half an hour for carrying out one-time-compliance with the KYC norms. 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 three public issue of secured non-convertible debentures in September 2011 raising ₹ 6,932.8 million, in January 2012 raising ₹ 4,593.1 million and in April 2012 raising ₹ 2,597.5 million. For further information, see the sections titled “*History and Main Objects*” and “*Capital Structure*” at pages 82 and 50, respectively. As of March 31, 2008, 2009, 2010, 2011 and 2012, aggregate outstanding amount of our Muthoot Gold Bonds portfolio was ₹ 12,403.3 million, ₹ 19,019.8 million, ₹ 27,192.5 million, ₹ 39,832.3 million and ₹ 66,102.4 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 of March 31, 2008, 2009, 2010 2011 and 2012, our outstanding borrowings from banks were ₹ 5,884.9 million, ₹ 11,067.6 million, ₹ 21,278.7 million ₹ 60,529.1 million and ₹ 86,470.1 million, respectively. We also issue subordinated debt which is considered as Tier II capital of our Company under private placement mode to mainly retail investors through our branch network. For details in relation to our credit rating of our debt instruments, see sub-section titled “*Our Strategies - Access to low-cost and diversified sources of funds*” at page 43.

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 Kochi and in New Delhi, and regional training centers at each of our regional offices. 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 Strategies

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 south 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 945 branches in the last fiscal year and 102 branches between April 1, 2012 and June 30, 2012, 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.

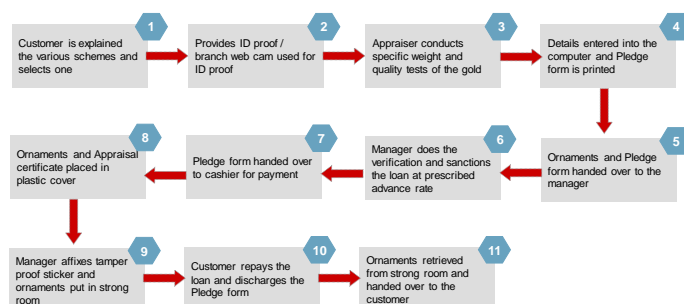
Access to low-cost and diversified sources of funds

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 ₹ 10,428.0 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 “A1+” rating by CRISIL for short term debt instruments of ₹ 40,000 million. As of March 31, 2012, the outstanding amount issued under commercial paper and rated short-term non-convertible debentures was ₹ 7,694.5 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 ₹ 4,000.0 million and ₹ 1,000.0 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 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 June 30, 2012, we had installed surveillance cameras in 3,001 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 of March 31, 2012, we had approximately six million loan accounts, respectively, representing an aggregate principal balance of ₹ 244,173.0 million. For the year ended March 31, 2012, our retail loan portfolio earned, on average, interest of 1.86% per month, or 22.34% per annum. For the years ended March 31, 2008, 2009, 2010, 2011 and 2012, income from interest earned on our Gold Loans constituted 95.97%, 96.71%, 98.08%, 98.75% and 99.12%, 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 the value of the jewellery. We value the gold jewellery brought by our Gold Loan customers based on our centralized policies and guidelines, including policy on interest rate

fixation. We currently lend upto 60.00% of the value of the jewellery. We appraise the jewellery collateral solely based on the weight of its gold content, excluding weight and value of the stone studded in the jewellery. 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 and address proof. 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. 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, except in case of first time customer where it may take upto half an hour for carrying out one-time-compliance with the KYC norms. 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 our 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 us, we are in compliance with the IT 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, after serving notice to the customer.

Other Business Initiatives

Money transfer services

We provide fee based services including money transfer and foreign exchange services. For the years ended March 31, 2008, 2009, 2010, 2011 and 2012, our money transfer services business generated ₹ 51.1 million, ₹ 62.9 million, ₹ 64.1 million, ₹ 66.0 million and ₹ 123.8 million, respectively, or 1.39%, 1.01%, 0.59%, 0.28% and 0.27%, 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, our 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 fiscal year 2011, and accordingly have not generated any revenues in prior fiscal years. For the year ended March 31, 2011 and 2012, we generated ₹ 4.7 million and ₹ 4.8 million, respectively, from our collection services business.

Wind mills business

We operate three windmills of 1.25 MW each in the south Indian state of Tamil Nadu. For the years ended March 31, 2008, 2009, 2010, 2011 and 2012, income from our wind mills was ₹ 17.4 million, ₹ 22.1 million,

₹ 25.1 million, ₹ 22.1 million and ₹ 17.7 million, respectively, or 0.47%, 0.36%, 0.23%, 0.10% and 0.04%, respectively, of total income.

Branch Network and Customer Service

As of June 30, 2012, we had 3,780 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, 2009, 2010, 2011, 2012 and as of June 30, 2012 is as set out in the following table:

	As of March 31,				As of
	2009	2010	2011	2012	June 30, 2012
Northern India	100	266	488	645	657
Southern India	796	1,119	1,814	2,381	2,435
Western India	71	166	324	473	500
Eastern India	18	54	107	179	188
Total Branches	985	1,605	2,733	3,678	3,780

A diagrammatic representation of the branch network across India, as of June 30, 2012 is as set out below:



In addition to our branches, we have more than 1,613 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 50 managers who guide the marketing and sales efforts of their respective regions and who are supported by more than 211 marketing executives and more than 1,613 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 945 branches in the last fiscal year and 102 branches between April 1, 2012 and June 30, 2012. 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 2012:

	(₹ in millions)				
	As of March 31,				
	2008	2009	2010	2011	2012
Northern India	2,912.4	4,494.6	10,664.2	23,037.8	41,525.9
Southern India	17,778.5	26,393.2	55,340.6	1,15,788.4	167,035.3
Western India	933.7	1,647.4	5,736.7	13,640.4	25,185.6
Eastern India	165.5	465.4	1,675.8	4,814.2	10,426.3
Total Credit Exposure	21,790.1	33,000.7	73,417.3	1,57,280.7	244,173.0

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 ₹ 66.4 million as of March 31, 2012.

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 2012:

	Years ended March 31,				
	2008	2009	2010	2011	2012
Interest income to average retail loans	19.47%	21.67%	19.94%	19.72%	22.34%
Interest expense to average retail loans	9.78%	11.11%	8.78%	8.91%	11.69%
Net Interest Margin	9.69%	10.56%	11.16%	10.81%	10.65%
Operating expenses to average retail loans	4.59%	5.41%	4.71%	4.28%	4.02%
Profit Before Tax to average retail loans	5.27%	5.30%	6.40%	6.53%	6.57%

	Years ended March 31,				
	2008	2009	2010	2011	2012
Profit After Tax to average retail loans	3.43%	3.50%	4.23%	4.24%	4.40%
Return on Average Equity	33.00%	33.03%	47.87%	51.50%	41.88%
Earnings Per Share(₹) (Basic and Diluted)	2.6	3.5	7.6	15.8	24.3

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 2012:

Asset Type	As of March 31,				
	2008	2009	2010	2011	2012
Sub-standard ¹	92.6	161.1	324.6	433.8	1,356.4
Doubtful ²	-	-	18.9	26.3	33.1
Loss ³	-	-	-	-	-
Gross NPA	92.6	161.1	343.6	460.1	1,389.5

(₹ in millions)

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 10.00% of the total outstanding assets classified as sub-standard assets is required to be made.

Doubtful assets: 100.00% 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 20.00% 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 30.00% 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 50.00% 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, 100.00% of the outstanding assets classified as Loss assets should be provided for.

For further information on RBI guidelines on provisioning and write-offs, see the section titled “*Regulations and Policies*” at page 212.

No specific provisions in respect of our NPAs were made as at March 31, 2012. However, we have written-off ₹ 69.2 million as of March 31, 2012. As per the provisioning norms prescribed by RBI, as of March 31, 2012, we have made a total provision of ₹ 181.3 million, which constituted 13.04% of our NPAs. Details of provisions and amounts written off as of March 31, 2008, 2009, 2010, 2011 and 2012 are set out in the table below:

	(₹ in millions)				
	2008	2009	As of March 31, 2010	2011	2012
Gross NPAs	92.6	161.1	343.6	460.1	1389.5
Provisions	9.3	16.1	37.1	69.6	181.3
Net NPAs	83.3	145.0	306.4	390.5	1208.2
Net Retail loans	17,921.8	25,559.8	54,298.3	116,820.6	213,383.9
Net NPAs/Net Retail loans (%)	0.46%	0.57%	0.56%	0.33%	0.57%
Gross Retail Loans	22,262.8	33,690.1	74,381.5	158,684.5	246,736.0
Gross NPAs/Gross Retail Loans (%)	0.42%	0.48%	0.46%	0.29%	0.56%
Amounts Written-off	-	-	6.2	18.3	69.2

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 2012:

	(₹ in millions)				
	2008	2009	Year ended March 31, 2010	2011	2012
Recoveries From					
NPA, overdue and written off accounts	221.2	521.2	911.9	551.3	1,994.5

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 12.00% and to 15.00% 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 18.29% as of March 31, 2008, 2009, 2010, 2011 and 2012, 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 40.00% margin retained on the value of jewellery for the purpose of calculation of the loan amount. Further, we appraise the jewellery collateral solely based on the weight of its gold content, excluding weight and value of the stone studded in the jewellery. 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 future cashflow. 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 millions)				
Secured loans		As of March 31				
		2008	2009	2010	2011	2012
Redeemable non-convertible debentures		12,403.3	19,019.8	27,192.5	39,832.3	66,102.4
Redeemable non-convertible debentures (Listed)		-	-	-	2,150.0	12,526.0
Term loans from banks		385.0	468.0	451.0	433.6	4,416.3
Cash credit from banks including working capital demand loans		5,499.9	10,599.6	17,827.7	59,695.6	82,053.8
Collateralised Borrowing and Lending Obligation from Banks		112.0	-	-	-	-
Total		18,400.2	30,087.5	45,471.2	102,111.5	165,098.5

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.

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 ₹ 10,428.0 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 June 30, 2012, 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 974 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 June 30, 2012 we employed 25,103 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, 16,688 persons as of March 31, 2011 and 25,351 persons as of March 31, 2012. 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 Kochi and in New Delhi, and regional training centers at each of our regional offices.

Litigation

Except as disclosed elsewhere in this Prospectus, we have no material litigation pending against us or our Directors. For details, see the section titled “*Pending Proceedings and Statutory Defaults*” at page 154.

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 the section titled “*Risk Factors*” at page 9.

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 31 guest houses all across India for use by our employees. We also hold 14 other properties used for various purposes by our Company.

HISTORY AND MAIN OBJECTS

Brief background of our Company

Our Company was originally incorporated as a private limited company on March 14, 1997 under 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. 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 upon change in status on December 2, 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 systematically important 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 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 1, 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.

Our 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 our Company to Muthoot Broadcasting Private Limited. By an order dated April 9, 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 our Company, have been transferred to Muthoot Broadcasting Private Limited with effect from January 1, 2010, which was the appointed date as per the scheme of demerger. Further, in terms of the order, all proceedings pending by or against our 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, our Company obtained approval for the transfer of the FM radio license 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 our Company was situated at Supremo Complex, Toll Junction, Edapally, Kochi 682 024. With effect from November 20, 2001, the registered office of our 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
2000-2001	RBI license obtained to function as an NBFC.
2003-2004	Obtained highest rating of F1 from Fitch Ratings for short term debt of ₹ 200.0 million.
2004-2005	▪ Retail loan and debenture portfolio of our Company exceeds ₹ 5.0 billion.

Year	Particulars
	<ul style="list-style-type: none"> Merger of Muthoot Enterprises Private Limited with our Company. F1 rating obtained from Fitch Ratings affirmed with an enhanced short term debt of ₹ 400.0 million.
2005-2006	<ul style="list-style-type: none"> Retail loan and debenture portfolio crosses ₹ 7.0 billion and ₹ 6.0 billion respectively. Overall credit limits from banks crosses ₹ 1.0 billion.
2006-2007	<ul style="list-style-type: none"> Retail loan portfolio of our Company crosses ₹ 14.0 billion RBI accords status of Systemically Important ND-NBFC. Branch network of our Company crosses 500 branches. Net owned funds of our Company crosses ₹ 1.0 billion.
2007-2008	<ul style="list-style-type: none"> Retail loan and debenture portfolio crosses ₹ 21.0 billion and ₹ 12.0 billion respectively. Net owned funds of our Company crosses ₹ 2.0 billion. F1 rating obtained from Fitch Ratings affirmed with an enhanced short term debt of ₹ 800.0 million. Overall credit limits from lending banks crosses ₹ 5.0 billion.
2008-2009	<ul style="list-style-type: none"> Conversion of our Company into a public limited company. Fresh RBI license obtained to function as an NBFC without accepting public deposits, consequent to change in name Retail loan and debenture portfolio crosses ₹ 33.0 billion and ₹ 19.0 billion respectively. Net owned funds of our Company crosses ₹ 3.0 billion. Gross annual income crosses ₹ 6.0 billion. Overall credit limits from lending banks crosses ₹ 10.0 billion. Branch network of our Company crosses 900 branches.
2009-2010	<ul style="list-style-type: none"> Retail loan and debenture portfolio crosses ₹ 74.0 billion and ₹ 27.0 billion respectively. Net owned funds of our Company crosses ₹ 5.0 billion. Overall credit limits from lending banks crosses ₹ 17.0 billion. ICRA assigns 'A1+' rating for short term debt of ₹ 2.0 billion. CRISIL assigns 'P1+' rating for short term debt of ₹ 4.0 billion. Branch network of our Company crosses 1,600 branches. Demerger of the FM radio business into Muthoot Broadcasting Private Limited. Gross annual income crossed ₹ 10.0 billion.
2010-2011	<ul style="list-style-type: none"> Retail loan and debenture portfolio crosses ₹ 158.0 billion and ₹ 39.0 billion respectively. CRISIL assigns "AA-/Stable" rating for ₹ 4.0 billion non convertible debenture issue. CRISIL assigns "AA-/Stable" rating for ₹ 1.0 billion subordinated debts issue. ICRA assigns long term rating of "AA-/Stable" for the ₹1 billion subordinated debt issue and for ₹ 2.0 billion Non-convertible Debenture issue respectively. Branch network crossed 2,700 branches. Overall credit limits from lending banks crosses ₹ 60.0 billion. Net owned funds crossed ₹13.0 billion. Gross annual income crossed ₹ 23.0 billion. Private equity investment of an aggregate of ₹ 2,556.9 million from Matrix Partners India Investments, LLC, The Wellcome Trust, Kotak PE, Kotak Investments and Baring India PE .
2011-2012	<ul style="list-style-type: none"> Successful IPO of ₹ 9,012.5 million in April 2011. Listing of Equity Shares in BSE and NSE. Retail loan portfolio crosses ₹ 246.0 billion. Retail debenture portfolio crosses ₹ 66 billion. ICRA assigns long term rating of AA- Stable and short term rating of A1+ for the ₹ 93,530.0 million line of credit. Raised ₹ 6.93 billion through a public issue of secured non-convertible debentures under Series I. Raised ₹ 4.6 billion through a public issue of secured non-convertible debentures under Series II. Received the Golden Peacock Award, 2012 for corporate social responsibility. Net owned funds crossed ₹ 29.0 billion. Gross annual income crossed ₹ 45.0 billion. Bank credit limit crosses ₹ 92.0 billion. Branch network crosses 3600 branches.
2012-2013	Raised ₹ 2.6 billion through a public issue of 2.6 million secured non-convertible debentures under Series III.

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, our 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. Under the Articles of Association, we are required to have not less than three Directors and not more than twelve Directors. We currently have eight Directors on the Board out of which four Directors, i.e. 50.00 % of the total strength of Directors are Independent Directors.

Details of Directors

Name, Age, Designation, 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 1, 2010	Muthoot House G 74, East of Kailash, New Delhi, India- 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 16. Emgee Properties and Investments Private Limited 17. Muthoot Anchor House Hotels Private Limited
George Thomas Muthoot Age: 61 Whole Time Director Director Identification Number: 00018281	Indian	April 1, 2010	Muthoot House House No. 9/324 A, Miss East Lane, Baker Junction, Kottayam Kerala, India- 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 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

Name, Age, Designation, and DIN	Nationality	Date of Appointment	Address	Other Directorships
				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 19. Emgee Properties and Investments Private Limited 20. Muthoot Anchor House Hotels Private Limited
George Jacob Muthoot Age: 59 Whole Time Director Director Identification Number: 00018235	Indian	April 1, 2010	Muthoot House House No. TC/4/25154 Marappalam, Pattom P. O. Thiruvananthapuram Kerala, India- 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 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 Limited 23. Muthoot M George Institute of Technology 24. Kanedi Plantations Private Limited 25. Kharepaten Plantations Private Limited

Name, Age, Designation, and DIN	Nationality	Date of Appointment	Address	Other Directorships
				26. Muthoot Homefin (India) Limited 27. Muthoot Precious Metals Limited 28. Muthoot Anchor House Hotels Private Limited. 29. Emgee Properties and Investments Private Limited.
George Alexander Muthoot Age: 56 Managing Director Director Identification Number: 00016787	Indian	April 1, 2010	Muthoot House G 343, Panampilly Nagar, Ernakulam Kerala, India- 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 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 29. Emgee Properties and Investments private Limited
P. George Varghese Age: 64 Independent Director	Indian	January 23, 2008.	9B, Amber Park, Canon Shed Road, Kochi, Kerala, India- 682 011	1. FCI OEN Connectors Limited 2. FCI Technology Services Limited 3. Geomaths Stocks & Shares Trading Private Limited

Name, Age, Designation, and DIN	Nationality	Date of Appointment	Address	Other Directorships
Director Identification Number: 00317319				4. Yoj-Ujar Stocks & Shares Trading Private Limited 5. Prima Components Limited 6. Prime Business Private Limited 7. Fina Corporate Solutions & Technologies Private Limited 8. Centricus Consulting Private Limited
K. John Mathew Age: 80 Independent Director Director Identification Number: 00371128	Indian	January 23, 2008	1445, Kattapurath 41 Division, Veekshanam Road, Kochi Corporation, Ernakulam Kerala, India- 682 018	Nil
John K. Paul Age: 59 Independent Director Director Identification Number: 00016513	Indian	July 21, 2010	Kuttukaran House St Benedict Road, Ernakulam Kerala, India- 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: 63 Independent Director Director Identification Number: 00253754	Indian	July 21, 2010	1/362, Melazhakath House, Alanickal Estate Road, Arakulam P.O., Idudki district Kerala, India- 685 591	Wonderla Holiday Private Limited

Profiles of our 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. He is also the recipient of Asian Business Man of The Year 2011 from UK- Kerala Business Forum and was also conferred with the Golden Peacock Award, 2012 for Business Leadership.

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.

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 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.

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.

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 Vehicles & Services Limited. 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 has been appointed for a period of 5 years, with effect from April 1, 2010 as the chairman and Whole-Time Director of our Company by a resolution of the Board dated March 1, 2010, approval of the members dated July 21, 2010 and duly executed employment agreement with our Company dated March 31, 2010.

The remuneration paid to M. G. George Muthoot for the financial year ended March 31, 2012 is ₹ 48.0 million.

George Thomas Muthoot has been appointed for a period of 5 years, with effect from April 1, 2010 as the Whole-Time Director of our Company by a resolution of the Board dated March 1, 2010, approval of the members dated July 21, 2010 and duly executed employment agreement with our Company dated March 31, 2010.

The remuneration paid to George Thomas Muthoot for the financial year ended March 31, 2012 is ₹ 48.0 million.

George Jacob Muthoot has been appointed for a period of 5 years, with effect from April 1, 2010 as the Whole-Time Director of our Company by a resolution of the Board dated March 1, 2010, approval of the members dated July 21, 2010 and duly executed employment agreement with our Company dated March 31, 2010.

The remuneration paid to George Jacob Muthoot for the financial year ended March 31, 2012 is ₹ 48.0 million.

George Alexander Muthoot has been appointed for a period of 5 years, with effect from April 1, 2010 as the Managing Director of our Company by a resolution of the Board dated March 1, 2010, approval of the members dated July 21, 2010 and duly executed employment agreement with our Company dated March 31, 2010.

The remuneration paid to George Alexander Muthoot for the financial year ended March 31, 2012 is ₹ 48.0 million.

The general terms of the employment agreements executed by our 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 25.00% 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 25.00% per annum.
3.	Annual performance incentive	₹18,000,000 per annum or 1.00% 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 @ 50.00% 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 our Company shall be provided to the whole time Director and Managing Director as per the rules of our 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 Directors on July 23, 2010 a sitting fee of ₹ 10,000 is payable to Non-Executive Directors for attending each meeting of the Board and a sitting fee of ₹ 5,000 is payable to Non-Executive Directors for attending each meeting of a committee of Board of Directors. Further, if any Director is called upon to advise our 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. Except for the sitting fees and any remuneration payable for advising our Company as an expert or for performing certain services, our non-executive directors are not entitled to any other remuneration from our 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 1.00% per annum of the net

profits of our 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 our Company for each year of the period of five years commencing from August 1, 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 our 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 our 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 ₹ 500,000.0 million in excess of and in addition to the paid up capital and free reserves of our 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 our Company for lease of immovable properties owned by Directors and to the extent of remuneration paid to them for services rendered as officers of our 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, see the section titled "*Financial Information*" at page 103.

Except as disclosed hereinabove and the section titled "*Risk Factors*" at page 9, the Directors do not have an interest in any venture that is involved in any activities similar to those conducted by our Company.

Except as stated in the section titled '*Financial Information*' at page 103 and to the extent of compensation and commission if any, and their shareholding in our 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 our Company in the preceding two years of filing this Prospectus with the RoC 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 our 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 August 24, 2012 are provided below:

The details of the secured non convertible debentures of the face value of ₹1,000 each held by the director of our Company is set out below:

Name of Director	Number of debentures	Amount (in ₹ Million)
P George Varghese	6,478	6.5

The details of subordinated debts of the face value of ₹1,000 each held by the directors of our Company is set out below:

Name of Director	Number of Subordinated Debts	Amount (in ₹Million)
P George Varghese	400	0.4
George Thomas Muthoot	950	1.0
George Jacob Muthoot	2,214	2.2
George Alexander Muthoot	4,672	4.7

The details of the subordinated debts of face value of ₹ 1 each held by the directors of our Company is set out below:

Name of Director	Number of Subordinated Debts	Amount (in ₹ Millions)
M G George Muthoot	83,000,000	83.0
George Thomas Muthoot	82,500,000	82.5
George Jacob Muthoot	82,500,000	82.5
George Alexander Muthoot	83,000,000	83.0

Changes in the Directors during the last three years

The changes in the Board of Directors 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 our Company.

Details of the Equity Shares held by our Directors, as on August 24, 2012 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	12.80
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	48.68

Corporate Governance

We are in compliance with the requirements of corporate governance as mandated in Clause 49 of the Listing Agreements entered into by our 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 the Board of Directors and senior management of our Company and the same is posted on the web site of our Company in accordance with Clause 49 of the Equity Listing Agreements. In addition, pursuant to a RBI Circular dated May 8, 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) 50.00% Non-Executive Directors and (ii) 50.00% 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 our 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 includes 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 our Company
- Any such matters that may be considered necessary in relation to shareholders and investors of our 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
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 our 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 our Company are fair to the individual and our Company.
- Ensure that all provisions regarding disclosure of remuneration as required under the Companies Act 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, assess, 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 our 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 our Company;
- To review the results of and progress in implementation of the decisions;
- To report to the Board of Directors on the adequacy of our 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 our 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 our 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 our Company's capital structure, taking account of future regulatory requirements and rating agency views and formulate actions wherever required.

Risk Management Committee

The 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 our 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 our 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

The 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;
- Ensure that the proposed appointees have given their consent in writing to our Company;
- Plan for the succession planning for directors in the course of its work, taking into account the challenges and

opportunities facing our 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; and
- 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 PROMOTERS

Profiles of our Promoters

The following individuals are the Promoters of our 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:

	<p><i>M.G. George Muthoot</i></p> <p>Voter ID Number: ARE0335588 Driving License: P03092001281725</p>		<p><i>George Jacob Muthoot</i></p> <p>Voter ID Number: KL/20/134/123133 Driving License: 3/190/1984</p>
	<p><i>George Thomas Muthoot</i></p> <p>Voter ID Number: KL/13/090/048241 Driving License: 5/2968/1983</p>		<p><i>George Alexander Muthoot</i></p> <p>Voter ID Number: BXD1345453 Driving License: 3/730/1973</p>

For additional details on the age, background, nationality, personal address, educational qualifications, experience, experience in the business of our Company, positions/ posts held in the past, terms of appointment as Directors and other directorships of our Promoters, see the section titled “*Our Management*” at page 85.

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 willful 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 have interests in the following entities that are engaged in businesses similar to ours and this may result in potential conflicts of interest with our 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 (Kochi)
19. Muthoot Bankers (Bangalore)

Our Company has not adopted any measures for mitigating such conflict situations. For further details, see section titled “*Risk Factors*” at page 9. For further details on the related party transactions, to the extent of which our Company is involved, see the section titled “*Financial Information*” at page 103.

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 our Company for lease of immovable properties owned by Promoters, our Promoters do not have any other interest in our Company. Further, our Promoters have given certain personal guarantees in relation to loan facilities availed by our Company. For details see the section titled “*Disclosures on Existing Financial Indebtedness*” at page 145.

The details of the properties leased out by our Promoters are as follows:

Name of Promoter	Nature of interest
M. G. George Muthoot	1. Agreement dated April 4, 2009 between our Company and, M. G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot for lease of the Hauz Khas Branch, Delhi.
	2. Agreement dated April 4, 2009 between our 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 4, 2009 between our 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 4, 2009 between our 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 4, 2009 between our 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 1, 2010 between our 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 1, 2010 between our Company and, M. G. George

Name of Promoter	Nature of interest
	<p>Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot for lease of the Chavara Branch, Kerala.</p> <p>8. Agreement dated April 4, 2009 between our Company and George Thomas Muthoot for lease of guest house of our Company in Cochin.</p> <p>9. Agreement April 4, 2009 between our Company and George Alexander Muthoot for lease of the guest house of our Company in Mumbai.</p> <p>10. Agreement dated March 1, 2010 between our Company and George Jacob Muthoot for lease of the Kulasekharam branch, Tamil Nadu.</p>
George Thomas Muthoot	<p>1. Agreement dated April 4, 2009 between our Company and, M. G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot for lease of the Hauz Khas Branch, Delhi.</p> <p>2. Agreement dated April 4, 2009 between our Company and Muthoot Properties & Investments represented by George Jacob Muthoot, for lease of Kottayam zonal office and regional office.</p> <p>3. Agreement date April 4, 2009 between our Company and Muthoot Properties & Investments represented by George Jacob Muthoot, for lease of the Kollan regional office and Vadayattukota branch.</p> <p>4. Agreement dated April 4, 2009 between our Company and M. G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot for the lease of Andheri Branch, Mumbai.</p> <p>5. Agreement dated April 4, 2009 between our Company and M. G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot for lease of the Vashi Branch, Mumbai.</p> <p>6. Agreement dated April 4, 2009 between our Company and M. G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot for lease of the Edapallykotta Branch.</p> <p>7. Agreement dated April 4, 2009 between our Company and M. G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot for lease of the Kozhancherry Branch, Kerala.</p> <p>8. Agreement dated March 1, 2010 between our Company and M.G George Muthoot, George Alexander Muthoot, George Jacob Muthoot, George Thomas Muthoot for the lease of the Karuganappally Branch, Kerala.</p> <p>9. Agreement dated April 4, 2009 between our Company and George Thomas Muthoot for lease of the guest house of our Company in Cochin.</p> <p>10. Agreement dated April 4, 2009 between our Company and George Jacob Muthoot for lease of the Thycadu Branch, Kerala.</p> <p>11. Agreement dated March 1, 2010 between our Company and, M. G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot for lease of the Chavara Branch, Kerala.</p> <p>12. Agreement dated April 4, 2009 between our Company and George Alexander Muthoot for lease of the guest house of our Company in Mumbai.</p> <p>13. Agreement dated March 1, 2010 between and our Company and George Jacob Muthoot for the lease of the Kulasekharam Branch, Tamil Nadu.</p>
George Jacob Muthoot	<p>1. Agreement dated April 4, 2009 between our Company and, M. G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot for lease of the Hauz Khas Branch, Delhi.</p> <p>2. Agreement dated April 4, 2009 between our Company and M. G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot for the lease of Andheri Branch, Mumbai.</p>

Name of Promoter	Nature of interest
	<ol style="list-style-type: none"> 3. Agreement dated April 4, 2009 between our 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 4, 2009 between our 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 4, 2009 between our 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 1, 2010 between and our Company and George Jacob Muthoot for the lease of the Kulasekharam Branch, Tamil Nadu. 7. Agreement dated March 1, 2010 between our 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 4, 2009 between our Company and George Jacob Muthoot for lease of the Thycadu Branch, Kerala. 9. Agreement dated March 1, 2010 between our 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 4, 2009 between George Jacob Muthoot and our Company for lease of zonal office, Vazhuthacad branch. 11. Agreement dated April 4, 2009 between George Jacob Muthoot and our Company for lease of the Vadayattukotta branch. 12. Agreement dated April 4, 2009 between George Jacob Muthoot and our Company for lease of the Chalakunnu branch. 13. Agreement dated April 4, 2009 between George Jacob Muthoot and our Company for lease of the Kottayam zonal office. 14. Agreement dated April 4, 2009 between our Company and George Thomas Muthoot for lease of the guest house of our Company in Cochin
George Alexander Muthoot	<ol style="list-style-type: none"> 1. Agreement dated April 4, 2009 between our Company and, M. G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot for lease of the Hauz Khas Branch, Delhi. 2. Agreement dated April 4, 2009 between our 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 4, 2009 between our 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 4, 2009 between our 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 4, 2009 between our 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 1, 2010 between our 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 4, 2009 between our Company and George Alexander

Name of Promoter	Nature of interest
	Muthoot for lease of the guest house of our Company in Mumbai.
	8. Agreement dated March 1, 2010 between our 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 1, 2010 between and our Company and George Jacob Muthoot for the lease of the Kulasekharam Branch, Tamil Nadu.
	10. Agreement dated April 4, 2009 between our Company and George Thomas Muthoot for lease of the guest house of our Company in Cochin.

Our Promoters do not propose to subscribe to the 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	August 29, 2009	Nil*	37,800,000
	January 25, 2010	Nil **	2,920,732
TOTAL			40,720,732
George Thomas Muthoot	July 25, 2009	10	2,057,472
	August 29, 2009	Nil*	37,800,000
TOTAL			39,857,472
George Jacob Muthoot	July 25, 2009	10	1,213,200
	August 29, 2009	Nil*	37,800,000
TOTAL			39,013,200
George Alexander Muthoot	August 29, 2009	Nil*	37,800,000
TOTAL			37,800,000
GRAND TOTAL			157,391,404

* Equity shares issued pursuant to a bonus issue.

** Transmission of equity shares.

Shareholding Pattern of our Promoters as on August 24, 2012

Sr. No.	Name of Shareholder	No. of Shares	Percentage of shareholding(%) to the total share capital of our Company
1.	M.G. George Muthoot	47,385,132	12.80
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	48.68

Interest of our Promoters in property, land and construction

Except as stated in the section titled “*Financial Information*” at page 103, our Promoters do not have any interest in any property acquired by our Company within two years preceding the date of filing this Prospectus with the RoC or any property proposed to be acquired by our 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 titled “*Our Promoters*” and the section titled “*Financial Information*” at pages 98 and 103, respectively, no amounts or benefits has been 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 this Prospectus, except as stated in the section titled “*Our Management*” at page 85, 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

Report of auditors on the Reformatted Financial Statements of Muthoot Finance Limited as at and for each of the years ended March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009 and March 31, 2008.

The Board of Directors
Muthoot Finance Limited
Muthoot Chambers, Kuriens Tower
Opp. Saritha Theater,
Banerji Road
Cochin – 682 018
India

Dear Sirs,

We have examined the Reformatted Financial Statements of Muthoot Finance Limited (the “Company”) as at and for the years ended March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009 and March 31, 2008 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 statements, 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

The preparation of such Reformatted Statements is the responsibility of the Company’s management. Our responsibility is to report on such statements based on our procedures.

1. We have examined such reformatted financial information taking into consideration:
 - a) the terms of reference received from the Company 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.
2. The Reformatted Financial Statements has been extracted by the Management from the audited Financial Statements of the Company as at March 31 2012, March 31 2011, March 31 2010, March 31 2009, and March 31 2008 and from the books of account underlying such financial statements of the Company, which were approved by the Board of Directors on May 15 2012 ; May 26 2011; July 14 2010; May 30 2009 and July 15 2008 respectively which have been audited by us and in respect of which we have issued audit opinions dated May 15 2012 ; May 26 2011; July 14 2010; May 30 2009 and July 15 2008 respectively.
3. 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 years ended March 31, 2012 March 31, 2011, March 31, 2010, March 31, 2009 and March 31, 2008, examined by us are set out in Annexure I to V 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 VI);

4. Based on our examination as above, we further report that:
 - a) The Reformatted Summary Statements have to be read in conjunction with the notes given in Annexure VI
 - b) 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 year ended March 31, 2012;
 - c) adjustments for the material amounts in the respective financial years to which they relate, have been made as set out in Annexure VI;
 - d) there are no extraordinary items which need to be disclosed separately in the attached Reformatted Summary Statements; and
 - e) there are no qualifications in the auditors' reports, which require any adjustments to the Reformatted Summary Statements;
5. As stated in our audit reports referred to in paragraph 3 above, we conducted our audit in accordance with the auditing standards generally accepted in India to enable us to issue an opinion on the General Purpose Financial Statements. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
6. Our audits referred to in paragraph 3 above were carried out for the purpose of certifying the general purpose financial statements taken as a whole. For none of the periods referred to in paragraph 3 above, did we 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.
7. We have not audited any financial statements of the Company as of any date or for any period subsequent to March, 31 2012. 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 March 31, 2012.

Other Financial Information

8. 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 years ended March 2012, March 2011, March 31, 2010, March 31, 2009 and March 31, 2008:
 - a) Capitalization Statement, as appearing in Annexure VII ;
 - b) Statement of Secured and Unsecured Loans, as appearing in Annexure VIII;
 - c) Statement of Accounting Ratios, as appearing in Annexure IX;
 - d) Statement of Dividend paid/proposed; Rates of Dividend, as appearing in Annexure X;
 - e) Statement of Contingent Liabilities, as appearing in Annexure XI; and
 - f) Statement of Tax Shelters, as appearing in Annexure XII;
9. 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 VI and after making adjustments and regrouping as considered appropriate and disclosed in Annexure VI has been prepared in accordance with Part II of Schedule II of the Act and the Regulations.

10. 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.
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.

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

Place: **Kochi**
Date: **August 20, 2012**

R. Sreenivasan
Partner
M. No. 020566

ANNEXURE-I: REFORMATTED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

Rs. In Millions

	Particulars	Note	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
	EQUITY AND LIABILITIES						
I	Shareholders' funds						
(a)	Share capital	1	3,717.13	3,202.13	3,010.00	490.00	50.00
(b)	Reserves and surplus	2	25,540.19	10,142.00	2,835.46	3,212.27	2,173.58
			29,257.32	13,344.13	5,845.46	3,702.27	2,223.58
II	Non-current liabilities						
(a)	Long-term borrowings	3	62,416.53	26,692.18	11,208.20	6,638.74	5,017.95
(b)	Other Long term liabilities	4	2,686.94	1,258.61	749.82	443.94	251.28
			65,103.47	27,950.79	11,958.02	7,082.68	5,269.23
III	Current liabilities						
(a)	Short-term borrowings	3	92,386.82	72,414.08	22,315.07	11,468.93	6,264.75
(b)	Trade Payables & Other current liabilities	5	44,227.65	22,899.69	23,056.51	14,909.89	8,843.96
(c)	Short-term provisions	6	2,746.76	601.31	180.44	43.90	36.38
			139,361.23	95,915.08	45,552.02	26,422.72	15,145.09
	Total Equity and Liabilities (I+II+III)		233,722.02	137,210.00	63,355.50	37,207.67	22,637.90
	ASSETS						
IV	Non-current assets						
(a)	Fixed assets	7					
	Tangible assets		2,621.06	1,835.57	1,242.05	1,161.91	992.51
	Intangible assets		5.84	2.21	3.54	87.80	92.51
	Capital work-in-progress		38.95	47.97	83.37	34.01	63.63
	Intangible assets under development		16.42	-	-	-	-
(b)	Non-current investments	8	75.05	75.05	75.05	75.31	55.31
(c)	Deferred tax assets (net)		3.90	(24.74)	(24.83)	(37.87)	(41.73)
(d)	Long-term loans and advances	9	1,098.70	903.86	429.71	233.42	121.81
(e)	Other non-current assets	10	0.51	-	-	-	-
			3,860.43	2,839.92	1,808.89	1,554.58	1,284.04
V	Current Assets						
(a)	Current investments	11	900.00	-	-	10.00	128.13
(b)	Trade receivables	12	7,340.23	3,468.66	1,392.02	1,196.73	689.34
(c)	Cash and Cash Equivalents	13	7,950.39	13,754.95	5,759.92	8,825.32	2,580.38
(d)	Short-term loans and advances	14	213,600.22	117,057.22	54,390.16	25,599.29	17,954.79
(e)	Other current assets	15	70.75	89.25	4.51	21.75	1.22
			229,861.59	134,370.08	61,546.61	35,653.09	21,353.86
	Total Assets (IV+V)		233,722.02	137,210.00	63,355.50	37,207.67	22,637.90
		Note	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
	Net Worth Represented by						
	Share Capital		3,717.13	3,202.13	3,010.00	490.00	50.00
	Reserves and Surplus		25,540.19	10,142.00	2,835.46	3,212.27	2,173.58
	NET WORTH		29,257.32	13,344.13	5,845.46	3,702.27	2,223.58

Note:

The accompanying statement of Significant Accounting Policies and Notes to Accounts on Financial statements are integral part of this Statement.

As per our report of even date

RANGAMANI & CO.
Chartered Accountants
(FRN: 003050 S)

R .Sreenivasan
Partner
Membership No. 20566
Place: Cochin, India
Date: August 20, 2012

For and on behalf of the Board of Directors

George Alexander Muthoot
Managing Director

ANNEXURE-II: REFORMATTED SUMMARY STATEMENT OF PROFIT AND LOSS

		Rs. In Millions					
	Particulars	Note	For the year Ended March 31, 2012	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
A	INCOME						
i	Revenue from Operations	16	45,366.72	23,015.05	10,804.94	6,120.66	3,662.49
ii	Other income	17	123.84	143.62	88.86	83.36	23.89
	Total Revenue		45,490.56	23,158.67	10,893.80	6,204.02	3,686.38
B	EXPENSES						
i	Employee benefits expense	18	4,144.77	2,209.49	1,169.44	677.01	405.35
ii	Finance costs	19	23,698.99	10,382.87	4,745.36	3,109.28	1,797.99
iii	Other expenses	20	3,393.18	2,239.47	1,146.57	698.59	380.68
iv	Directors Remuneration		192.00	192.00	192.23	120.90	48.90
v	Depreciation and amortization Expense	7	329.18	180.98	157.51	109.69	76.77
vi	Provisions and Write Offs	21	419.97	341.75	27.16	6.85	6.91
	Total expenses		32,178.09	15,546.56	7,438.27	4,722.32	2,716.60
C	Profit Before Tax (A-B)		13,312.47	7,612.11	3,455.53	1,481.70	969.78
D	Tax expense						
i	Current tax		4,420.86	2,670.46	1,192.81	508.36	339.39
ii	Deferred tax		(28.63)	(0.11)	(13.03)	(3.86)	(5.58)
	Total tax expenses		4,392.23	2,670.35	1,179.78	504.50	333.81
E	Profit for the year		8,920.24	4,941.76	2,275.75	977.20	635.97
	Adjustments of earlier year Income Tax Interest paid in 2009-10 reclassified to the respective years	ANN VI	-	-	9.41	(4.46)	(5.32)
	Adjustment of excess provision of income tax, for earlier years written back	ANN VI	-	-	-	5.96	-
	Net Adjustments (Refer note C of Annexure VI)		-	-	9.41	1.50	(5.32)
	Net Profit/(Loss) as Restated		8,920.24	4,941.76	2,285.16	978.70	630.65

Note:

The accompanying statement of Significant Accounting Policies and Notes to Accounts on Financial statements are integral part of this Statement.

As per our report of even date
RANGAMANI & CO.
Chartered Accountants
(FRN: 003050 S)

For and on behalf of the Board of Directors

R .Sreenivsan
Partner

George Alexander Muthoot
Managing Director

Membership No. 20566

Place: Cochin, India

Date: August 20, 2012

ANNEXURE III - REFORMATTED SUMMARY OF CASH FLOW STATEMENT

		Rs. In Millions				
	Particulars	For the year Ended March 31, 2012	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
A	Cash Flow From Operating Activities					
	Net Profit Before Taxation	13,312.47	7,612.11	3,455.53	1,481.70	969.78
	Adjustments for:-					
	Add: Provision for Non-Performing Assets and Standard assets	350.74	323.46	20.98	6.85	6.91
	Add: Finance Cost	23,698.99	10,382.87	4,745.36	3,109.28	1,797.99
	Add: Income Tax Paid	-	32.27	-	-	-
	Add: Loss on Sale of Fixed Assets	-	0.13	-	-	-
	Add: Depreciation and amortisation	329.17	180.98	157.51	109.69	76.76
	Less: Profit on sale of Fixed Assets	(0.40)	-	(4.60)	(0.18)	(0.08)
	Less: Interest received on Bank Deposits	(122.57)	(142.92)	(83.71)	(72.26)	(22.28)
	Operating profit before working capital changes	37,568.40	18,388.90	8,291.07	4,635.08	2,829.08
	Adjustments for:-					
	(Increase) / Decrease in Loans and Advances	(96,737.84)	(63,061.72)	(29,023.70)	(7,817.05)	(4,016.39)
	(Increase) / Decrease in Trade receivables	(3,871.57)	(2,076.64)	(195.29)	(409.79)	(652.66)
	(Increase) / Decrease in other receivables	(0.52)	-	-	-	-
	Increase / (Decrease) in Current liabilities	200.12	170.62	1,800.74	69.02	965.57
	Increase / (Decrease) in Other Liabilities	16.62	2.08	40.37	(0.54)	20.28
	Cash generated from operations	(62,824.79)	(46,576.76)	(19,086.81)	(3,523.28)	(854.13)
	Finance cost paid	(19,909.08)	(11,201.22)	(3,867.68)	(2,597.08)	(2,018.06)
	Direct tax paid	(4,354.21)	(2,605.32)	(1,067.84)	(506.19)	(318.52)
	Net cash from operating activities (A)	(87,088.08)	(60,383.30)	(24,022.33)	(6,626.55)	(3,190.71)
B	Cash Flow From Investing Activities					
	Purchase of Fixed Assets	(1,118.78)	(773.86)	(326.88)	(274.81)	(664.58)
	Sale of Fixed Assets	0.89	0.58	50.48	0.62	0.67
	(Increase) / Decrease in Capital Work in Progress	(7.39)	(44.08)	(49.36)	63.63	(50.48)
	(Investments in Bonds)/ Sale of Bonds	(900.00)	-	10.00	(20.00)	-
	Interest received on Bank Deposits	141.07	58.18	123.38	99.19	595.72
	Net Cash from Investing Activities (B)	(1,884.21)	(759.18)	(192.38)	(131.37)	(118.67)
C	Cash From Financing Activities					
	Net Proceeds from Issue of Debentures	34,646.13	16,289.75	8,672.68	6,616.54	3,571.15
	Increase / (Decrease) in Loan from Directors / Relatives of Directors	(559.54)	246.99	103.49	114.24	44.97
	Increase / (Decrease) in Borrowings from Bank /Financial Institutions	31,790.84	39,250.59	10,211.09	5,070.71	1,711.53
	Increase / (Decrease) in Inter Corporate Loan	127.40	(13.70)	14.53	2.22	(1.10)
	Increase / (Decrease) in Subordinated debt	7,695.24	3,859.18	2,147.53	699.15	-
	Increase / (Decrease) in Commercial Papers	746.67	6,947.81	-	-	-

Particulars	For the year Ended March 31, 2012	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
Issue of Equity Shares	9,012.50	2,556.90	-	500.00	-
Expenses for Initial Public Offer	(291.49)	-	-	-	-
(Increase)/ Decrease in bank deposits held for greater than 3 months	127.01	(1,737.69)	309.41	(500.04)	(789.20)
Net Cash from Financing Activities (C)	83,294.76	67,399.83	21,458.73	12,502.82	4,537.35
Net Increase In Cash And Cash Equivalents (A+B+C)	(5,677.53)	6,257.35	(2,755.98)	5,744.90	1,227.97
Cash And Cash Equivalent At The Beginning of The Year	10,989.18	4,731.83	7,487.81	1,742.91	514.94
Cash And Cash Equivalent At The End of The Year	5,311.65	10,989.18	4,731.83	7,487.81	1,742.91
Components of Cash and Cash Equivalents at the end of the year					
Current Account with Banks	2,989.30	9,329.38	3,552.13	1,475.80	311.26
Deposit with Banks	50.00	309.71	100.21	5,543.50	1,160.01
Cash on Hand	2,272.35	1,350.09	1,079.49	468.51	271.64
Total	5,311.65	10,989.18	4,731.83	7,487.81	1,742.91

As per our report of even date
RANGAMANI & CO.

For and on behalf of the Board of Directors

Chartered Accountants
(FRN: 003050 S)

R .Sreenivasan
Partner
Membership No. 20566

George Alexander Muthoot
Managing Director

Place: Cochin, India
Date: August 20, 2012

ANNEXURE-IV: SCHEDULES TO REFORMATTED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

Note 1: SHARE CAPITAL

Particulars	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Authorised					
Equity Shares	4,500.00	4,500.00	3,500.00	500.00	86.00
	450 mn equity shares of Rs. 10/- each	450 mn equity shares of Rs. 10/- each	350 mn equity shares of Rs. 10/- each	50 mn equity shares of Rs. 10/- each	8.6 mn equity shares of Rs. 10/- each
Preference Shares	5,000.00	5,000.00	-	-	-
	5 mn preference shares of Rs. 1000/- each	5 mn preference shares of Rs. 1000/- each	-	-	-
Total	9,500.00	9,500.00	3,500.00	500.00	86.00
Issued, Subscribed & Paid up	3,717.13	3,202.13	3,010.00	490.00	50.00
	371,712,768 Equity shares of Rs.10/- each fully paid up	320,212,768 Equity shares of Rs.10/- each fully paid up	301,000,000 Equity shares of Rs.10 each fully paid up	49,000,000 Equity shares of Rs.10 each fully paid up	5,000,000 Equity shares of Rs.10 each fully paid up
Total	3,717.13	3,202.13	3,010.00	490.00	50.00

Terms and Rights attached to Equity Shares

The Company has only one class of equity shares having face value Rs. 10/- per share. All these shares have the same rights and preferences with respect to the payment of dividend, repayment of capital and voting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

The reconciliation of the number of shares outstanding and the amount of share capital as at March 31 of the respective years

	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Shares outstanding at the beginning of the year	320,212,768	301,000,000	49,000,000	5,000,000	5,000,000
Shares Issued during the year	51,500,000	19,212,768	252,000,000	44,000,000	-
Shares outstanding at the end of the year	371,712,768	320,212,768	301,000,000	49,000,000	5,000,000

Disclosure as to the shareholders holding more than 5 percent shares

Name of Shareholder	As on 31.03.2012		As on 31.03.2011		As at 31.3.2010		As at 31.3.2009		As at 31.3.2008	
	No. of Shares	% of	No. of Shares	% of	No. of Shares	% of	No. of Shares	% of	No. of Shares	% of
	held	Holding	held	Holding	held	Holding	held	Holding	held	Holding
M. G. George Muthoot	47,385,132	12.75%	47,385,132	14.80%	48,070,732	15.01%	12,495,200	25.50%	1,426,900	28.54%
George Alexander Muthoot	44,464,400	11.96%	44,464,400	13.89%	45,150,000	14.09%	12,142,688	24.78%	1,382,836	27.66%
George Jacob Muthoot	44,464,400	11.96%	44,464,400	13.89%	45,150,000	14.09%	6,136,800	12.52%	632,100	12.64%
George Thomas Muthoot	44,464,400	11.96%	44,464,400	13.89%	45,150,000	14.10%	5,292,528	10.80%	526,566	10.53%
Susan Thomas	29,985,068	8.07%	29,985,068	9.36%	30,100,000	9.39%	-	-	-	-

Disclosure as to aggregate number and class of shares allotted as pursuant to contract(s) without payment being received in cash, fully paid up by way of bonus shares and shares bought back.

Particulars	Aggregate No. of Shares issued in the financial years				
	2011-12	2010-11	2009-10	2008-09	2007-08
Equity Shares :					
Fully paid up pursuant to contract(s) without payment being received in cash	Nil	Nil	Nil	Nil	Nil
Fully paid up by way of bonus shares	Nil	Nil	252,000,000	42,000,000	Nil
Shares bought back	Nil	Nil	Nil	Nil	Nil

Note 2 : Reserves and Surplus

Rs. In Millions

Particulars	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
a. Securities Premium Account					
Balance at the beginning of the year	2,364.77	-	755.00	275.00	275.00
Add : Securities premium credited on Share issue	8,497.50	2,364.78	-	480.00	-
Less : Premium Utilised for Initial Public Offering expenses (Refer Note 2 a)	291.49	-	-		-
Less: Capitalisation on Issue of Bonus shares	-	-	755.00		-
Closing Balance	10,570.78	2,364.78	-	755.00	275.00
b. General Reserve					
Balance at the beginning of the year	-	-	-	-	-
Add: Amount transferred from surplus balance in the Statement of Profit and Loss (Refer Note 2 b)	892.02	-	-	-	-
Closing Balance	892.02	-	-	-	
c. Debenture Redemption Reserve (Refer Note 2 c)					
Balance at the beginning of the year	-	-	-	-	-
Add: Amount transferred from surplus balance in the Statement of Profit and Loss	742.04	-	-	-	-
Closing Balance	742.04	-	-	-	-
d. Statutory Reserve (Refer Note 2 d)					
Balance at the beginning of the year	1,982.02	993.67	538.52	343.08	215.89
Add: Amount transferred from surplus balance in the Statement of Profit and Loss	1,784.05	988.35	455.15	195.44	127.19
Closing Balance	3,766.07	1,982.02	993.67	538.52	343.08
e. Surplus in the Statement of Profit and Loss					
Balance at the beginning of the year	5,795.20	1,841.79	1,918.75	1,555.50	1,057.63
Less :Impact of reformatting of prior period expenses relating to periods prior to 01.04.2007					(5.59)
Add: Net Profit For the year as restated	8,920.24	4,941.76	2,285.16	978.70	630.65
Less: Appropriations					
Proposed Equity Dividend	1,486.85				
Corporate Dividend Tax	241.20				
Transfer to General Reserve (Refer Note 2 b)	892.02				
Transfer to Debenture Redemption Reserves	742.04				
Transfer to Statutory Reserves (Refer Note 2 d)	1,784.05	988.35	455.15	195.44	127.19
Less: Capitalisation on Issue of Bonus shares	-		1,765.00	420.00	
Reduction on account of Demerger of Radio division	-		141.98		
Closing Balance	9,569.28	5,795.20	1,841.79	1,918.75	1,555.50
TOTAL	25,540.19	10,142.00	2,835.46	3,212.27	2,173.58

2 (a) The Company made an Initial Public Offer of 51,500,000 Equity Shares of Rs. 10/- each at a price of Rs. 175/- raising Rs. 9,012,500,000.00 during the month of April 2011. The expenses incurred for Initial Public Offer amounting to Rs. 291,490,445.04 has been written off against Securities Premium as per Section 78(2) of the Companies Act, 1956.

2 (b) In accordance with the Companies (Transfer of Profits to Reserves) Rules, 1975, Company has transferred an amount Rs. 892,024,022.00 in 2011-12 being 10% of the current profits to General Reserve.

2(c) In accordance with Section 117C of the Companies Act, 1956, read with General Circular No. 9/2002 dated 18.04.2002 issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations 2008, Company is required to create a Debenture Redemption Reserve equal to the 50% of the value of debentures issued through public issue.

2(d) Statutory Reserve represents the Reserve Fund created under Section 45-IC of the Reserve Bank of India Act, 1934 by transferring 20% of Net Profit of the respective years.

Note 3: Borrowings

Rs. In Millions

Particulars	Non-Current				
	As on 31.03.2012	As on 31.03.2011	As on 31.03.2010	As on 31.03.2009	As on 31.03.2008
Secured					
(a) Bonds/debentures					
Secured Non-Convertible Debentures	27,040.22	19,430.58	7,749.50	5,094.90	4,549.95
(Secured by mortgage of immovable property and paripassu floating charge on current assets, book debts and Loans & advances)					
(Refer Note No. 3.1)					
Secured Non-Convertible Debentures	49.21	139.47	178.36	393.71	-
(Secured by mortgage of immovable property and charge on all movable fixed assets)					
(Refer Note No. 3.1)					
Secured Non-Convertible Debentures -Listed	12,526.01	-	-	-	-
(Secured by mortgage of immovable property and paripassu floating charge on current assets, book debts and Loans & advances)					
(Refer Note No. . 3.3 & 3.4)					
(b) Term loans					
From banks					
Term Loan (Secured by specific charge on wind mills & Land appurtenant thereto and personal guarantee and collateral property of promoter directors)	-	16.28	33.66	50.97	68.00
Terms of Repayment : Repayable in Quarterly Instalments (Previous Year : Repayable in Quarterly Instalments)					
Short Term Loan (Secured by mortgage of immovable property and subservient charge on current assets, book debts, loans & advances and personal guarantee of Promoter Directors and collateral security by a group company)					
Term Loan (Secured by paripassu floating charge on current assets, book debts and Loans & advances and Rs. 2,000,000,000.00 is additionally secured by personal guarantee of Promoter Directors)	3,000.00	-	-	-	-
(Terms of Repayment: Rs. 3,000,000,000.00 repayable in FY 2013-14 & Rs. 1,000,000,000.00 repayable in FY 2012-13)					
From Financial Institutions					
Term Loan (Secured by paripassu floating charge on current assets, book debts and Loans	5,000.00	-	-	-	-

Particulars	Non-Current				
	As on 31.03.2012	As on 31.03.2011	As on 31.03.2010	As on 31.03.2009	As on 31.03.2008
& advances and personal guarantee of Promoter Directors)					
(Terms of Repayment: repayable in FY 2013-14)					
(c) Loans repayable on demand from banks					
Overdraft against Deposit with Banks					
(Secured by a lien on Fixed Deposit with Banks)					
Cash Credit					
(Secured by paripassu floating charge on current assets, book debts, Loans & advances and personal guarantee of Promoter Directors)					
(d) Short Term Loans From Banks					
(Secured by paripassu floating charge on current assets, book debts, Loans & advances and personal guarantee of Promoter Directors)					
From Financial Institutions					
(Secured by paripassu floating charge on current assets, book debts, Loans & advances and personal guarantee of promoter directors)					
Collateralised borrowing and lending obligation (Secured by investments in government securities)					
Sub Total	47,615.44	19,586.33	7,961.52	5,539.58	4,617.95
Unsecured					
(a) Loans repayable on demand from banks					
(b) Loans and advances from related parties					
Loan from Directors and Relatives					
Inter Corporate Loan					
Subordinated Debt	407.78	407.14	403.71	402.72	400.00
(Terms of Repayment: Repayable on maturity (Refer Note 3.2)					
(c) Other loans and advances					
Non-Convertible Debentures					
Non-Convertible Debentures - Listed					
Commercial Paper					
Subordinated Debt	14,393.31	6,698.71	2,842.97	696.44	-
(Terms of Repayment: Repayable on maturity (Refer Note 3.2)					
Sub Total	14,801.09	7,105.85	3,246.68	1,099.16	400.00
Total	62,416.53	26,692.18	11,208.20	6,638.74	5,017.95
Less: Amount included under Current Liabilities					
Current maturities of long term debt (Refer Note 5.1)					
Unpaid Matured Debentures (Refer Note 5.2)					
As per Balance Sheet	62,416.53	26,692.18	11,208.20	6,638.74	5,017.95

Particulars	Current				
	As on 31.03.2012	As on 31.03.2011	As on 31.03.2010	As on 31.03.2009	As on 31.03.2008
Secured					
(a) Bonds/debentures					
Secured Non-Convertible Debentures	39,012.96	20,262.22	19,264.66	13,531.24	7,853.36
(Secured by mortgage of immovable property and paripassu floating charge on current assets, book debts and Loans & advances)					
(Refer Note No. 3.1)					
Secured Non-Convertible Debentures	-	-	-	-	-

Particulars	Current				
	As on 31.03.2012	As on 31.03.2011	As on 31.03.2010	As on 31.03.2009	As on 31.03.2008
(Secured by mortgage of immovable property and charge on all movable fixed assets) (Refer Note No. 3.1)					
Secured Non-Convertible Debentures -Listed	-	2,150.00	-		
(Secured by mortgage of immovable property and paripassu floating charge on current assets, book debts and Loans & advances) (Refer Note No. 3.3 & 3.4)					
(b) Term loans					
From banks					
Term Loan (Secured by specific charge on wind mills & Land appurtenant thereto and personal guarantee and collateral property of promoter directors)	16.28	17.38	17.32	17.01	17.01
Terms of Repayment : Repayable in Quarterly Instalments (Previous Year : Repayable in Quarterly Instalments)					
Short Term Loan (Secured by mortgage of immovable property and subservient charge on current assets, book debts, loans & advances and personal guarantee of Promoter Directors and collateral security by a group company)	400.00	400.00	400.00	400.00	300.00
Term Loan (Secured by paripassu floating charge on current assets, book debts and Loans & advances and Rs. 2,000,000,000.00 is additionally secured by personal guarantee of Promoter Directors)	1,000.00	-			
(Terms of Repayment: Rs. 3,000,000,000.00 repayable in FY 2013-14 & Rs. 1,000,000,000.00 repayable in FY 2012-13)					
From Financial Institutions					
Term Loan (Secured by paripassu floating charge on current assets, book debts and Loans & advances and personal guarantee of Promoter Directors)	-	-			
(Terms of Repayment: repayable in FY 2013-14)					
(c) Loans repayable on demand from banks					
Overdraft against Deposit with Banks	0.44	1.02	2.83	5.31	8.78
(Secured by a lien on Fixed Deposit with Banks)					
Cash Credit	48,123.40	28,909.61	5,804.89	3,764.30	3,111.09
(Secured by paripassu floating charge on current assets, book debts, Loans & advances and personal guarantee of Promoter Directors)					
(d) Short Term Loans					
From Banks	33,930.00	29,785.00	12,020.00	6,830.00	2,380.00
(Secured by paripassu floating charge on current assets, book debts, Loans & advances and personal guarantee of Promoter Directors)					
From Financial Institutions	850.00	1,000.00			
(Secured by paripassu floating charge on current assets, book debts, Loans & advances and personal guarantee of promoter directors)					
Collateralised borrowing and lending obligation (Secured by investments in government securities)					112.00
Sub Total	123,333.08	82,525.23	37,509.70	24,547.86	13,782.24
Unsecured					
(a) Loans repayable on demand from banks					
	-	400.00	3,000.00	-	-

Particulars	Current				
	As on 31.03.2012	As on 31.03.2011	As on 31.03.2010	As on 31.03.2009	As on 31.03.2008
(b) Loans and advances from related parties					
Loan from Directors and Relatives	258.05	817.59	570.60	467.11	352.87
Inter Corporate Loan	130.45	3.05	16.75	2.22	
Subordinated Debt					
(Terms of Repayment: Repayable on maturity (Refer Note 3.2))					
(c) Other loans and advances					
Non-Convertible Debentures	-	-	500.00	-	-
Non-Convertible Debentures - Listed	-	2,000.00	-	-	-
Commercial Paper	7,694.48	6,947.81	-	-	-
Subordinated Debt	-	-	-	-	-
(Terms of Repayment: Repayable on maturity (Refer Note 3.2))					
Sub Total	8,082.98	10,168.45	4,087.35	469.33	352.87
Total	131,416.06	92,693.68	41,597.05	25,017.19	14,135.11
Less: Amount included under Current Liabilities					
Current maturities of long term debt (Refer Note 5.1)	38,960.85	20,233.91	19,269.13	13,548.26	7,870.36
Unpaid Matured Debentures (Refer Note 5.2)	68.39	45.69	12.85		
As per Balance Sheet	92,386.82	72,414.08	22,315.07	11,468.93	6,264.75
Long Term Borrowings	62,416.53	26,692.18	11,208.20	6,638.74	5,017.95
Short Term Borrowings	92,386.82	72,414.08	22,315.07	11,468.93	6,264.75

Note 3.1: Secured Non-Convertible Debentures

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. The details of these debentures for years ended March 2012, March 2011, March 2010, March 2009 and March 2008.

Rs. In Millions

Series	Date of allotment	Amount		As at 31.03.2010	As at 31.03.2009	As at 31.03.2008	Redemption Period	Interest Rate (%)
		As at 31.03.2012	As at 31.03.2011					
BR	01.03.2012-31.03.2012	5,351.34	-	-	-	-	60 months	11.5-12.5
BQ	23.01.2012-29.02.2012	7,983.37	-	-	-	-	60 months	11.5-12.5
BP	01.12.2011-22.01.2012	7,728.85	-	-	-	-	60 months	11.5-12.5
BO	19.09.2011-30.11.2011	7,053.79	-	-	-	-	60 months	11-12
BN	01.07.2011-18.09.2011	7,394.77	-	-	-	-	60 months	11-12
BM	01.04.2011-30.06.2011	6,421.79	-	-	-	-	60 months	11-12
BL	01.01.2011-31.03.2011	6,649.94	10,075.09	-	-	-	60 months	10-11.5
BK	01.10.2010-31.12.2010	4,317.30	6,088.72	-	-	-	60 months	9.5-11.5
BJ	01.07.2010-30.09.2010	2,493.89	4,721.64	-	-	-	60 months	9.5-11
BI	01.04.2010-30.06.2010	1,984.77	4,119.70	-	-	-	60 months	9-10.5
BH	01.01.2010-31.03.2010	1,920.25	3,006.04	5,860.21	-	-	60 months	9-10.5
BG	01.10.2009-31.12.2009	1,545.71	1,953.23	3,997.28	-	-	60 months	9.5-10.5
BF	01.07.2009-30.09.2009	1,298.10	1,802.96	3,411.10	-	-	60 months	10.5
BE	01.04.2009-30.06.2009	1,118.07	1,510.81	2,865.73	-	-	60 months	10.5-11.5
BD	01.01.2009-31.03.2009	595.18	1,244.97	1,860.28	4,408.91	-	60 months	11-12
BC	22.09.2008-31.12.2008	556.51	1,281.77	1,701.31	3,091.55	-	60 months	11-12
BB	10.07.2008-21.09.2008	336.51	892.70	1,177.26	1,930.01	-	60 months	11-11.5
BA	03.07.2008-09.07.2008	49.21	139.47	178.36	393.71	-	60 months	11-11.5
AZ	01.04.2008-02.07.2008	400.00	798.50	1,053.92	1,724.05	-	60 months	10.5-11
AY	01.01.2008-31.03.2008	272.89	411.23	832.85	1,125.84	3,450.44	60 months	10.5-11
AX	01.10.2007-31.12.2007	227.06	325.06	759.84	951.85	1,978.71	60 months	10.5-11
AW	01.07.2007-30.09.2007	174.94	337.81	816.99	1,008.35	1,819.88	60 months	10.5-11
AV	01.04.2007-30.06.2007	190.79	398.13	1,011.23	1,199.92	1,879.51	60 months	10.5-11
AU	01.01.2007-31.03.2007	21.83	292.65	558.91	1,078.61	1,100.17	60 months	09-11

Series	Date of allotment	Amount		As at 31.03.2010	As at 31.03.2009	As at 31.03.2008	Redemption Period	Interest Rate (%)
		As at 31.03.2012	As at 31.03.2011					
AT	13.08.2006-31.12.2006	3.60	212.92	447.19	828.48	837.35	60 months	9-9.5
AS	01.05.2006-12.08.2006	1.31	138.41	243.33	478.52	484.37	60 months	8.5-9
AR	15.06.2005-30.04.2006	0.86	26.56	278.11	422.42	442.29	60 months	8-8.5
AQ	01.04.2005-14.06.2005	0.37	0.45	49.25	78.92	87.40	60 months	8-8.5
AP	07.02.2005-14.06.2005	0.38	0.49	25.59	33.81	40.59	60 months	9.27-10.08
AO	07.02.2005-31.03.2005	0.04	0.04	4.53	33.41	34.34	60 months	8-8.5
AN	01.01.2005-06.02.2005	0.16	0.16	0.71	23.56	25.11	60 months	8.5-9
AM	01.12.2004-31.12.2004	-	0.01	0.50	25.19	26.94	60 months	8.5-9
AL	15.11.2004-30.11.2004	-	-	0.13	11.16	12.51	60 months	8.50-9
AK	1.11.2004-14.11.2004	-	-	-	0.82	0.95	60 months	8.50-9.50
AI	01.10.2004-06.02.2005	2.56	2.61	5.70	85.08	91.05	60 months	10.2-12
AE	15.07.2004-30.09.2004	6.02	49.91	51.96	77.12	80.12	90 months	10.83-12
AD	01.07.2004-14.11.2004	0.23	0.23	0.25	8.56	11.57	60 months	9.5
	Total	66,102.39	39,832.27	27,192.52	19,019.85	12,403.30		

Note 3.2: Subordinated Debt

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. The details of these subordinated debts for years ended March 2012, March 2011, March 2010, March 2009 and March 2008.

Rs. In Millions

Series	Date of allotment	As at 31 Mar-12	As at 31 Mar-11	As at 31 Mar-10	As at 31 Mar-09	As at 31 Mar-08	Redemption Period	Rate of Interest (%)
IX	01.11.2011-31.03.2012	4,081.07	-	-	-	-	66 months	12.6-13.39
E	21.03.2005	65.94	65.94	65.94	65.94	65.94	144 months	15
VIII	01.07.2011-31.10.2011	2,343.85	-	-	-	0	66 months	12.67
VII	01.01.2011-07.02.2011	437.28	437.28	-	-	0.00	72 months	11.61
VII	01.04.2011-30.06.2011	1,270.32	-	-	-	0	66 months	12.67
VII	08.02.2011-31.03.2011	1,080.40	1,080.40	-	-	0.00	66 months	12.67
VI	01.07.2010-31.12.2010	1,912.71	1,912.71	-	-	0.00	72 months	11.61
D	03.04.2004	14.06	14.06	14.06	14.06	14.06	144 months	15
V	01.01.2010-30.06.2010	1,038.65	1,038.65	609.86	-	0.00	72 months	11.61
C	01.11.2003	98.75	98.75	98.75	98.75	98.75	144 months	15
B	30.09.2003	110.00	110.00	110.00	110.00	110.00	144 months	15
IV	17.08.2009-31.12.2009	759.31	759.31	759.31	-	0.00	72 months	11.61
IV	01.07.2009-16.08.2009	263.62	263.62	263.62	-	0.00	69 months	12.12
IV	01.07.2009-16.08.2009	12.42	12.42	12.42	-	0.00	72 months	12.50
A	25.03.2003	111.25	111.25	111.25	111.25	111.25	144 months	15
III	15.12.2008-30.06.2009	193.19	193.19	193.19	-	-	72 months	12.5
III	15.12.2008-30.06.2009	744.89	744.89	744.89	435.77	-	69 months	12.12
II	18.08.2008-13.12.2008	263.38	263.38	263.39	263.39	-	72 months	11.61
	Total	14,801.09	7,105.85	3,246.68	1,099.16	400.00		

Note 3.3: Secured Non-Convertible Debentures – Listed

The Company privately placed Secured Rated Non-Convertible Listed Debentures with an outstanding for the years ended March 2012, March 2011, March 2010, March 2009 and March 2008 as follows

Series	Date of Allotment	As at 31 Mar-12	As at 31 Mar-11	As at 31 Mar-10	As at 31 Mar-09	As at 31 Mar-08	Redemption Period	Rate of Interest (%)
L 4	12.01.2012	1,000.00	-	-	-	-	60 Months	13
L 3	30.03.2011	-	1,000.00	-	-	-	12 Months	12.5
L 2	25.03.2011	-	650.00	-	-	-	12 Months	12.5

Series	Date of Allotment	As at 31 Mar-12	As at 31 Mar-11	As at 31 Mar-10	As at 31 Mar-09	As at 31 Mar-08	Redemption Period	Rate of Interest (%)
L 1	23.03.2011	-	500.00	-	-	-	12 Months	12.5
Total		1,000.00	2,150.00	-	-	-		

Note 3.4: Secured Non-Convertible Debentures – Public Issue

The outstanding amount of Secured Rated Non-Convertible Listed Debentures raised through Public Issue

Series	Date of Allotment	As at 31 Mar-12	As at 31 Mar-11	As at 31 Mar-10	As at 31 Mar-09	As at 31 Mar-08	Redemption Period	Rate of Interest (%)
PL 2	18.01.2012	4,593.20	-	-	-	-	2, 3, 5, 5.5 years	13.00-13.43
PL 1	14.09.2011	6,932.81	-	-	-	-	2, 3, 5 years	11.75-12.25
Total		11,526.01	-	-	-	-		

Note 3.5: Short Term Borrowings - Unsecured Non-Convertible Debentures – Listed

The Unsecured Non-Convertible Debentures represents debentures private placed to a Mutual Fund governed by the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.

Series	Date of Allotment	As at 31 Mar-12	As at 31 Mar-11	As at 31 Mar-10	As at 31 Mar-09	As at 31 Mar-08	Redemption Period
E	10.03.2011	-	2,000.00	-	-	-	12 Months
Total		-	2,000.00	-	-	-	

Note 3.6: Short Term Borrowings - Unsecured Non-Convertible Debentures – Unlisted

The Unsecured Non-Convertible Debentures represents debentures private placed to a Mutual Fund governed by the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.

Series	Date of Allotment	As at 31 Mar-12	As at 31 Mar-11	As at 31 Mar-10	As at 31 Mar-09	As at 31 Mar-08	Redemption Period
C	28.01.2012	-	-	500.00	-	-	89 Days
Total		-	-	500.00	-	-	

Note 4: Other long term liabilities

Rs. In Millions

Particulars	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Interest accrued but not due on long term borrowings	2,627.08	1,215.38	708.67	443.17	251.05
Security Deposit Received	59.86	43.23	41.15	0.77	0.23
Total	2,686.94	1,258.61	749.82	443.94	251.28

Note 5: Trade payables and other current liabilities

Rs. In Millions

Particulars	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
(a) Current maturities of long-term debt (Refer Note No. 5.1)	38,960.85	20,233.91	19,269.13	13,548.26	7,870.36
(b) Interest accrued but not due on borrowings	2,733.06	1,445.71	1,017.87	622.58	378.66
(c) Interest accrued and due on borrowings	1,917.26	839.41	302.23	91.06	14.88
(d) Unpaid matured debentures and interest accrued thereon (Refer Note No. 5.2)	97.04	61.34	18.55	-	-
(e) Trade Payables	392.24	244.03	122.03	50.44	32.65
(f) Unmatured interest on bilateral assignment of receivables	-	-	2,300.01	558.94	531.73
(g) Other payables	-	-	-	-	-
Statutory Payables	121.65	74.06	26.29	38.31	15.50

Particulars	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Others	5.55	1.23	0.40	0.30	0.18
Total	44,227.65	22,899.69	23,056.51	14,909.89	8,843.96

Note 5.1 Current maturities of long-term debt

Rs. In Millions					
Particulars	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Secured Non- Convertible Debentures	38,944.57	20,216.53	19,251.81	13,531.23	7,853.35
(Secured by mortgage of immovable property and paripassu floating charge on current assets, book debts and Loans & advances)					
Term loan from Bank	16.28	17.38	17.32	17.03	17.01
(Secured by specific charge on wind mills & Land appurtenant thereto and personal guarantee and collateral property of Promoter Directors)					
Total	38,960.85	20,233.91	19,269.13	13,548.26	7,870.36

Note 5.2 Unpaid matured debentures and interest thereon:

Rs. In Millions					
Particulars	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Unpaid Matured debentures	68.39	45.69	12.85	-	-
Interest on Unpaid matured debentures	28.65	15.65	5.70	-	-
Total	97.04	61.34	18.55	-	-

Note 6: Short term provisions

Rs. In Millions					
Particulars	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Proposed Dividend	1,486.85	-	-	-	-
Provision for Corporate Dividend Tax	241.20	-	-	-	-
Provision for Non-Performing Assets	181.30	69.65	37.08	16.11	9.26
Provision for Standard Assets	529.99	290.90	-	-	-
Provision for Income Tax (Net of Advance tax)	307.42	240.76	143.36	27.79	27.12
Total	2,746.76	601.31	180.44	43.90	36.38

Movement of Provision for Standard and Non-Performing Assets

As per the Non- Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, Company has created provisions for Standard Assets as well as Non Performing Assets as per the table below:

Rs. In Millions					
Particulars	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Provision for Standard Assets					
Provision at the beginning of the year	290.90	-	-	-	-
Additional provision made during the year	239.09	290.90	-	-	-
Provision at the close of the year	529.99	290.90	-	-	-
Provision for Non-Performing Assets					
Provision at the beginning of the year	69.65	37.08	16.11	9.26	2.35
Additional provision made during the year	111.65	32.57	20.97	6.85	6.91
Provision at the close of the year	181.30	69.65	37.08	16.11	9.26

Note 7: Fixed Assets

Rs. In Millions

Description	Gross Block					Accumulated Depreciation					Net Block				
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
<u>Tangible Assets</u>															
Land	545.86	537.15	500.28	545.45	513.80	-	-	-	-	-	545.86	537.15	500.28	545.45	513.80
Building	442.95	265.88	194.01	182.23	175.91	64.34	50.57	41.97	34.22	26.59	378.61	215.31	152.04	148.01	149.32
Furniture & Fixtures	848.06	553.46	331.72	245.44	198.31	286.32	184.24	136.33	98.95	73.47	561.74	369.22	195.39	146.49	124.84
Plant & Machinery	1,041.87	599.43	285.35	199.88	80.04	209.19	111.42	64.04	41.17	22.08	832.68	488.01	221.31	158.71	57.96
Computer	464.32	292.08	173.70	107.46	46.48	236.91	142.60	85.83	46.71	26.65	227.41	149.48	87.87	60.75	19.83
Motor Car	50.66	34.73	25.43	21.61	20.11	23.17	17.42	14.13	11.44	8.76	27.49	17.31	11.30	10.17	11.35
Wind Mill	180.60	180.60	180.60	180.60	180.60	133.33	121.51	106.74	88.27	65.19	47.27	59.09	73.86	92.33	115.41
Sub Total	3,574.32	2,463.33	1,691.09	1,482.67	1,215.25	953.26	627.76	449.04	320.76	222.74	2,621.06	1,835.57	1,242.05	1,161.91	992.51
<u>Intangible Assets</u>															
Computer Software	12.58	6.65	7.11	7.54	1.33	6.74	4.44	3.57	2.00	0.49	5.84	2.21	3.54	5.54	0.84
FM Radio License	-	-	-	94.02	94.02	-	-	-	11.75	2.35	-	-	-	82.26	91.67
Sub Total	12.58	6.65	7.11	101.56	95.35	6.75	4.44	3.57	13.75	2.84	5.84	2.21	3.54	87.80	92.51
Capital work in Progress											38.95	47.97	83.37	34.01	63.63
Intangible Assets under Development															
Computer Software											16.42	-	-		
Total	3,586.90	2,469.98	1,698.20	1,584.23	1,310.60	960.01	632.20	452.61	334.51	225.58	2,682.27	1,885.75	1,328.96	1,283.72	1,148.65

Note 8: Non Current Investments

Rs. In Millions

Particulars	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Unquoted					
Long Term Investments (At cost)					
A. In Other Subsidiaries	-	-	-	-	-
5,500,000 equity shares of Rs. 10/- each fully paid up in Muthoot Exchange Company Private Limited					55.00
B. In Other Companies					
25.800 equity shares of Rs.10/- each fully paid up in Muthoot Broadcasting Private Limited	-	-	-	0.26	0.26
4,500,000 equity shares of Rs. 10/- each fully paid up in Muthoot Exchange Company Private Limited	45.00	45.00	45.00	45.00	-
3,000,000 equity shares of Rs. 10/- each fully paid up in Muthoot Securities Limited	30.00	30.00	30.00	30.00	-
Total – Unquoted Investments	75.00	75.00	75.00	75.26	55.26
Quoted					
A. In Other Companies					
454 equity shares of Rs. 10/- each fully paid up in Union Bank of India	0.05	0.05	0.05	0.05	0.05
Total – Quoted Investments	0.05	0.05	0.05	0.05	0.05
Grand Total	75.05	75.05	75.05	75.31	55.31

Rs. In Millions

Particulars	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Aggregate amount of Unquoted investments	75.00	75.00	75.00	75.26	55.26
Aggregate amount of Quoted investments	0.05	0.05	0.05	0.05	0.05
Market value of Quoted investments	0.11	0.16	0.13	0.07	0.06

Note 9: Long term loans and advances

Rs. In Millions

Particulars	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Unsecured, considered good					
a. Capital Advances	277.94	457.30	207.28	97.18	30.01
b. Security Deposits	820.76	446.56	222.43	136.24	91.80
Total	1,098.70	903.86	429.71	233.42	121.81

Note 10: Other non current assets

Rs. In Millions

Particulars	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Long term trade receivables					
Unsecured, considered good	0.51	-	-	-	-
Total	0.51	-	-	-	-

Note 11: Current Investments

Rs. In Millions

Particulars	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Current Investments (At lower of cost or market value)					
Unsecured Redeemable Non Convertible Bonds in Yes Bank	900.00	-	-	-	-
10.25% Govt. of India Bonds (as security against Collateralised Lending and Borrowing Obligation)	-	-	-	-	118.13
LIC Mutual Fund - Liquid Fund	-	-	-	10.00	10.00
Total	900.00	-	-	10.00	128.13
Aggregate amount of Quoted investments	900.00	-	-	10.00	128.13

Note 12: Trade receivables

Rs. In Millions

Particulars	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Trade receivables outstanding for a period less than six months from the date they are due for payment					
Secured, considered good					
Interest Receivable on Retail loans	7,106.89	3,397.30	1,353.12	1,154.60	653.45
Unsecured, considered good					
Interest Receivable on Retail loans	4.31	3.45	1.06	1.17	0.96
Receivables on account of Money Transfer	211.36	53.94	33.45	40.96	34.93
Wind Mill income receivable	2.50	4.57	4.39	-	-
Sub Total	7,325.06	3,459.26	1,392.02	1,196.73	689.34
Trade receivables outstanding for a period exceeding six months from the date they are due for payment					
Unsecured, considered good					
Wind Mill income receivable	15.17	9.40	-	-	-
Sub Total	15.17	9.40	-	-	-
Total	7,340.23	3,468.66	1,392.02	1,196.73	689.34

Note 13: Cash and bank balances

Rs. In Millions

Particulars	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
I. Cash and Cash Equivalents					
a. Cash on hand	2,272.35	1,350.09	1,079.49	468.51	271.64
b. Balances with banks					
- Current Accounts	2,989.30	9,329.38	3,552.13	1,475.80	311.26
- Deposit Account (maturing within a period of 3 months)	50.00	309.71	70.98	5,543.50	1,160.01
II. Other Bank Balances					
Earmarked Balances - Fixed Deposits on which lien is marked	0.26	0.23	0.21	0.36	0.29
Initial Public Offering for issue of Equity Shares - Balance in Escrow Account	5.56				
Fixed Deposits given as Cash collateral for Securitisation	2,610.70	2,743.17	1,037.10	1,313.95	813.88
Fixed Deposits given as Security against borrowings	19.13	20.13	20.01	19.89	20.20
Fixed Deposits given as Security against	3.09	2.24	-	3.31	3.10

Particulars	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Guarantees					
Total	7,950.39	13,754.95	5,759.92	8,825.32	2,580.38
Out of the above, Fixed Deposits with more than 12 months maturity	153.35	2.48	134.48	998.22	208.24

Note 14: Short term loans and advances

Rs. In Millions

Particulars	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Retail Loans (Refer note 14.1)					
Secured, Considered good	211,879.34	116,267.28	53,920.78	25,379.58	17,812.03
Secured, Doubtful	1,389.53	460.11	343.58	161.07	92.57
Unsecured, considered good	115.02	93.23	33.95	19.19	17.22
Other Deposits & Advances	-	-	-	-	-
Unsecured, considered good	-	-	-	-	-
Prepaid Expenses	69.68	93.67	5.75	-	-
Service tax Pre-Deposit	8.30	4.30	4.30	-	-
Others	138.35	138.63	81.80	39.45	32.97
Total	213,600.22	117,057.22	54,390.16	25,599.29	17,954.79

Note 14.1: Retail Loans

Particulars	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Gross Retail Loan assets under management	246,736.01	158,684.55	74,381.48	33,690.08	22,262.80
Less: Sell down of receivables under bilateral assignment	33,352.12	41,863.93	20,083.17	8,130.24	4,340.98
Net Retail Loan assets as per Balance Sheet	213,383.89	116,820.62	54,298.31	25,559.84	17,921.82
Break-up of Gross Retail Loan assets under management					
Gold Loan Receivables	244,172.99	157,280.72	73,417.35	33,000.73	21,790.07
Loan against Muthoot Gold Bonds	2,448.00	1,310.59	930.17	670.16	455.51
Other Loans	115.02	93.24	33.96	19.19	17.22
Total	246,736.01	158,684.55	74,381.48	33,690.08	22,262.80

Note 15 : Other current assets

Rs. In Million

Particulars	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Interest receivable on Bank Deposits	70.75	89.25	4.51	21.75	1.22
Total	70.75	89.25	4.51	21.75	1.22

ANNEXURE-V: SCHEDULES TO REFORMATTED SUMMARY STATEMENT OF PROFIT AND LOSS

Note 16: Revenue from operations

Rs. In Millions

Particulars	For the year ended March 31, 2012	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
Interest Income on Retail Loans	45,157.74	22,840.52	10,690.81	5,990.14	3,557.09
Income from Windmill	17.67	22.13	25.11	22.12	17.37
Other Operating Income	191.31	152.40	89.02	108.40	88.03
Total	45,366.72	23,015.05	10,804.94	6,120.66	3,662.49

Note 17: Other Income

Rs. In Millions

Particulars	For the year ended March 31, 2012	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
Interest from Fixed Deposits with Bank	122.57	142.92	83.71	72.26	22.28
Profit on sale of investments	-	-	-	-	1.40
Income from investments	-	-	0.03	10.54	-
Profit on sale of Fixed Assets	0.40	-	4.60	0.18	0.08
Other non-operating income	0.87	0.70	0.52	0.38	0.13
Total	123.84	143.62	88.86	83.36	23.89

Note 18: Employee Benefits Expenses

Rs in Millions

Particulars	For the year ended March 31, 2012	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
Salaries and incentives	3,729.73	2,024.89	1,058.80	617.85	367.23
Contributions to Provident and Other Funds	340.57	135.10	84.42	40.84	25.70
Staff welfare expenses	74.47	49.50	26.22	18.32	12.42
Total	4,144.77	2,209.49	1,169.44	677.01	405.35

Note 19: Finance Costs

Rs. In Millions

Particulars	For the year ended March 31, 2012	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
Interest Expenses	23,109.79	10,289.81	4,716.42	3,084.03	1,789.62
Other Borrowing Costs	589.20	93.06	28.94	25.25	8.37
Total	23,698.99	10,382.87	4,745.36	3,109.28	1,797.99

Note 20: Other expenses

Rs. In Millions

Particulars	For the year ended March 31, 2012	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
Postage, Telegram and Telephone	184.23	115.38	71.78	27.47	17.64
Printing and Stationary	155.22	110.60	68.74	44.46	31.51
Rent Paid	1,042.00	602.69	290.13	130.72	81.87
Travelling and Conveyance	167.54	113.54	67.31	42.34	26.68
Bank Charges	24.55	16.34	44.94	57.88	25.50
Electricity Charges	134.76	77.91	45.14	33.58	22.40
Repairs and Maintenance - Buildings	88.65	60.39	22.27	14.33	10.74
Repairs and Maintenance - Plant & Machinery	140.18	87.28	40.32	24.19	17.64
Repairs and Maintenance - Others	112.00	62.98	33.12	23.18	13.30
Water Charges	6.56	2.50	1.22	0.75	0.61
Rates & Taxes and License Fee	23.31	16.52	10.24	11.04	11.66
Legal & Professional Charges	59.73	113.67	33.87	16.36	11.44
Insurance Charges	24.33	13.98	5.17	21.22	13.03
Newspaper and Periodicals	1.79	0.79	0.12	0.09	0.06
Business Promotion Expense	267.36	118.74	45.46	25.04	17.63
Advertisement	866.28	646.69	331.47	207.72	66.75
Vehicle Hire & Maintenance	8.72	7.53	5.90	5.70	4.95
Internal Audit and Inspection Expenses	83.01	37.55	19.00	12.09	7.09
Income Tax Paid	-	32.27	9.41	-	-
Remuneration to Auditors	1.03	0.70	0.40	0.30	0.18

Particulars	For the year ended March 31, 2012	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
Directors' Sitting Fee	0.33	0.57	0.08	0.13	-
Commission to Non-Executive Directors	1.60	0.53	-	-	-
Foreign Exchange Conversion Loss	-	0.19	-	-	-
Loss on Sale of Fixed Assets	-	0.13	-	-	-
Loss on Theft	-	-	0.48	-	-
TOTAL	3,393.18	2,239.47	1,146.57	698.59	380.68

Note 21: Provisions and write offs

Rs. In Millions					
Particulars	For the year ended March 31, 2012	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
Provision For Non Performing Assets	111.66	32.56	20.98	6.85	6.91
Provision For Standard Assets	239.08	290.90	-	-	-
Bad Debt Written Off	69.23	18.29	6.18	-	-
TOTAL	419.97	341.75	27.16	6.85	6.91

ANNEXURE VI – NOTES ON REFORMATTED SUMMARY STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES

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 13.11.2001 vide Regn No. N 16.00167. The Company is presently classified as Systemically Important Non-Deposit Taking NBFC (NBFC-ND-SI).

The Company made an Initial Public Offer of 5,15,00,000 Equity Shares of the face value Rs. 10/- each at a price of Rs. 175/- raising Rs. 9,012,500,000.00 during the month of April 2011. The equity shares of the Company are listed on National Stock Exchange of India Limited and BSE Limited from 6th May 2011.

2. The reformatted summary statement of assets and liabilities of the Company as at March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009, and March 31, 2008 and the related reformatted summary statement of profits and losses and cash flows for the years ended March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009 and March 31, 2008 (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 YEAR ENDED MARCH 31 2012.

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 as prescribed by Reserve Bank of India vide Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 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.

2. 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 Kotak Mahindra Old Mutual Life Insurance Limited and ICICI Prudential Life Insurance Company Limited. The Company accounts for its liability for future gratuity benefits based on actuarial valuation determined every year by the Insurance Company using Projected Unit Credit Method.

3. 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.

4. 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.

5. 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 method.

6. 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 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. Deferred tax assets are recognized if there is reasonable certainty that there will be sufficient future taxable income available to realise such assets.

7. INVESTMENTS

Investments intended to be held for not more than one year are classified as current investments. All other investments are classified as non-current investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Non-Current 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.

8. 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.

9. 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.

10. DEBENTURE REDEMPTION RESERVE

In terms of General Circular No. 9/2002 dated April 18, 2002 issued by the Ministry of Corporate Affairs, Company has created Debenture Redemption Reserve in respect of Secured Non-Convertible Debentures issued through public issue. No Debenture Redemption Reserve is to be created for privately placed debentures of Non-Banking Finance Companies.

11. 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.

12. 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 Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Statement of Profit and Loss.

Where the Company is the lessee:

Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

13. 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 two business segments – Financing and Power Generation. .
- 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, expenses, assets and liabilities 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:

Rs. in Millions					
Adjustments made in Reformatted Profit & Loss Account	Year ended March 31, 2012	Year ended March 31, 2011	Year ended March 31, 2010	Year ended March 31, 2009	Year ended March 31, 2008
Profit after tax as per audited financials	8,920.24	4,941.76	2,275.75	977.20	635.97
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)
Total Adjustments	0.00	0.00	9.41	(4.46)	(5.32)
Adjustment of excess provision of income tax, for earlier years written back	0.00	0.00	0.00	5.96	0.00
Profit after tax, as per Financial Statements as reformatted	8,920.24	4,941.76	2,285.16	978.70	630.65

- 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.

ANNEXURE VII: CAPITALIZATION STATEMENT AS AT MARCH 2012

PARTICULARS	Rs. In Millions	
	Pre Issue	Post Issue
Long Term Debts	62,416.53	67,416.53
Short Term Debts (including current maturities of long term debt)	131,416.06	131,416.06
Total Debts	193,832.59	198,832.59
Shareholders' Funds		
- Equity Share Capital	3,717.13	3,717.13
- Preference Share Capital	-	-
Reserves and Surplus, as Restated		
- Securities Premium Account	10,570.78	10,570.78
- General Reserve	892.02	892.02
-Debt Redemption reserve	742.04	742.04
Statutory Reserves	3,766.07	3,766.07
Surplus in statement of profit and loss	9,569.28	9,569.28
Total Shareholders' Funds	29,257.32	29,257.32
Long Term Debts/ Equity	2.13	2.30

Notes:

- Short term debts represent debts which are due within twelve months from March 31,2012.
- Long term debts represent debts other than short term debts, as defined above.
- The figures disclosed above are based on the Reformatted Summary Statement of Assets and Liabilities of the Company as at March 31, 2012
- Long Term Debts/ Equity = $\frac{\text{Long Term Debts}}{\text{Shareholders' Funds}}$
- The debt-equity ratio post the Issue is indicative and is on account of assumed inflow of Rs.5,000 million from the issue

ANNEXURE VIII: STATEMENT OF SECURED LOANS AND UNSECURED LOANS

A. SECURED LOANS

Particulars	Rs. In Millions				
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Loans from banks and financial institutions:					
Loan against fixed deposit with Bank		-	-	-	-
OD facility from Banks	0.44	1.02	2.83	5.31	8.78
Short term loans/Cash Credit Facilities	83,303.40	60,094.61	18,224.89	10,994.30	5,791.11
Rupee Term Loans	9,016.28	33.66	50.97	68.00	85.01
Debentures					
Redeemable, Non-convertible debentures	78,628.39	41,982.27	27,192.52	19,019.85	12,403.29
Collateralised Borrowing and Lending Obligation					
From Clearing Corporation of India Ltd	-	-	-	-	112.00
Total	170,948.51	102,111.56	45,471.21	30,087.46	18,400.19

Notes:

1. Loan against fixed deposit with Bank to the extent of Rs 0.44 million are secured against pledge of fixed deposit with the banks amounting to Rs 19.13 million together with the interest and all monies payable thereunder.
2. Cash credit facilities from banks amounting to Rs 48,123.40 million are Secured by paripassu floating charge on current assets, book debts, Loans & advances and personal guarantee of Promoter Directors
3. Rupee short term loan of Rs 33,930.00 million availed from bank and Rs.850.00 million availed from financial institutions are secured by paripassu floating charge on current assets, book debts, Loans & advances and personal guarantee of Promoter Directors
4. Rupee short term loan of Rs 400.00 million availed from bank is Secured by mortgage of immovable property and subservient charge on current assets, book debts, loans & advances and personal guarantee of Promoter Directors and collateral security by a group company
5. Rupee short term loan of Rs 16.28 million availed from a bank is secured by specific charge on wind mills and land appurtenant thereto and personal guarantee and collateral property of promoter directors.
6. Rupee term loan of Rs 2,000.00 million availed from bank is Secured by paripassu floating charge on current assets, book debts and Loans & advances
7. Rupee term loan of Rs 7,000.00 million availed from banks and financial institutions is Secured by paripassu floating charge on current assets, book debts and Loans & advances and personal guarantee of Promoter Directors
8. Secured Non Convertible debentures of Rs 78,579.18 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.
9. Secured Non Convertible debentures of Rs 49.21 million is secured by mortgage of immovable property and a charge on all movable fixed assets.
10. The details of security for loans above have been disclosed only in respect of those loans which were outstanding as at March 31, 2012
11. The figures disclosed above are based on the Reformatted Summary Statement of Assets and Liabilities of the Company.

B. UNSECURED LOANS

Rs. In Millions

Particulars	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Short Term					
From Banks and financial institutions					
- Unsecured Loan	-	400.00	3,000.00	-	-
- Commercial Paper	7,694.48	6,947.81	-	-	-
Debentures	-	2,000.00	500.00	-	-
From Others					
- Loan from Directors / Relatives of Directors	258.05	817.59	570.60	467.11	352.87
- Inter Corporate Loans	130.45	3.05	16.75	2.22	-
- Subordinate debt	407.78	407.14	403.71	402.72	400.00
Long Term					
From Banks and financial institutions	-	-	-	-	-
From Others					
- Subordinate Debts	14,393.32	6,698.72	2,842.97	696.43	-
Total	22,884.08	17,274.31	7,334.03	1,568.48	752.87

ANNEXURE IX: STATEMENT OF ACCOUNTING RATIOS

PARTICULARS	For the year ended March 31, 2012	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
Earnings/ (Loss) per Share – Basic (Rs.)	24.29	15.78	7.59	3.49	2.57
Earnings/ (Loss) per Share – Diluted (Rs.)	24.29	15.78	7.59	3.49	2.57
Return on Net Worth (%)	30.49%	37.03%	39.09%	26.44%	28.36%
Net Asset Value per Equity Share (Rs.)	78.71	41.67	19.42	75.56	444.72

Weighted average number of equity shares used in calculating Basic EPS	367,210,036	313,255,816	301,000,000	280,097,456	245,714,286
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	367,210,036	313,255,816	301,000,000	280,097,456	245,714,286
Total number of equity shares outstanding at the end of the year/ period	371,712,768	320,212,768	301,000,000	49,000,000	5,000,000

Notes:

1. The ratios have been computed as below:

Earnings per Share $\frac{\text{Net Profit/ (Loss) as restated, attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year (restated)}}$

Return on Net Worth (%) $\frac{\text{Net Profit/ (Loss) after tax, as restated}}{\text{Net Worth as restated}}$

Net Assets Value per Equity Share (Rs.) $\frac{\text{Net Worth as restated}}{\text{Number of equity shares outstanding at the end of the year}}$

4. Net Worth = Equity Share Capital (+) Reserves and Surplus

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 period ended March 31 2012 and 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: STATEMENT OF DIVIDEND PAID / PROPOSED

						Rs. In Millions
PARTICULARS	Face Value (Rs./ Share)	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Class of Shares						
Equity Share Capital	10.00	3,717.13	3,202.13	3,010.00	490.00	50.00

Dividend

PARTICULARS	Face Value (Rs./ Share)	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
- Rate on the face value		40%	0%	0%	0%	0%
- Amount		1,486.85	-	-	-	-
Dividend Tax		241.20	-	-	-	-

Note:

The amount paid as dividends in the past are not necessarily indicative of the Company's dividend policy in the future.

ANNEXURE XI : STATEMENT OF CONTINGENT LIABILITIES

Rs. In Millions

Particulars	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
<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 Rs. 52,007,698.00 as Service tax liability and penalty. During the course of the proceedings Company paid Rs. 20,86,391.00. The Appellate Authority admitted the Appeal preferred by the company and granted stay of recovery, on pre-deposit of Rs. 83,00,000.00 . Pending disposal of appeal, no provision has been made by the company during the year.	49.92	49.92	49.92	9.19	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 Rs. 52.37 Lakhs . The Company has already paid the demand by way of Advance Tax, Tax Deducted at Source and adjustment against refund due. No additional income tax liability is expected. Hence no provision is required to be made by the company during the year.	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 Rs. 15.21 Lakhs . The Company has already paid the demand by way of Advance Tax and Tax Deducted at Source. No additional income tax liability is expected. Hence no provision is required to be made by the company during the year.	NIL	NIL	NIL	NIL	NIL
iv) Income tax demand for Assessment Year 2009-10, pending in appeal with Commissioner of Income Tax (Appeals), Kochi Additional Commissioner of Income Tax, Range - 1, Kochi has passed an order demanding Rs. 13,782,470.00 towards income tax due for the Assessment Year 2009-10. The Commissioner of Income Tax (Appeals) admitted the appeal preferred by the Company. Pending disposal of appeal, no provision has been made by the company during the year.	13.78	NIL	NIL	NIL	NIL
Estimated amount of contracts remaining to be executed on capital accounts and not provided for	189.80	24.73	26.90	-	-
<u>Other money for which company is contingently liable:</u>					
i) Counter Guarantee provided to Banks	218.49	32.54	30.30	33.37	3.07
ii) Cash collateral provided as credit enhancement for bilateral assignment of receivables	2,610.70	2,743.16	1,037.11	1,313.94	813.87
iii) Over collateral provided as credit enhancement for bilateral assignment of receivables	25.00	63.57	80.12	77.51	141.18
iv) Corporate guarantee provided as credit enhancement for bilateral assignment of receivables	1,571.43	751.55	1,500.01	-	-

ANNEXURE-XII: STATEMENT OF TAX SHELTERS

Rs. In Millions

PARTICULARS	For the year ended March 31, 2012	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
Profits/ (Losses) before Current and Restated taxes as per books, as restated (A)	13,312.47	7,612.11	3,455.53	1,481.70	969.78
Income Tax Rates (including surcharge and education cess) applicable (B)	32.45%	33.22%	33.99%	33.99%	33.99%
Tax at national rates (C)	4,319.23	2,528.55	1,174.53	503.63	329.63
Permanent Differences					
Amortisation of intangible assets	2.30	1.34	1.56	1.51	2.62
Provision for NPA	350.75	323.46	20.98	6.85	6.91
Profit on sale of fixed assets	(0.40)	-	(0.08)	(0.18)	(0.08)
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			
Total Permanent Differences (D)	352.65	359.60	46.87	8.18	9.45
Timing Differences					
Differences between book depreciation and tax depreciation	(25.73)	(33.58)	16.66	4.51	9.49
Total Timing Differences (E)	(25.73)	(33.58)	16.66	4.51	9.49
Net Adjustments (G) = (D+E)	326.92	326.02	63.53	12.69	18.94
Tax impact of adjustments (H) = (G)*(B)	106.07	108.30	21.59	4.31	6.44
Deduction u/s 80IA (I)	13.69	18.29	20.89	17.51	-
Taxable Income (J) = (A+G-I)	13,625.70	7,919.84	3,498.17	1,476.88	988.72
Tax provision based on taxable income (K) = (J * B)	4,420.86	2,670.45	1,189.03	501.99	336.07
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)	4,420.86	2,670.45	1,192.81	507.94	336.07
Deferred tax Charges/ (Credit) on differences between book depreciation and depreciation under the Income Tax Act, 1961 (M)	7.60	10.72	(6.07)	(1.53)	(3.23)
Provision for FBT(N)		-	-	0.42	3.32
Deferred tax Charges/ (Credit) on Provision for NPA (O)	(36.23)	(10.82)	(6.96)	(2.33)	(2.35)
Total tax expense/ (Credit) during the year on time difference (P) = (L+M+N+O)	4,392.23	2,670.35	1,179.78	504.50	333.81

Notes:

- The aforesaid Statement of Tax Shelters is based on the Profit/ (Losses) as per the "Reformatted Summary Statement of Profit and Losses" of Muthoot Finance Limited.
- Provision for Standard Assets is not considered for calculating the Deferred Tax Liability / Asset, as said provision represents a statutory provision as per the guidelines of RBI and in the opinion of the company, it does not result in a timing difference.

ANNEXURE XIII: DETAILS OF THE LIST OF RELATED PARTIES AND NATURE OF RELATIONSHIPS

A. Key Managerial Personnel (with whom transactions have taken place during the Year)

Sl. No.	For the year ended March 31, 2012	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
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)
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)
3	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)

B. Relatives of key managerial personnel (with whom transactions have taken place during the period)

Sl. No.	For the year ended March 31, 2012	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
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
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
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
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
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
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
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
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
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

C. Associates (with whom transactions have taken place during the year):

Sl. No.	For the year ended March 31, 2012	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
1	Muthoot Vehicle And Assets Finance Limited	Muthoot Vehicle And Assets Finance Limited	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 Pvt. Limited.	Muthoot Exchange Company Pvt. Limited.	Muthoot Exchange Company Pvt. Limited.	Muthoot Exchange Company Pvt. Limited.	Muthoot Exchange Company Pvt. Limited.
7	Backdrop Advertising Pvt. Limited	Backdrop Advertising Pvt. Limited	Backdrop Advertising Pvt. Limited		
8	Muthoot Global Money Transfers Pvt. Limited	Muthoot Global Money Transfers Pvt. Limited	Muthoot Global Money 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	Muthoot Precious Metals Corporation
12	GMG Associates	GMG Associates	GMG Associates	GMG Associates	GMG Associates
13		St. George's School			
14	Muthoot Insurance Brokers Private Limited				
15	Emgee Muthoot Benefits Funds (India) Limited				
16	Geo Bros Muthoot Funds (India) Limited				
17	Muthoot Investment Advisory Services Private Limited				
18	Muthoot M George Permenant Fund Limited				
19	Muthoot Medical Centre , Kozhancherry				
20	Muthoot Securities Limited				

ANNEXURE XIII:B. DETAILS OF THE LIST OF RELATED PARTIES AND NATURE OF RELATIONSHIPS

Sl. No.	Particulars	Associates				
		For the year ended March 31, 2012	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
A	Transactions during the year					
1	Purchase of Travel Tickets for Company Executives/Directors/Customers	10.99	5.55	2.96	2.30	2.17
2	Travel Arrangements for Company Executives/Customers	2.11	4.87	0.98	0.70	0.12
3	Marketing of Money Transfer Business Outside the Country	1.58	-	3.60	1.40	4.80
4	Accommodation facilities for Company Executives/Clients/Customers	0.28	0.11	0.04	0.08	0.07
5	Complementary Medical Health Check Ups for Customers/ Employees	1.34	1.86	1.44	1.24	1.22
6	Release of Advertisements in Outdoor, Print and Electronic Media	217.09	118.74	61.53	-	-
7	Brokerage paid for NCD issue	1.95				
8	Sale of Gold Ornaments in Public Auction	-	-	6.41	37.05	13.53
9	Branding Expenses paid outside India	-	-	10.23	-	-
10	Interest on Hire Purchase Loan	-	-	-	0.19	0.16
11	Hire Purchase Loan Repayment	-	-	-	0.81	0.67
12	Interest to Directors/relatives	-	-	-	-	-
13	Interest on Inter Corporate Deposits	2.59	2.99	0.68	0.43	0.65
14	Remuneration to Directors	-	-	-	-	-
15	Remuneration to Directors' Relatives	-	-	-	-	-
16	Transaction Charges received	5.33	5.29	-	-	-
17	Loans accepted	-	-	-	-	-
18	Loans Repaid	-	-	-	-	-
19	Security Deposit Accepted	-	-	40.00	-	-
20	Sell down of receivables under Bilateral Assignment	950.00	300.00			
21	Inter Corporate Deposits accepted	128.85	31.50	20.10	11.37	51.77
22	Inter corporate Deposits repaid	5.95	45.20	5.57	9.15	52.87
23	Investment in Bonds	40.00				
24	Rent paid	2.94	2.94	-	-	-
25	Purchase of Fixed Assets	-	0.55			
26	Loans availed by the Company for which guarantee is provided by related parties	400.00	400.00	400.00	400.00	400.00
27	Loans availed by the Company for which collateral security is provided by related parties	400.00	400.00	400.00	400.00	400.00
	Net Amount Receivable / (Due) as at the year end	As at March 31 2012	As at March 31 2011	As at March 31 2010	As at March 31 2009	As at March 31 2008
	Investments in Equity Shares	75.00	75.00	75.00	75.00	55.00
	Debenture Issued	(40.00)	-	-	-	-
	Security Deposit Received	(40.00)	(40.00)	(40.00)	-	-
	Inter Corporate Loans	(130.45)	(3.05)	(16.75)	(2.22)	-
	Rent Deposit	1.47	1.47	1.47	-	-
	Loans from Directors/Relatives					
	Trade Payables	(83.88)	(28.91)	(33.45)	(40.95)	(34.92)
	Trade Receivable	59.00	-	-	-	-

	Other Loans and Advances	6.87	-	-	-	-
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Sl. No.	Particulars	Key Managerial Personnel				
		For the year ended March 31, 2012	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
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	Brokerage paid for NCD issue					
8	Sale of Gold Ornaments in Public Auction	-	-	-	-	-
9	Branding Expenses paid outside India	-	-	-	-	-
10	Interest on Hire Purchase Loan	-	-	-	-	-
11	Hire Purchase Loan Repayment	-	-	-	-	-
12	Interest to Directors/relatives	85.98	90.34	124.58	104.83	98.46
13	Interest on Inter Corporate Deposits	-	-	-	-	-
14	Remuneration to Directors	192.00	192.00	192.23	120.90	48.90
15	Remuneration to Directors' Relatives	-	-	-	-	-
16	Transaction Charges received	-	-	-	-	-
17	Loans accepted	650.27	734.57	162.23	592.48	114.11
18	Loans Repaid	936.03	726.33	197.04	608.82	69.14
19	Security Deposit Accepted	-	-	-	-	-
20	Sell down of receivables under Bilateral Assignment					
21	Inter Corporate Deposits accepted	-	-	-	-	-
22	Inter corporate Deposits repaid	-	-	-	-	-
23	Investment in Bonds					
24	Rent paid	3.06	3.00	5.92	-	-
25	Purchase of Fixed Assets	-				
26	Loans availed by the Company for which guarantee is provided by related parties	90,180.00	66,840.00	25,475.00	12,435.00	5,900.00
27	Loans availed by the Company for which collateral security is provided by related parties	135.00	135.00	135.00	135.00	135.00
	Net Amount Receivable / (Due) as at the year end					
		As at March 31 2012	As at March 31 2011	As at March 31 2010	As at March 31 2009	As at March 31 2008
	Investments in Equity Shares					
	Debenture Issued					
	Security Deposit Received					
	Inter Corporate Loans					
	Rent Deposit	1.82	1.82	1.82	-	-
	Loans from Directors/Relatives	(536.09)	(821.19)	(337.87)	(359.13)	(275.29)

Sl. No.	Particulars	Key Managerial Personnel				
		For the year ended March 31, 2012	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
	Trade Payables	(0.23)	-	-	-	-
	Trade Receivable	-	-	-	-	-
	Other Loans and Advances	-	-	-	-	-

Sl. No.	Particulars	Relative of Key Managerial Personnel				
		For the year ended March 31, 2012	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
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	Brokerage paid for NCD issue					
8	Sale of Gold Ornaments in Public Auction	-	-		-	-
9	Branding Expenses paid outside India	-	-		-	-
10	Interest on Hire Purchase Loan	-	-		-	-
11	Hire Purchase Loan Repayment	-	-		-	-
12	Interest to Directors/relatives	30.04	16.02		-	-
13	Interest on Inter Corporate Deposits	-	-		-	-
14	Remuneration to Directors				-	-
15	Remuneration to Directors' Relatives	1.56	1.49	1.23	1.82	-
16	Transaction Charges received	-	-		-	-
17	Loans accepted	405.97	287.95		-	-
18	Loans Repaid	674.68	49.20		-	-
19	Security Deposit Accepted	-	-		-	-
20	Sell down of receivables under Bilateral Assignment					
21	Inter Corporate Deposits accepted	-	-		-	-
22	Inter corporate Deposits repaid	-	-		-	-
23	Investment in Bonds					
24	Rent paid	0.20	0.20	22.10	-	-
25	Purchase of Fixed Assets	-				
26	Loans availed by the Company for which guarantee is provided by related parties	24,500.00	66,840.00	25,475.00	12,435.00	5,300.00
27	Loans availed by the Company for which collateral security is provided by related parties	-	-		-	-
	Net Amount Receivable / (Due) as at the year end					
		As at March 31 2012	As at March 31 2011	As at March 31 2010	As at March 31 2009	As at March 31

Sl. No.	Particulars	Relative of Key Managerial Personnel				
		For the year ended March 31, 2012	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
						2008
	Investments in Equity Shares					
	Debenture Issued					
	Security Deposit Received					
	Inter Corporate Loans					
	Rent Deposit	0.10	0.10	0.10	-	-
	Loans from Directors/Relatives	(102.80)	(320.91)	(69.08)	(81.67)	(52.27)
	Trade Payables	(0.01)	-	-	-	-
	Trade Receivable	-	-	-	-	-
	Other Loans and Advances	-	-	-	-	-

ANNEXURE XIV: SEGMENT REPORTING

- The Company is engaged in three segments of business – Financing, Power Generation and FM Radio (Up to 31.12.2009)
- 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.
- Company operates in a single geographical segment. Hence, secondary geographical segment information disclosure is not applicable

Particulars	Financing					Power Generation				
	2011-12	2010-11	2009-10	2008-09	2007-08	2011-12	2010-11	2009-10	2008-09	2007-08
REVENUE										
External revenue	45,349.05	22,992.92	10,775.86	6,098.54	3,645.12	17.67	22.13	25.11	22.12	17.37
Total revenue	45,349.05	22,992.92	10,775.86	6,098.54	3,645.12	17.67	22.13	25.11	22.12	17.37
SEGMENT RESULT	13,385.06	7,514.94	3,604.95	1,533.15	1,392.37	1.90	0.14	21.59	(2.10)	(22.72)
						-	-	-	-	-
Unallocated corporate Income	-	-	-	-	-	-	-	-	-	-
Unallocated corporate expenses	-	-	-	-	-	-	-	-	-	-
Operating profit	13,385.06	7,514.94	3,604.95	1,533.15	1,392.37	1.90	0.14	21.59	(2.10)	(22.72)
Income taxes										
Profit After Tax	13,385.06	7,514.94	3,604.95	1,533.15	1,392.37	1.90	0.14	21.59	(2.10)	(22.72)
OTHER INFORMATION										
Segment assets	232,671.81	137,080.82	63,225.64	36,918.03	22,306.15	71.26	78.86	79.66	98.12	121.21
Unallocated corporate assets										
TOTAL ASSETS	232,671.81	137,080.82	63,225.64	36,918.03	22,306.15	71.26	78.86	79.66	98.12	121.21
Segment liabilities	202,285.74	123,516.16	57,340.00	33,438.99	20,371.53	-	-	-	-	-
Unallocated corporate										

liabilities										
TOTAL LIABILITIES	202,285.74	123,516.16	57,340.00	33,438.99	20,371.53	-	-	-	-	-
Capital expenditure	1,112.85	773.86	485.57	179.06	464.97	-	-	-	-	-
Depreciation	317.35	162.51	132.00	77.20	45.55	11.82	18.47	18.47	23.08	28.85
Non cash expenses other than depreciation	350.74	323.46	20.98	6.85	6.91	-	-	-	-	-

Rs. In Millions

Particulars	FM Radio					Total				
	2011-12	2010-11	2009-10	2008-09	2007-08	2011-12	2010-11	2009-10	2008-09	2007-08
REVENUE										
External revenue	-	-	3.96	-		45,366.72	23,015.05	10,804.94	6,120.66	3,662.49
Total revenue	-	-	3.96	-	-	45,366.72	23,015.05	10,804.94	6,120.66	3,662.49
SEGMENT RESULT	-	-	(38.90)	(40.12)	-	13,386.96	7,515.08	3,587.63	1,490.53	1,369.65
	-	-			-					
Unallocated corporate Income	-	-	-	-	-	123.84	143.62	88.86	83.36	23.89
Unallocated corporate expenses	-	-	-	-	-	(198.33)	(46.59)	(220.96)	(92.59)	(423.76)
Operating profit			(38.90)	(40.12)	-	13,312.47	7,612.11	3,455.53	1,481.70	969.78
Income taxes	-					4,392.23	2,670.35	1,179.78	504.50	333.81
Profit After Tax	-	-	(38.90)	(40.12)	-	8,920.24	4,941.76	2,275.75	977.20	635.97
OTHER INFORMATION	-									
Segment assets	-	-	-	144.08	68.85	232,743.07	137,159.68	63,305.29	37,160.24	22,496.20
Unallocated corporate assets	-					978.95	50.32	50.21	47.43	141.70
TOTAL ASSETS	-	-	-	144.08	68.85	233,722.02	137,210.00	63,355.50	37,207.67	22,637.90
Segment liabilities	-	-	-	-	-	202,285.74	123,516.16	57,340.00	33,438.99	20,371.52
Unallocated corporate liabilities	-					2,178.96	349.71	170.04	66.41	42.80
TOTAL LIABILITIES	-	-	-	-	-	204,464.70	123,865.87	57,510.04	33,505.40	20,414.32
Capital expenditure	-	-	0.77	70.58	63.63	1,112.85	773.86	486.34	249.64	528.60
Depreciation	-	-	7.05	9.40	2.35	329.18	180.98	157.51	109.69	76.77
Non cash expenses other than depreciation	-	-	7.28	9.61	9.40	350.74	323.46	28.26	16.46	16.31

Other Notes on accounts for the year ended March 31 2012

1. Employee Benefits

a) Defined Contribution Plan

During the year, the Company has recognized in the Statement of Profit and Loss in Note 21 - Employee Benefit Expenses:

Particulars	As on 31.03.2012	As on 31.03.2011
Contribution to Provident Fund	190.84	67.88
Total	190.84	67.88

b) Defined Benefit Plan

Gratuity Plan

Gratuity liability is funded through a Gratuity Fund managed by Kotak Mahindra Old Mutual Life Insurance Limited and ICICI Prudential Life Insurance Company Limited.

The following table set out the status of the Gratuity Plan as required under AS 15.

Reconciliation of opening and closing balances of the present value of the defined benefit obligation and plan assets:

In millions		
Particulars	As on 31.03.2012	As on 31.03.2011
A) Reconciliation of opening and closing balance of defined benefit obligation		
Defined benefit obligation at the beginning of the year	106.00	25.29
Interest Cost	9.01	2.01
Current Service Cost	38.80	8.91
Benefits paid	(2.88)	(3.06)
Actuarial (gain)/loss	69.56	72.82
Defined benefit obligation at the end of the year	220.49	105.99
B) Reconciliation of opening and closing balance of fair value of Plan Assets		
Fair value of plan assets at the beginning of the year	130.31	81.75
Expected rate of return on plan assets	11.07	6.54
Contributions	90.00	46.31
(Benefit paid)	(2.88)	(3.06)
Actuarial gains/(losses) on plan assets	0.57	(1.23)
Fair value of plan assets at the end of the year	229.07	130.31
C) Expense for the year		
Current service cost	38.80	8.91
Interest Cost	9.01	2.02
(Expected rate of return on plan assets)	(11.07)	(6.54)
Actuarial gains/(losses)	68.99	74.06
D) Investment details		
Insurer managed funds	229.07	130.31
E) Experience adjustment		
On Plan Liability (Gain)/Losses	11.36	32.80
On Plan Assets (Losses)/Gain	0.57	(1.23)
F) Actuarial assumptions		
Discount rate	8.5% p.a.	8.5% p.a.
Salary Escalation	10% p.a.	8% p.a.
Rate of return on plan assets	8.5% p.a.	8.5% p.a.
Attrition rate	2% p.a.	2% p.a.

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the

employment market. Discount rate is based on the prevailing market yields of the Government Bond as at Balance sheet date for the estimated term of obligation

2. Dividends proposed to be distributed to equity shareholders

Particulars	Total (in millions)	Per share
Dividends proposed to be distributed to equity shareholders (Previous Year: Nil)	1,486.85.00	4.00

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 year ended 31st March, 2012 together with interest paid /payable are required to be furnished.

DISCLOSURES ON EXISTING FINANCIAL INDEBTEDNESS

Details of secured borrowings

Our Company's secured borrowings as on July 31, 2012 amount to ₹ 170,068.4 million. The details of the individual secured borrowings are set out below.

Cash credit facilities availed by our Company

(₹ in millions)

S No.	Bank	Date of sanction	Amount outstanding
1.	Dhanalaxmi Bank Limited	April 4, 2011	14.2
2.	IndusInd Bank Limited	January 28, 2011	212.7
3.	IDBI Bank Limited	September 16, 2011	7,210.9
4.	Axis Bank Limited	September 22, 2011	233.2
5.	Union Bank of India	June 29, 2012	4,989.0
6.	Syndicate Bank	December 05, 2011	7,550.1
7.	Kotak Mahindra Bank Limited	March 28, 2012	NIL
8.	Punjab National Bank	August 4, 2011	2.6
9.	South Indian Bank Limited	September 20, 2011	1,986.9
10.	Dena Bank	March 1, 2010	696.2
11.	Central Bank of India	May 12, 2011	4,335.8
12.	Andhra Bank	March 24, 2011	1,775.4
13.	Corporation Bank	December 27, 2010	1,544.6
14.	UCO Bank Limited	December 12, 2011	1,995.8
15.	Punjab and Sind Bank Limited	January 31, 2012	1,940.9
16.	Jammu and Kashmir Bank Limited	September 10, 2011	134.4
17.	Oriental Bank of Commerce	September 12, 2011	996.0
18.	State Bank of India	October 26, 2009	1,996.0
19.	State Bank of Travancore	July 15, 2011	0.2
20.	HDFC Bank Limited	August 21, 2009	29.4
21.	State Bank of Patiala	March 17, 2012	1,993.0
22.	State Bank of Mysore	January 14, 2012	994.1
TOTAL			40,631.4

Short term loans availed by our Company

(₹ in millions)

S No.	Bank	Date of sanction	Amount outstanding
1.	HDFC Bank Limited	November 24, 2010	5,030.0
2.	Indus Ind Bank Limited	January 28, 2011	2,310.0
3.	Axis Bank Limited	September 22, 2011	4,450.0
4.	State Bank of Travancore	July 15, 2011	2,490.0
5.	Yes Bank Limited	February 27, 2012	2,000.0
6.	Punjab National Bank	August 4, 2011	4,000.0
7.	Kotak Mahindra Bank Limited	March 28, 2012	2,640.0
8.	DBS Bank Limited	January 27, 2011	1,500.0
9.	ICICI Bank Limited	November 24, 2011	6,000.0
10.	Tata Capital Limited	September 25, 2010	NIL
11.	Jammu and Kashmir Bank Limited	December 19, 2011	3,000.0
12.	UCO Bank Limited	December 12, 2011	NIL
13.	United Bank of India	March 30, 2011	NIL
14.	ING Vysya Bank Limited	December 07, 2011	1,000.0
15.	SIDBI	December 26, 2011	5,000.0
16.	Dhanalaxmi Bank Limited	April 4, 2011	600.0
TOTAL			40,020.0

Overdraft against deposits with banks

Our Company has overdraft facility on the security of fixed deposits maintained with banks aggregating to ₹ 91.9 million as on July 31, 2012.

Long term loans availed by our Company

(₹ in millions)

S No.	Bank	Date of sanction	Amount outstanding (₹ in millions)
1.	State Bank of Travancore	August 01, 2006	12.0
TOTAL			12.0

Secured non-convertible debentures

Unlisted privately placed debentures

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 ₹ 74,189.4 million is cumulatively outstanding as on July 31, 2012, the details of which are set forth below.

Series no.	Dates of allotment of the debentures	Amounts outstanding (₹ in millions)	Redemption Period
AD	July 01, 2004 to November 14, 2004	0.00*	60 months
AE	July 15, 2004 to September 30, 2004	0.6**	90 months
AI	October 01, 2004 to February 06, 2005	0.1*	60 months
AN	January 01, 2005 to February 06, 2005	0.2*	60 months
AO	February 07, 2005 to March 31, 2005	0.0*	60 months
AP	February 07, 2005 to June 14, 2005	0.4*	60 months
AQ	April 01, 2005 to June 14, 2005	0.4*	60 months
AR	June 15, 2005 to April 30, 2006	0.7*	60 months
AS	May 01, 2006 to August 12, 2006	0.8*	60 months
AT	August 13, 2006 to December 31, 2006	2.0**	60 months
AU	January 01, 2007 to March 31, 2007	3.9	60 months
AV	April 01, 2007 to June 30, 2007	8.3	60 months
AW	July 01, 2007 to September 30, 2007	113.6	60 months
AX	October 01, 2007 to December 31, 2007	121.0	60 months
AY	January 01, 2008 to March 31, 2008	242.9	60 months
AZ	April 01, 2008 to July 02, 2008	315.8	60 months
BA	July 03, 2008 to July 09, 2008	41.1	60 months
BB	July 10, 2008 to September 21, 2008	299.2	60 months
BC	September 22, 2008 to December 31, 2008	472.8	60 months
BD	January 01, 2009 to March 31, 2009	523.1	60 months
BE	April 01, 2009 to June 30, 2009	606.2	60 months
BF	July 01, 2009 to September 30, 2009	1,188.9	60 months
BG	October 01, 2009 to December 31, 2009	1,287.1	60 months
BH	January 01, 2010 to March 31, 2010	1,798.6	60 months
BI	April 01, 2010 to June 30, 2010	1,780.6	60 months
BJ	July 01, 2010 to September 30, 2010	2,289.1	60 months
BK	October 01, 2010 to December 31, 2010	2,900.8	60 months
BL	January 01, 2011 to March 31, 2011	5,933.2	60 months
BM	April 01, 2011 to June 30, 2011	5,281.6	60 months
BN	July 01, 2011 to September 18, 2011	6,934.2	60 months
BO	September 19, 2011 to November 30, 2011	6,333.5	60 months
BP	December 01, 2011 to January 22, 2012	6,520.7	60 months
BQ	January 23, 2012 to February 28, 2012	6,730.9	60 months
BR	March 01, 2012 to April 30, 2012	7,667.5	60 months
BS	May 01, 2012 to May 20, 2012	2,811.7	60 months
BT	May 21, 2012 to June 30, 2012	6,411.4	60 months
BU	July 01, 2012 to July 31, 2012	5,565.5	60 months
TOTAL		74,189.4	

* Matured but not claimed

** Includes matured but not claimed.

Listed privately placed debentures

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 ₹ 1,000.00 million is cumulatively outstanding as on July 31, 2012, the details of which are set forth below.

Series.	ISIN	Date of Allotment	Amounts outstanding (₹ in millions)	Maturity date
L-4	INE414G07159	January 12, 2012	1,000.0	January 12, 2017
TOTAL			1,000.0	

Listed debentures issued through public issues

During the period, our Company made a public issue of secured rated non-convertible debentures listed in BSE and NSE for a maturity period of two, three, five years and 66 months with an outstanding of ₹ 14,123.7 million as provided below.

Series	Date of allotment	Amounts outstanding (₹ in millions)	Redemption period schedule
PL-1	September 14, 2011	1,184.0	2 years
PL-1	September 14, 2011	2,207.2	3 years
PL-1	September 14, 2011	3,541.7	5 years
PL- 2	January 18, 2012	2,074.2	2 years
PL- 2	January 18, 2012	1,016.1	3 years
PL- 2	January 18, 2012	592.7	5 years
PL- 2	January 18, 2012	910.2	66 months
PL-3	April 18, 2012	1,452.0	2 years
PL-3	April 18, 2012	376.6	3 years
PL-3	April 18, 2012	212.5	5 years
PL-3	April 18, 2012	556.5	66 months
TOTAL		14,123.7	

Details of unsecured borrowings

Our Company's unsecured borrowings as on July 31, 2012 amount to ₹ 22,807.0 million. The details of the individual borrowings are set out below.

Subordinated debts

Our Company has issued to promoters and relatives of promoters, subordinated debts of face value of ₹ 1 each repayable in 12 years from the date of issue, on a private placement basis of which ₹ 400.1 million is outstanding as on July 31, 2012, the details of which are set forth below.

Series	Date of allotment	Amounts outstanding as on July 31, 2012 (₹ in millions)
A.	March 25, 2003	111.3
B.	September 30, 2003	110.0
C.	November 01, 2003	98.8
D.	April 3, 2004	14.1
E.	March 21, 2005	65.9
TOTAL		400.1

Our Company has issued subordinated debts of face value of ₹ 1,000 each on a private placement basis under different series of which ₹ 16,508.4 million is outstanding as on July 31, 2012, the details of which are set forth below.

Series	Dates of allotment	Amounts outstanding as on July 31, 2012 (₹ in millions)	Redemption Period
II	August 18, 2008 to December 13, 2008	263.4	72 months
III	December 15, 2008 to June 30, 2009	744.9	69 months
III	December 15, 2008 to June 30, 2009	193.2	72 months
IV	July 01, 2009 to August 16, 2009	263.6	69 months
IV	July 01, 2009 to August 16, 2009	12.4	72 months
IV	August 17, 2009 to December 31, 2009	759.3	72 months
V	January 01, 2010 to June 30, 2010	1,038.7	72 months
VI	July 01, 2010 to December 31, 2010	1,912.7	72 months
VII	January 01, 2011 to February 07, 2011	437.3	72 months
VII	February 08, 2011 to March 31, 2011	1,080.4	66 months
VII	April 01, 2011 to June 30, 2011	1,270.3	66 months
VIII	July 01, 2011 to October 31, 2011	2,343.9	66 months

Series	Dates of allotment	Amounts outstanding as on July 31, 2012 (₹ in millions)	Redemption Period
IX	November 01, 2011 to March 31, 2012	4,081.1	66 months
X	April 01, 2012 to July 31, 2012	2,107.2	66 months
TOTAL		16,508.4	

Loans from Directors and relatives of Directors

Our Company has borrowed an aggregate ₹ 306.5 million from the Directors and relatives of Directors as on July 31, 2012 which are in the nature of demand loans.

Inter corporate loans

Our Company has borrowed an aggregate of ₹ 142.0 million in the nature of demand loans from companies under same management.

Commercial paper

Our Company has issued commercial papers of the face value of ₹ 0.5 million aggregating to a total face value of ₹ 5,450.0 million as on July 31, 2012. The details of the commercial papers are set forth below as follows.

S. No.	ISIN	Number of instruments	Face value (₹ in millions)
1	INE414G14775	500	250.0
2	INE414G14825	300	150.0
3	INE414G14866	700	350.0
4	INE414G14916	2000	1,000.0
5	INE414G14932	500	250.0
6	INE414G14940	1000	500.0
7	INE414G14AG2	200	100.0
8	INE414G14AO6	300	150.0
9	INE414G14AQ1	400	200.0
10	INE414G14AR9	500	250.0
11	INE414G14AS7	500	250.0
12	INE414G14AT5	4000	2,000.0
TOTAL			5,450.0

Restrictive covenants under our financing arrangements

Some of the corporate actions for which our Company requires the prior written consent of lenders (or debenture trustees, in case of its outstanding debentures) 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 withdraw monies brought in by principal shareholders/ directors/ depositors;
3. to pay consideration/ commission to any guarantors whose guarantees have been stipulated/ furnished for credit limits extended by its lenders;
4. to sell, assign, mortgage or otherwise dispose off any of the fixed assets charged to their lenders;
5. to grant to any of its subsidiaries/ associate concerns interest free loans or loans at a rate of interest lower than which our Company borrowed from its lenders;
6. to revalue its assets at any point of time;
7. to purchase or sell capital goods on hire purchase basis or lease basis;
8. to undertake or permit any merger, amalgamation or compromise with its shareholders, creditors or effect any scheme of amalgamation or reconstruction;
9. to create or permit any charges or lien, or dispose off on any encumbered assets;
10. to amend its MOA and AOA;
11. to prepay any loan availed by it from any other party;
12. to alter its capital structure, or buy-back, cancel, purchase, or otherwise acquire any share capital;
13. to change the practice regarding, or increase the remuneration of the Directors by means of ordinary remuneration or commission, scale of sitting fees, etc;
14. to effect a change of ownership or control, or management of our Company;

15. to pledge the shares held by the Promoters beyond certain thresholds for raising any loan or for securitizing any loans or advances availed or to be availed by them from any lender;
16. to create any subsidiary or permit any company to become a subsidiary of our Company;
17. to effect material change in its management or business;
18. to enter into long term contractual obligations directly affecting the financial position of our Company;
19. to make any repayment of loans and deposits and discharge other liabilities except those shown in the funds flow statements submitted to its lenders from time to time;
20. to prepay any of the indebtedness incurred by our Company;
21. to recognize or register any transfer of Equity Shares of our Company made or to be made by the Promoters and their associates except as permitted by its lenders;
22. to change its financial year-end from the date it is currently adopted;
23. to change its accounting methods or policies;
24. to undertake any guarantee obligations on behalf of any other company;
25. to change its practice with regard to the remuneration of Directors;
26. 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;
27. to enter into any transaction with its affiliates or transfer any funds to any group or associate concern; and
28. to make any major investments by way of deposits, loans, share capital, etc. in any manner.

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 of our Company for the three months ended June 30, 2012, filed with BSE and NSE**

Part I: Statement of Unaudited Financial Results for the Quarter ended 30th June 2012

Particulars	Quarter ended			Year ended
	30.06.2012	31.03.2012	30.06.2011	31.03.2012
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Income from Operations	128,395.05	128,413.84	90,855.18	451,754.17
Other Operating Income	350.95	434.98	403.30	1,913.04
Total Income from Operations	128,746.00	128,848.82	91,258.48	453,667.21
Expenses				
Employee Benefits Expenses	12,068.77	12,583.13	8,151.98	41,447.70
Rent	3,028.81	3,009.61	2,155.98	10,420.03
Advertisement	620.47	2,250.66	2,664.25	8,662.95
Other Expenditure	6,581.87	4,211.38	5,323.54	20,968.57
Depreciation and Amortisation	1,026.47	1,094.15	603.96	3,291.68
Total Expenses	23,326.39	23,148.93	18,899.71	84,790.93
Profit from Operations before Other Income, Interest & Exceptional Items	105,419.61	105,699.89	72,358.77	368,876.28
Other Income	632.48	526.25	708.60	1,238.36
Profit from ordinary activities before finance cost & Exceptional Items	106,052.09	106,226.14	73,067.37	370,114.64
Finance Cost	69,633.50	71,367.92	44,069.34	236,989.93
Profit from ordinary activities after finance cost but before Exceptional Items	36,418.59	34,858.22	28,998.03	133,124.71
Profit from Ordinary Activities before tax	36,418.59	34,858.22	28,998.03	133,124.71
Tax expense (including deferred tax)	11,808.05	11,344.40	9,952.91	43,922.32
Net Profit from Ordinary Activities after tax	24,610.54	23,513.82	19,045.12	89,202.39
Net Profit for the period	24,610.54	23,513.82	19,045.12	89,202.39
Equity share capital	37,171.28	37,171.28	37,171.28	37,171.28
Face Value in Rs.	Rs. 10/-			
Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year				255,401.92
Earnings Per Share (EPS)				
(a) Basic and Diluted EPS (before Extraordinary items) (not annualised)	6.62	6.33	5.39	24.29
(b) Basic and Diluted EPS (after Extraordinary items) (not annualised)	6.62	6.33	5.39	24.29

PART II: Select information for the quarter ended June 30, 2012

A. Particulars of Shareholding	Quarter ended			Year ended
	30.06.2012	31.03.2012	30.06.2011	31.03.2012
Public shareholding				
Number of shares	73,914,896	73,914,896	73,914,896	73,914,896
Percentage of shareholding	19.88%	19.88%	19.88%	19.88%
Promoters and Promoter Group Shareholding				
a) Pledged / Encumbered				
Number of shares	Nil			
Percentage of shares (as a % of the total shareholding of promoter and promoter group)				
Percentage of shares (as a % of the total share capital of the company)				
b) Non - encumbered				
Number of shares	297,797,872	297,797,872	297,797,872	297,797,872

A. Particulars of Shareholding	Quarter ended			Year ended
	30.06.2012	31.03.2012	30.06.2011	31.03.2012
Percentage of shares (as a % of the total shareholding of the Promoter and Promoter group)	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%	80.12%	80.12%

B. Investor Complaints	3 months ended 30.06.2012
Pending at the beginning of the quarter	Nil
Received during the quarter	397
Disposed off during the quarter	397
Remaining unresolved at the end of the quarter	Nil

SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

₹ in lakhs				
Particulars	Quarter ended			Year Ended
	30.06.2012	31.03.2012	30.06.2011	31.03.2012
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1 Segment Revenue:				
Financing	128,676.83	128,842.24	91,209.75	453,490.47
Power Generation	69.17	6.58	48.73	176.74
Total Revenue	128,746.00	128,848.82	91,258.48	453,667.21
2 Segment Result:				
Financing	36,268.87	34,832.51	28,823.64	133,850.58
Power Generation	6.06	(42.64)	(20.27)	19.02
Unallocated corporate income	632.48	526.25	708.60	1,238.36
Unallocated corporate expenses	(488.82)	(457.91)	(513.94)	(1,983.25)
Operating profit	36,418.59	34,858.22	28,998.03	133,124.71
Less: Provision for Taxation	11,808.05	11,344.40	9,952.91	43,922.32
Profit after Tax	24,610.54	23,513.82	19,045.12	89,202.39
3 Capital Employed				
Financing	333,203.87	303,805.12	252,969.10	303,805.12
Power Generation	753.01	712.63	619.40	712.64
Unallocated Corporate Assets/ (Liabilities)	(16,773.14)	(11,944.56)	952.56	(11,944.56)
Total	317,183.74	292,573.19	254,541.06	292,573.19

Notes:

- 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 30th July 2012.
- The above results have been subject to Limited Review by the Statutory Auditors of the Company.
- 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.
- The Company operates in two segments – Financing and Power Generation. These segments have been identified in line with the Accounting Standard on Segment Reporting (AS 17).
- 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.
- The proceeds from the Initial Public Offer of equity shares have been utilized as under:

Particulars	(₹ in lakhs)
Share issue proceeds	90,125.00
Less: Issue Expenses paid	2,444.41
Given as Retail Loans	87,625.00

Particulars	(₹ in lakhs)
Closing Balance of unutilised proceeds at the end of the quarter	55.59
Details of unutilized proceeds are given below:	
Balance as per Bank Account (Escrow Account)	55.59

7. The figures for the last quarter of the previous year are the balancing figures between the audited figures for the full financial year and the published year to date figures upto the third quarter.
8. Previous period/year figures have been regrouped / reclassified wherever necessary.

For and on behalf of the Board of Directors

Kochi
30.07.2012

George Alexander Muthoot
Managing Director

2. **Key business figures as on June 30, 2012**

S. No.	Particulars	As of June 30, 2012 (In ₹ Million)
1	Gross Retail Loan Assets Under Management	233,359.2
2	Gross Gold Loan Assets Under Management	230,820.6
3	Gross Gold Jewellery held as security(in tonnes)	129.8
4	Average Gold Loan Outstanding Per Branch	6.11
5	Net worth	31718.4
6	CRAR	19.42%

3. **Geographical spread of the gold loan portfolio as on June 30, 2012**

S. No.	Particulars	As of June 30, 2012 (In ₹ Million)
1	Southern India	67.43%
2	Northern India	17.54%
3	Western India	10.46%
4	Eastern India	4.57%
	TOTAL	100.00%
	Total gold loans portfolio	₹ 230,820.6 million

4. **Details of NPAs as on June 30, 2012**

S. No.	Particulars	As of June 30, 2012 (In ₹ Million)
1	Gross NPAs	2,991.9
2	NPA Provision	399.4
3	Net NPAs	2592.5
4	Net Retail Loans	21,5543.3
5	% of Net NPA on Net Retail loans	1.20%
6	Gross Retail Loans	23,3359.2
7	% of Gross NPA on Gross Retail loans	1.28%
8	Amounts written-off	16.0

5. **Liability mix as on June 30, 2012**

S. No.	Particulars	As of June 30, 2012 (In ₹ Million)
1	Secured Non-Convertible Debentures(Muthoot Gold Bonds)	71,177.2
2	Secured Non-Convertible Debentures -Listed	15,123.5
3	Bank Borrowings	88,227.7
4	Sell down of receivables under Bilateral Assignment	17,816.0
5	Other Loans	460.1
6	Subordinated Debt	16,285.0
7	Commercial Paper	5875.1
	TOTAL	21,4964.6

6. **Profitability ratios as on June 30, 2012**

S. No.	Particulars	As of June 30, 2012
1	Interest Income to Average Retail Loan	21.49%
2	Interest Expense to Average Retail Loan	11.60%
3	Net Interest Margin	9.88%
4	Operating Expenses to Average Retail Loan	3.72%
5	Profit Before Tax to Average Retail Loan	6.07%
6	Profit After Tax to Average retail loans	4.10%
7	Return on Average Equity	32.29%
8	Earnings per Share	6.62

LEGAL AND OTHER INFORMATION

PENDING PROCEEDINGS AND STATUTORY DEFAULTS

Save as disclosed below, there are no material 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 Companies Act.

Litigations involving our Company

Cases filed against our Company

Civil cases

1. T. Manivasagam, the petitioner, has filed a petition (R. C. O. P. No. 48/2010) on December 21, 2010 against our Company 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. The petitioner had leased out the premises at First Floor, No 175, Trunk Road, Poonamallee, Chennai, to our Company by a rental agreement dated July 10, 2006. The petitioner has filed the present petition seeking an order of eviction directing our Company to vacate the leased premises and for costs of the proceedings. The District Munsiff Cum Rent Controller has passed an order dated January 23, 2012 in favour of T. Manivasagam and ordered our Company to evict the leased premises. Our Company has filed an appeal (R.C.O.P. No. 12 of 2012) against the said order before the Subordinate Judge at Poonmale. The matter is currently pending.
2. Selvin Jayakumar, the plaintiff, has filed a suit (OS 52/2011) against our Company before the Munsiff court Devikulam on February 10, 2011. The plaintiff is the landlord of premises taken on lease by our Company for one of its branch offices. 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 ₹ 0.1 million as arrears of license fees and damages. The matter is currently pending.
3. Petition(R.C.O.P No. 01/2011) filed by R. Thangavel Chettiar, the petitioner, before the Rent Controller cum District Munsiff at Orathanadu under section 10(3) A (ii) of the Tamil Nadu Buildings (Lease and Controls) Act, 1960 against our Company. The petitioner had leased out property located at No. 155, South Bazzar Street, Orathanadu Town to our Company. The petitioner has filed the present petition seeking an order of eviction against our Company from such premises. The matter is currently pending.
4. Petition (R.C.O.P. No. 5 of 2012) filed by Sunil Kumar, Anil Kumar and Ajit Kumar, the petitioners, before the Kollan Rent Controller cum District Munisiff under section 11(3) of the Kerala Buildings (Lease and Rent Control) Act, 1965. Our Company had entered into a lease agreement with the Petitioners to rent the property at room No. 1144/47, Ward 24, Kollam by lease agreement dated January 14, 2005 for a period of 10 years. The petitioners have instituted this petition for evicting our Company from the leased premises. The matter is currently pending.
5. Petition (R.C.O.P No 1135) filed by S. Mohammed Jaleel, the petitioner, against our Company before the Court of Small Causes at Chennai. Our Company had entered into a lease agreement for property located at 71, 1st floor, Pycrofts Road, Triplicane, Chennai. The petitioners have instituted this petition for evicting our Company from the leased premises. The Court has passed an order dated January 10, 2012 in favour of the petitioner. Our Company has filed an appeal (R.C.A. No. 117 of 2012) dated February 13, 2012 against the said order of the Court. The matter is currently pending. Further the petitioner has instituted a petition (R.C.O.P.1519/11) under section 10(2)(i) of the Tamil Nadu Buildings (Lease and Rent Control) Act, 1960 against our Company alleging our Company has failed to pay monthly rent from August 2009 onwards. The petition has been instituted seeking eviction of our Company from the leased premises. The matters are currently pending.

Criminal cases

1. Davidson Tharmaraj, the complainant, has instituted a criminal case (C.C. No. 110/2011) before the Court of the Judicial Magistrate, Tenkasi against our Company, our Promoters, Subramanian the ex-Manager of the Tenkasi south Masi street branch of our Company and A. Mahadevan Pillai the gold auctioneer, the accused in the present case. 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 our Company on four separate occasions, amounting to a sum of ₹ 0.1 million without the accused having mentioned the rate of interest of such loans. The complainant has also alleged that our Company's pawn broker license had expired in March 2003 and has not been renewed and hence our 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 were guilty of offences under sections 420, 419, 406 and 409 of the IPC read with section 120(b) of the IPC. Our Company and other accused have filed a criminal original petition CrI.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 CrI.OP(MD) No. 7174/2011. The matter is currently pending.
2. Criminal complaint filed by Vipin Bhola, the complainant in the present matter, under section 406, 467, 468 and 471 of the IPC against our Company and certain employees before the Judicial Magistrate, Gurgaon. The complainant has alleged that he was an agent of our Company and that he has deposited gold ornaments with our Company. The complainant has also alleged that our Company has refused to redeem the ornaments pledged with it against part re-payment of the amount of loan taken by the complainant. The matter is currently pending.
3. Criminal complaint filed by Deepankar Bhola, the complainant, under section 405, 420, 467, 468, 506 and 120B of the IPC before the Court of Chief Judicial Magistrate, Gurgaon against our Company and few of its Directors, the accused in the case. The complainant had obtained a loan from our Company by pledging 407.50 gms of gold ornaments. The complainant has alleged that he has repaid the entire outstanding loan amount and our Company is illegally retaining the gold ornaments. The complainant has further alleged that our Company has forged documents regarding the return of gold pledged with them so as to cause wrongful loss to the complainant. The present complaint has been filed to direct the police to file an FIR under section 156(3) of the Code of Criminal Procedure, 1973 against the accused. Our Company has filed a petition on January 31, 2012 under section 482 of the Code of Criminal Procedure for quashing of the said criminal complaint in the High Court of Punjab and Haryana at Chandigarh. The matter is currently pending.
4. The Assistant Registrar, Co-operative Society, the complainant, had filed an FIR against our Company under sections 5 and 28 of Karnataka Money Lenders Act 1961 and sections 4 and 15 of the Karnataka Prohibition of Charging Exorbitant Interest Act 2004. Our Company has filed a petition (Criminal Petition No. 3981 of 2012) before the High Court of Karnataka, Bangalore to quash the FIR. The Court vide order dated July 24, 2012 has granted an interim stay on the matter for four weeks. The matter is currently pending.
5. Criminal complaint filed on June 17, 2011 by the Inspector under the Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959, the complainant, against the Company before the Metropolitan Magistrate, Ahmadabad. The complainant has alleged that the Company has failed to intimate the employment exchange regarding certain vacancies in the Company and hence would be liable to pay penalty under section 7 of the Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959. The matter is currently pending.

Service tax cases

1. The Directorate General of Central Excise Intelligence, Delhi Zonal Unit has issued a show cause notice bearing reference DZU/INV/ST/39/2006 dated September 28, 2007 for our Company to show cause recovery of an amount of ₹ 2.6 million as service tax and an amount of ₹ 0.1 million as educational cess, service tax amounting to ₹ 6.4 million and educational cess of ₹ 0.1 million under

various provisions of the Finance Act, 1994. Further why interest on ₹ 0.3 million should not be recovered and cenvat credit amounting to ₹ 0.5 million should not be denied under the Cenvat Credit Rules, 2004. The notice states that our Company was not paying service tax on its money lending business and that our Company is not registered with the service tax department. The Commissioner of Central Excise, Customs and Service Tax, Kochi Commissionerate, passed an order dated January 20, 2009, confirmed the recovery of tax and penalty imposed on our Company 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 2.00% of such tax per month whichever is higher subject to maximum of ₹ 9.2 million and a further penalty of ₹ 1,000 under section 7 of the Finance Act, 1994, a penalty of ₹ 9.2 million under section 78 of the Finance Act and a penalty of ₹ 4.8 million on our Company under section 15 of the Cenvat Credit Rules, 2004 read with section 78 of the Finance Act, 1994. Our Company has filed an appeal dated April 17, 2009, against the order before the Customs, Excise and Gold (Control) Appellate Tribunal, Bangalore, and the matter is currently pending. Our company has also filed an application for the stay of the pre deposit of demand order together with the appeal. The stay application has been allowed by order dated February 17, 2010, on pre-deposit of an amount of ₹ 2.5 million. The appeal is currently pending.

2. The Commissioner of Central Excise and Customs, Kochi Commissionerate has issued a show cause notice bearing reference V/ST/15/16/2008 ST Adj/517 dated April 1, 2008, for our Company to show cause recovery of ₹ 4.3 million as service tax and an amount of ₹ 0.1 million as educational cess, service tax amounting to ₹ 0.02 million and educational cess of ₹ 511, an amount of ₹ 0.7 million, as service tax and an amount of ₹ 0.1 million as educational cess in respect various provisions of the Finance Act, 1994. The Commissioner of Central Excise, Customs and Service Tax, passed an order dated May 12, 2009 and confirmed the recovery of tax and penalty imposed on our Company and further imposed a penalty of ₹ 1,000 under section 77 of the Finance Act, 1994, a penalty of ₹ 5.1 million under section 78 of the Finance Act. Our Company has filed an appeal against the order before the Customs, Excise and Gold (Control) Appellate Tribunal, Bangalore, and the matter is currently pending. Our Company has 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 on pre-deposit of ₹1.8 million. The appeal is currently pending.
3. The Commissioner for Central Excise and Customs, Kochi has issued a show cause notice No. 122/2008/ST dated October 7, 2008 directing our Company to show cause recovery of an amount of ₹ 7.8 million as service tax and penalties under sections 76, 77, and 78 of the Finance Act 1994. The Commissioner of Central Excise, Customs and Service Tax, passed an order dated November 30, 2009, confirming the recovery of tax and penalty imposed on our Company and further imposed a penalty of ₹ 200 for every day of failure to pay service tax and educational cess or at the rate of 2.00% of such tax per month whichever is higher subject to a maximum of ₹ 7.8 million and a further penalty of ₹ 1,000 under section 7 of the Finance Act, 1994, a penalty of ₹ 7.8 million under section 78 of the Finance Act. Our 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 Service Tax Appellate Tribunal on March 15, 2010. The Customs, Excise and Service Tax Appellate Tribunal, by its order dated October 31, 2011, waived the pre-deposit of balance amounts of dues under the impugned order and granted a stay on the recovery thereof till the disposal of the appeal, on pre-deposit of ₹ 4 million. The appeal is currently pending.
4. By a letter dated September 9, 2010, the Superintendent of Central Excise and Service Tax, Service Tax D Range, Central Excise Bhavan, Kaloork, Kochi, 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 our Company to pay service tax as per the audit enquiry. The amount liable to be paid as per the first audit enquiry was ₹ 1.8 million, the second audit enquiry was ₹ 0.9 million and as per the third audit enquiry was ₹ 7.4 million. Our Company has replied to the letter dated September 09, 2010 on October 26, 2010. The Additional Commissioner of Central Excise, Kochi has issued a show cause notice No.V/ST/15/102/202 ST Adj directing our Company to show cause recovery of an amount of ₹2.2 million towards service tax, education cess and secondary education cess and Interest and penalty applicable on the above, from our company, on marketing expenses paid in foreign currency, as per the first audit enquiry. The matter is currently pending.

By an assessment order dated December 19, 2011, the Additional Commissioner of Income Tax, Range-1, Kochi, has demanded a sum of ₹ 13.8 million as the deductions claimed by our Company were disallowed for the AY 2009-10. Our Company has preferred an application dated January 20, 2012 for rectification of the assessment order, under section 154 of the IT Act. Our Company has also filed an appeal against the said order before the Commissioner of Income Tax (Appeals)-II, Kochi. With regard to the application filed by our Company, the assessing officer, vide order dated July 2, 2012 has revised the demand to ₹13.3 million. The matter is currently pending.

Cases filed against our Directors

In addition to the litigations disclosed above, the following litigations are currently pending against the Directors:

1. The Deputy Commissioner of Income Tax has issued two assessment orders both dated December 30, 2010 to George Thomas Muthoot under section 143(3) read with section 147 of the IT Act for the assessment years 2006-07, demanding ₹ 5.6 million and for the assessment year 2007-08, ₹ 5.2 million. 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 currently 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 IT Act for the assessment years 2006-07 by demanding a total tax payable of ₹ 14.5 million. 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 Jacob Muthoot under section 143(3) of the IT Act for the year ended March 31, 2009 by demanding a total tax payable of ₹ 38.7 million. 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.

Cases filed by our Company

Civil cases

1. Our Company has filed a Special Leave Petition bearing SLP. No. 14386/2010 on September 7, 2010 before the Supreme Court of India, challenging the order of the High Court of Kerala in W. A. No 539/2006. The special leave petition was filed by our Company, 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, extended its applicability to NBFC's. Our Company being a registered non-banking financial company is challenging the order of the Government of Kerala. Our 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 our Company is not required to obtain licence under the Kerala Money Lenders Act, 1958. The matter is currently pending.
2. Our Company has filed a writ petition (WPC 18932/2012) against the State of Karnataka, the respondents, on June 13, 2012 in the High Court of Karnataka at Bangalore. The Co-operative Societies & Money Lenders Registrar, Bangalore has filed a case against our Company for running its business without obtaining a license under the Karnataka Money Lenders Act, 1961. Our Company has contended that it is registered as a non banking financial institution with the RBI and is therefore not liable to obtain a license under the Karnataka Money Lenders Act. Our Company has instituted this present writ seeking for issue of mandamus, declaring our Company to be solely governed by the RBI and declaring that the Karnataka Prohibition of Charging Exorbitant Interest Act, 2004 does not apply to our Company. The High Court of Karnataka has issued an interim order dated June 18, 2012 directing the respondents from taking any coercive steps until the disposal of the writ petition. The matter is currently pending.

3. Our Company has filed a suit (O.S. No. 593 of 2010) on November 22, 2010 before the Munsiff Court, Kottarakkara against Remavathy and others, the defendants in the case. Our Company claims that it had acquired certain property on lease from S. Gopalan in the year 1996 for conducting the Ezhukone branch of our 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 had expired on March 31, 2010 and our Company intimated Remavathy for renewal of the lease for a further term with an enhancement of 10.00% 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. Our Company has filed the present suit seeking a direction for fixation of the fair rent of the lease premises and to restrain the defendants from causing nuisance and obstructing the smooth functioning of our Company's branch. Our 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 granted a temporary injunction restraining the defendants from forcibly evicting our Company from the property other than by due process of law. The matter is currently pending.
4. Our Company has filed a civil suit (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 defendants in the case. Our Company has alleged that the defendants availed a loan of ₹ 17.5 million in the month of September 2005 agreeing to repay the loan with 24.00% interest per annum within 21 days from the date of disbursement. However the defendants did not repay the loan as agreed. On November 2, 2005 and November 26, 2005 our Company sent registered notices demanding the repayment of loan with the interest. The defendants had issued a cheque of ₹ 18.5 million towards repayment of the loan amount which when presented for encashment by our Company was dishonoured on December 13, 2005. Our Company issued a notice dated January 11, 2006 to the defendants intimating about the dishonour of cheque and demanding payment and the defendants denied any transactions between our Company and the defendants. Therefore our Company has filed the suit for recovery of an amount of ₹ 19.0 million from the defendants and further seeking costs of the proceedings. The matter is currently pending.
5. Our Company has filed as civil suit (OS.No:229/2011) before the Munsiff Court Kollam, against L. Johnykutty on March 21, 2011. Our Company claims that it has acquired certain property on lease from the defendant by a lease deed dated January 16, 2006 and is occupying the premises from March 31, 2006. Our Company claims that the lease was initially for a period of five years and that our Company has the right to retain the lease on enhancement of rent by 10.00% of the existing rent as per the terms and conditions set forth in the lease deed. Our 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. Our Company has also filed a petition for interim injunction directing the defendant not to interfere with the possession of the leased premises by our 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 have filed a compromise petition on July 11, 2012, before the Musiff Court, Kollam and are awaiting the court's approval.
6. Suit (O.S.No. 087 2012) for injunction filed by our Company against K.S. Harikumar, the defendant, before the Munsiff's Court at Thiruvananthapuram. Our Company had entered into a lease agreement dated February 10, 2004 with Mr. Francis Albert for taking on rent the building at Assissi Business Center, T.C.No. 40/1730, Manacaud, Thiruvannathapuram. The period of rent was for five years. In the meanwhile, the defendant had purchased the said leased premises and has taken due consideration from Mr. Francis Albert for continuation of the lease agreement. Our Company has alleged that the defendant has trespassed into the leased premises and attempted to destroy the movables of our Company. Our Company has thus filed the suit seeking for a decree of permanent prohibitory injunction restraining the defendant from entering the leased premises. The Court has passed an order for interim injunction against the defendant and from forceful eviction of our Company from the leased premises. The matter is currently pending.
7. Our Company has filed a suit (OS No. 56/2011) against P.S.Ratna Deep, the defendant, before the court of District Judge, Kovvur. The suit is for a recovery of ₹ 3.6 million allegedly misappropriated by the defendant while acting as the branch manager of our Company's office at Jangareddygudem. The matter is currently pending.

8. Our Company has filed a suit (OS No. 71/2012) against Nimmakayala Venkata Shiva Prasad, the defendant, before the Court of the Senior Civil Judge at Bobbili. This suit is for the recovery of ₹ 0.6 million allegedly embezzled by the defendant while working in the capacity of assistant manager at the Bobbili branch of our Company. The matter is currently pending.
9. Our Company has filed a suit (OS No. 07/2011) against Vishwananth Nair, the defendant, before the court of the Civil Judge, Senior Division, Madhugiri. The suit is for the recovery of ₹ 1.1 million allegedly embezzled by the defendant, while working as an assistant manager of our Company at our Madhugiri branch. The matter is currently pending.
10. Our Company has filed a suit (OS No. 9 of 2011) against Kallur Venkata Prasad Reddy, the first defendant and K. Venkata Subba Reddy, the second defendant, before the Court of 2nd Additional District Judge at Proddatur. The second defendant was the manager of the Poddatur branch of our Company and had extended a loan against spurious gold pledged by the first defendant. Further, the second defendant did not take reasonable care in discharging his obligation as the branch manager of our Company. The present suit is for the recovery of the ₹ 1.8 million misappropriated by the defendants. The matter is currently pending. Our Company has separately filed a criminal complaint (C.C.No.317 of 2010) against the defendants before the Additional Judicial Magistrate of First Class, Proddatur. The Court has passed its judgment acquitting the defendants. Our Company has filed an appeal (Appeal No. 677/2012) against the judgment before the District Court at Kadappa. The matter is currently pending.
11. The Assistant District Registrar, Rajkot, the respondent in the case, has issued notices dated April 10, 2012, March 5, 2012 and March 21, 2012 seeking to apply the provisions of The Gujarat Money Lenders Act, 2011 to our Company. Our Company has filed a writ petition (Special Civil Application No. 9043/2012) in the High Court of Gujarat challenging the notices issued by the respondent. The High Court vide order dated July 24, 2012 ordered the matter to be dismissed for non-appearance of our Company. On an application made by our Company for restoration of the writ petition, the High Court vide order dated August 1, 2012, has recalled the previous order dismissing the writ and restoring the petition. The matter is currently pending.

Criminal cases

1. Our Company has filed a criminal complaint against V.P.Prabhakara Menon, the accused, with the Police, Yeashwantpur, Bangalore. Our Company has alleged that the accused, while working as a branch manager for our Company's branch at Mathikere, Bangalore, had committed various acts of theft, misappropriation and criminal breach of trust. Our Company has filed the complaint for suitable action to be taken against the accused. The police have filed a chargesheet (Case No. CC. 8018/2002) before the IVth Additional Chief Metropolitan Magistrate, Bangalore City. The matter is currently pending.
2. Our Company has filed a first information report on May 10, 2011 reporting the robbery of about 9 kilograms of gold from its Pandav Nagar office. The chargesheet has been filed before the District and Sessions Judge, Delhi on August 19, 2011. The matter is currently pending.
3. Our Company has filed a first information report on March 21, 2009 reporting the robbery of 15 gold packets from its Vidyadhar branch office. Our Company has alleged that Vijay Purohit, acting as the branch manager of the branch office, has misappropriated the gold packets. The chargesheet has been filed against the ex-branch manager before the Additional Chief Judicial Magistrate, Jaipur on May 19, 2009. The matter is currently pending.
4. Our Company has filed a first information report dated June 6, 2007 against Shiju Abraham, an ex-employee of the Company at its Jaipur branch, for allegedly disbursing gold loans in his own name. The chargesheet has been filed before the Additional Civil Judge (Junior Division), Jaipur. The matter is currently pending.
5. Our Company has filed a first information report dated May 10, 2008 against Arun Kumar P.R., an ex-employee of the Company for alleged theft of gold ornaments from the Company lockers. The

chargesheet has been filed on October 24, 2008 before the Judicial Magistrate, First Class, Raipur. The matter is currently pending.

6. Our Company has filed an FIR dated August 20, 2011 against Rohit Chauhan, an ex-employee of the Company for allegedly misappropriating funds from the Company. The charge sheet was filed on February 1, 2012 before the Chief Judicial Magistrate, Ghaziabad. The matter is currently pending.

SECTION VI: ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

Principal terms and conditions of this Issue

The NCDs being offered as part of the Issue are subject to the provisions of the SEBI Debt Regulations, the Companies Act, our Memorandum and Articles of Association, the terms of the Draft Prospectus, 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 GoI/ Stock Exchanges/ 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 the 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 proposed to be issued under the Issue and all earlier issues of debentures outstanding in the books of our 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. Our Company confirms that all permissions and/or consents for creation of a pari passu charge on the current assets, book debts, loans and advances, and receivables including gold loan receivables, both present and future as stated above, have been obtained from all relevant creditors, lenders and debenture trustees of our Company, who have an existing charge over the above mentioned assets.

Debenture Redemption Reserve

Section 117C of the Companies 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 MCA has, through the DRR 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 DRR Circular however further specifies that, for NBFCs like our Company, the adequacy of the DRR will be 50% of the value of debentures issued through a public issue. Accordingly our Company is required to create a DRR of 50% of the value of the NCDs issued through the Issue. As further clarified by the DRR 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 our 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 the 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 Companies Act, confer upon the NCD 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 Companies Act, the NCD

Holders 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 Holders 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 NCD 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 SEBI Debt Regulations, the Companies Act, our Memorandum and Articles of Association, the terms of the Draft Prospectus, 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 Companies 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 NCD Holders of at least 75.00% of the outstanding amount of the NCDs after providing at least 21 days prior notice for such roll over and in accordance with the SEBI Debt Regulations. Our 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 this Prospectus and the Debenture Trust Deed.

Minimum Subscription

If our Company does not receive the minimum subscription of 75.00% of the Base Issue, i.e. ₹ 1,875.0 million after the closure of the Issue Period, the entire Application Monies shall be refunded to the Applicants within the time period prescribed under applicable regulatory/ statutory requirements. 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.

Market Lot and Trading Lot

The NCDs shall be allotted both in physical and in dematerialized form. Please note, however, that NCDs under Option V will be compulsorily allotted in dematerialised form. As per the SEBI 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.

Please note that the NCDs shall cease to trade from the Record Date (for payment of the principal amount and the applicable interest for such NCDs) prior to redemption of the NCDs.

Allotment in the Issue will be in physical or electronic form in multiples of one NCD. For details of Allotment see the section titled “*Issue Procedure*” at page 177.

Nomination facility to NCD Holders

In accordance with section 109A of the Companies 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 NCDs. A person, being a nominee, becoming entitled to the NCDs 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 NCDs, in the event of his death, during the minority. A nomination shall stand rescinded upon sale of the NCDs by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. When the NCDs are held by two or more persons, the nominee shall become entitled to receive the amount only on the demise of all such NCD 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 Holders are advised to provide the specimen signature of the nominee to us to expedite the transmission of the NCDs to the nominee in the event of demise of the NCD Holders. 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 Companies Act, any person who becomes a nominee by virtue of the provisions of section 109A of the Companies 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.

NCD Holders who are holding NCDs in dematerialised form need not make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the NCD Holder will prevail. If the NCD Holders require to changing their nominations, they are requested to inform their respective Depository Participant.

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.

Succession

Where NCDs are held in joint names and one of the joint NCD Holder dies, the survivor(s) will be recognized as the NCD Holder(s). It will be sufficient for our Company to delete the name of the deceased NCD Holder after obtaining satisfactory evidence of his death. Provided, a third person may call on our Company to register his name as successor of the deceased NCD Holder after obtaining evidence such as probate of a will for the purpose of proving his title to the NCDs. In the event of demise of the sole or first holder of the NCDs, our Company will recognise the executors or administrator of the deceased NCD Holders, or the holder of the succession certificate or other legal representative as having title to the NCDs only if such executor or administrator obtains and produces probate or letter of administration or is the holder of the succession certificate or other legal representation, as the case may be, from an appropriate court in India. Our Directors, in their absolute discretion may, in any case, dispense with production of probate or letter of administration or succession certificate or other legal representation.

Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts of jurisdiction in Kochi, India.

Period of subscription

The Issue shall remain open for subscription from 10:00 a.m. till 5.00 p.m. (Indian Standard Time) for the period indicated below, except that the Issue may close on such earlier date or extended date as may be decided by the Board or the NCD Public Issue Committee, subject to necessary approvals. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a reputed daily national newspaper on or before such earlier or extended date of Issue closure.

Issue opens on	September 17, 2012
Issue closes on	October 5, 2012

Applications Forms for the Issue will be accepted only from 10:00 a.m. till 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchanges, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only from 10:00 a.m. till 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchanges.

Due to limitation of time available for uploading the Applications on the electronic platform of the Stock Exchanges on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and, no later than 3.00 p.m (Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Application Forms will only be accepted on Working Days during the Issue Period. Neither our Company, nor the Members of the Syndicate are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. Please note that the Basis of Allotment under the Issue will be on a date priority basis.

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 see the section titled “*Summary of the Key Provisions of the Articles of Association*” at page 221.

ISSUE STRUCTURE

Public issue of NCDs aggregating upto ₹ 2,500.0 million with an option to retain over-subscription upto ₹ 2,500.0 million for issuance of additional NCDs, aggregating to a total of upto ₹ 5,000.0 million.

The key common terms and conditions of the NCDs are as follows:

Particulars	Terms and Conditions
Minimum Application size	₹ 10,000 (10 NCDs) (for all options of NCDs, namely Options I, Option II, Option III, Option IV and Option V either taken individually or collectively)
Mode of Allotment	Physical and dematerialised form. Please note, however, that NCDs under Option V will be compulsorily allotted in dematerialised form.
Terms of payment	Full amount on Application
Trading lot	1 (one) NCD
Who can apply	<p>Category I</p> <ul style="list-style-type: none"> Public financial institutions, statutory corporations, commercial banks, co-operative banks and RRBs which are authorised to invest in the NCDs; Provident funds, pension funds, superannuation funds and gratuity funds, which are authorised to invest in the NCDs; Venture Capital Funds registered with SEBI; Insurance Companies; State industrial development corporations; Insurance funds set up and managed by the army, navy, or air force of the Union of India; Insurance funds set up and managed by the Department of Posts, the Union of India; National Investment Fund; and Mutual Funds. <p>Category II</p> <ul style="list-style-type: none"> 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; 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 and/ or Option V) <p>Category III</p> <ul style="list-style-type: none"> 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 and/ or Option V)

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.

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, see the section titled “*Issue Procedure*” at page 177.

TERMS AND CONDITIONS IN CONNECTION WITH THE NCDs

Common Terms of NCDs

Stock exchanges proposed for listing of the NCDs	BSE and NSE.
Issuance and trading	The NCDs will be issued in both physical and dematerialised form. However, the NCDs will be traded compulsorily in dematerialised form.
Trading lot	1 (one) NCD.
Depositories	NSDL and CDSL.
Security	The security for the NCDs issued through this Issue will be created in accordance with the terms of the Debenture Trust Deed. For further details, see the section titled “ <i>Issue Structure - Security</i> ” at page 174.
Issue Programme*	The Issue shall be open from September 17, 2012 to October 5, 2012 with an option to close earlier or extend upto a period as may be determined by the Board or the NCD Public Issue Committee of the Board.
Pay-in date	3 (Three) days from the date of upload of the Application on the electronic platform of the Stock Exchanges or the date of realisation of the cheques/demand drafts, whichever is later.
Deemed Date of Allotment	The Deemed Date of Allotment shall be the date as decided by the Board or the NCD Public Issue Committee of the Board, and as mentioned on the Allotment Advice.
Day count basis	Actual/ Actual.

* The Issue shall remain open for subscription from 10:00 a.m. till 5.00 p.m. (Indian Standard Time) for the period indicated above, except that the Issue may close on such earlier date or extended date as may be decided by the Board or the NCD Public Issue Committee, subject to necessary approvals. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a reputed daily national newspaper on or before such earlier or extended date of Issue closure.

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	V
Frequency of interest payment	Annual	Annual	Monthly	Annual	N.A.
Minimum application	₹ 10,000 (10 NCDs) (for all options of NCDs, namely Option I, Option II, Option III, Option IV and Option V either taken individually or collectively)				
In multiples of	₹ 1,000 (One NCD)	₹ 1,000 (One NCD)	₹ 1,000 (One NCD)	₹ 1,000 (One NCD)	₹ 1,000 (One NCD)
Face value of NCDs (₹ / NCD)	₹ 1,000	₹ 1,000	₹ 1,000	₹ 1,000	₹ 1,000
Issue Price (₹ / NCD)	₹ 1,000	₹ 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	Through various options available
Coupon Rate (%) for NCD Holders in Category I, Category II and Category III	11.50%	11.75%	11.75%	12.00%	N.A.
Effective yield (per annum) for NCD Holders in Category I, Category II and Category III	11.50%	11.75%	12.40%	12.00%	12.25%

Options	I	II	III	IV	V
Tenor	24 months	36 months	60 months	60 months	72 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.	60 months from the Deemed Date of Allotment.	72 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.	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 the Issue have been rated “[ICRA] AA -/ Stable” by ICRA for an amount of upto ₹ 5,000.0 million vide its letter dated August 23, 2012, and “CRISIL AA-/Stable” by CRISIL for an amount of upto ₹ 5,000.0 million vide its letter dated August 14, 2012. The rating of the NCDs by ICRA indicates a high degree of safety regarding timely servicing of financial obligations. The rating of 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 the NCDs and investors should take their own decisions. For further details, please refer to Annexure B at page 282 for the rationale for the above ratings.				
Deemed Date of Allotment	The Deemed Date of Allotment shall be the date as decided by the Board or the NCD Public Issue Committee, and as mentioned on the Allotment Advice.				
Security	First <i>pari passu</i> charge on the identified immovable property and a first <i>pari passu</i> charge on current assets, book debts, loans and advances, and receivables including gold loan receivables, both present and future, of our Company.				

Interest and payment of interest

A. Interest

In case of Option I NCDs, interest would be paid on an annual basis at the following Coupon Rates 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	11.50%
Category II	11.50%
Category III	11.50%

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 on an annual basis at the following Coupon Rates 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	11.75%
Category II	11.75%
Category III	11.75%

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 on a monthly basis at the following Coupon Rates 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	11.75%
Category II	11.75%

Category of NCD Holder	Coupon Rate (%) per annum
Category III	11.75%

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.

In case of Option IV NCDs, interest would be paid on an annual basis at the following Coupon Rates 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 IV NCD:

Category of NCD Holder	Coupon Rate (%) per annum
Category I	12.00%
Category II	12.00%
Category III	12.00%

Option IV 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 V NCDs shall be redeemed at ₹ 2,000 per NCD at the end of 72 months from the Deemed Date of Allotment.

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 shall be entitled to any interest which may have accrued on the NCDs subject to such transferee holding the NCDs on the Record Date.

B. Taxation

As per clause (ix) of section 193 of the IT 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 SCRA 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, if such interest does not exceed ₹ 5,000 in any financial year. If interest exceeds the prescribed limit of ₹ 5,000 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, at least 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 with the 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.

Tax exemption certificate/document, if any, must be lodged at the office of the Registrar at least 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.

C. Frequency of payment of interest

For NCDs subscribed under Option I, Option II and Option IV, the relevant interest will be paid one day after March 31 of every year of the tenor of such NCDs. The 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. For the first interest payment for NCDs under Options I, II and IV, interest will be calculated from the Deemed Date of Allotment till March 31 of the next year.

For NCDs subscribed under Option III, the relevant interest will be calculated from the first day till the last date of every month during the tenor of such NCDs, and paid on the first day of every subsequent month. 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. For the first interest payment for NCDs under Option III, interest from the Deemed Date of Allotment till the last day of the subsequent month will be clubbed and paid on the first day of the month next to that subsequent month.

The last interest payment for NCDs subscribed under Option I, Option II, Option III and Option IV will be made at the time of redemption of the NCD. Option V NCDs shall be redeemed at ₹ 2,000 per NCD at the end of 72 months from the Deemed Date of Allotment.

Interest for each of the interest periods shall be calculated, on “actual/actual” basis.

D. 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 Depositories 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 maintained by us (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 NCD Holders. 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 effect payments to NCD Holders. The terms of this facility (including towns where this facility would be available) would be as prescribed by RBI. For further details see the section titled “*Issue Procedure - Manner of Payment of Interest / Refund / Redemption*” at page 170.

Maturity and Redemption

For NCDs subscribed under Option I, Option II, Option III, Option IV and Option V, the relevant interest will be paid in a manner described in the section titled “*Issue Structure – Frequency of payment of Interest*” at page 169. The redemption dates for each Option of NCDs is given below.

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	60 months from the Deemed Date of Allotment
V	72 months from the Deemed Date of Allotment

Deemed Date of Allotment

Deemed date of allotment shall be the date as decided by the Board or the NCD Public Issue Committee of the Board, under section 292(1)(b) of the Companies Act and as mentioned in the Allotment Advice.

Application Size

Each Application should be for a minimum of 10 NCDs and multiples of one NCD thereafter. The Application size for each Application for NCDs would be a minimum of ₹ 10,000 and in multiples of ₹ 1,000 thereafter.

Applicants can apply for any or all Options of NCDs offered hereunder (any/all options) using the same Application Form.

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/ issue instructions to the Registrar to intimate the SCSBs to un-block the excess amount paid on Application to the Applicant in accordance with the terms of this Prospectus. For further details see the section titled “*Issue Structure - Interest on Application Amounts*” at page 175.

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 Stock Exchanges, as the case may be.

Manner of payment of interest/ Refunds/ 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.

In case of ASBA Applicants, the Registrar to the Issue will issue requisite instructions to the relevant SCSBs to un-block amounts in the ASBA Accounts of the Applicants representing the amounts to be refunded to the Applicants.

For NCDs applied for/ 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. The mode of interest / refund / redemption payments shall be undertaken in the following order of preference:

1. Direct Credit

Applicants 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.

3. RTGS

Applicants having a bank account with a participating bank and whose interest payment/ refund/ redemption amounts exceed ₹ 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 Registrar to the Issue at least seven days prior to 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.

4. NEFT

Payment of interest/ refunds/ redemption shall be undertaken through NEFT wherever the Applicants' banks have 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. The 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 demat 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.

5. Registered Post/Speed Post/ Ordinary 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 or ordinary post.

Please note that Applicants are eligible to receive payments through the modes detailed in paragraphs (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 NCD Holders 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 applied and held in physical form, the NCD Holders are advised to submit their bank account details with our Company/ Registrar to the Issue at least seven days prior to the Record Date failing which the orders/ warrants will be dispatched to the postal address of the NCD Holders as available in the records of our Company.

Bank account particulars 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 NCD Holders 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, buy-back the 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 of the NCDs held (“**Consolidated Certificate**”). The Applicant can also request for the issue of NCD certificates in denomination of one NCD (“**Market Lot**”). In case of NCDs held under different Options by an NCD Holder, separate Consolidated Certificates will be issued to the NCD Holder for the aggregate amount of the NCDs held under each Option.

It is however distinctly to be understood that the NCDs pursuant to this issue shall be traded 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 of the NCDs 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 certificates) be surrendered for redemption on maturity and should be sent by the NCD Holders 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 Holders may be requested to surrender the NCD certificates 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 holders thereof. In case we decide to do so, the NCD Holders 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. For further details, see the section titled “*Issue Structure - Payment on Redemption*” on page 172.

NCDs held in electronic form

No action is required on the part of NCD Holders 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 certificates, duly discharged by the sole holder/ all the joint-holders (signed on the reverse of the NCD certificates). Despatch of cheques/ pay orders, 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 seven days prior to the Record Date. In case the transfer documents are not lodged with us at least 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

Registrar to the Issue.

Our liability to NCD Holders towards 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 Holders.

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCDs.

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 Holders towards his/their rights including for payment/ redemption in all events shall end when we dispatch the redemption amounts to the NCD Holders.

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCDs.

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 60 months from the Deemed Date of Allotment.

Option V NCDs will be redeemed at the expiry of 72 months from the Deemed Date of Allotment.

Right to re-issue NCDs

Subject to the provisions of the Companies Act, where we have fully redeemed or repurchased any NCDs, 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 re-issue 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 re-issuing the same NCDs or by issuing other NCDs in their place. The aforementioned right includes the right to reissue original NCDs.

Transfer/Transmission of NCDs

For NCDs held in physical form

The NCDs shall be transferred or transmitted freely in accordance with the applicable provisions of the Companies 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 Companies 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 NCDs 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 Depository Participants of the transferor transferee and any other applicable laws and rules notified in respect thereof. The transferees 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 transferors 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.

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 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 Holders 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 NCD Holders from time to time.

Issue of duplicate NCD Certificate(s) issued in physical form

If 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 certificates 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 our Company.

Our Company will create the security for the NCDs in favour of the Debenture Trustee for the NCD Holders on the assets to ensure 100.00% 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. The Debenture Trustee and us will execute a Debenture Trust Deed, *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and us. The NCD Holders 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 Holders. Any payment made by us to the Debenture Trustee on behalf of the NCD Holders shall discharge us pro tanto to the NCD Holders.

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

Our Company shall have the right of set-off and lien, present as well as future on the moneys due and payable to an NCD Holder or deposits held in the account of an NCD Holder, whether in single name or joint name, to the extent of all outstanding dues by such NCD Holder to our Company.

Lien on pledge of NCDs

Our 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 Amounts

Interest on Application Amounts received which are used towards allotment of NCDs

Our Company shall pay interest on Application Amounts on the amount allotted, subject to deduction of income tax under the provisions of the IT Act, as applicable, to any Applicants (except for ASBA Applicants) to whom NCDs are Allotted pursuant to the Issue from the date of realization of the Application Amounts or after 3 (three) days from the date of upload of the Application on the electronic platform of the Stock Exchanges, whichever is later upto one day prior to the Deemed Date of Allotment, at the rate of 11.50% p.a.

Our Company has a right to pre-close the Issue at anytime up to one day prior to the Issue Closing Date. Our Company shall in the event of such closing of the Issue, subject to receipt of a minimum subscription of 75.00% of the Base Issue, i.e. ₹ 1,875.0 million, allot NCDs in accordance with the procedure mentioned in the section titled “*Issue Procedure – Basis of Allotment*” at page 196. However, it is clarified that in the event that our Company does not receive a minimum subscription of 75.00% of the Base Issue, i.e. ₹ 1,875.0 million our Company will not allot any NCDs to applicants and refund the subscription amounts forthwith, as set out herein.

The interest on Application Amounts 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, 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 Amounts may also be paid to Applicants through NECS, NEFT or through the RTGS mechanism.

Interest on Application Amounts received which are liable to be refunded

Our Company shall pay interest on Application Amounts which is liable to be refunded to the Applicants in accordance with the provisions of the SEBI 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 IT Act, as applicable, from the date of realization of the Application Amounts or after 3 (three) days from the date of upload of the Application on the electronic platform of the Stock Exchanges whichever is later and upto one day prior to the Deemed Date of Allotment, at the rate of 6% per annum. Such interest shall be paid along with the monies liable to be refunded. Interest amount will be credited (in case of electronic payment) to the respective accounts of the Applicants as mentioned in the depository records or the Application Form (in case of Application for Allotment in physical form). In other cases, interest warrants will be dispatched along with the letter(s) of refund to the sole/first Applicant at its sole risk.

In the event our Company does not receive a minimum subscription of 75.00% of the Base Issue, i.e. ₹ 1,875.0 million on the date of closure of the Issue, our Company shall pay interest on Application Amounts which is liable to be refunded to the applicants in accordance with the provisions of the SEBI 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 IT Act, as applicable, from the date of realization of the Application Amounts or after 3 (three) days from the date of upload of the Application on the electronic platform of the Stock Exchanges whichever is later and upto the date of closure of the Issue at the rate of 6% per annum. Interest amount will be credited (in case of electronic payment) to the respective accounts of the Applicants as mentioned in the depository records or the Application Form (in case of Application for Allotment in physical form). In other cases, interest warrants will be dispatched along with the letter(s) of refund to the sole/first Applicant at its sole risk.

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. For further details, see the section titled “*Issue Procedure - Rejection of Applications*” at page 193.

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

This section applies to all Applicants. ASBA Applicants should note that the ASBA process involves application procedures that are different from the procedure applicable to all other Applicants. However, there is a common Application Form for all Applicants. Please note that all Applicants are required to pay the full Application Amount or ensure that the ASBA Account has sufficient credit balance such that the entire Application Amount can be blocked by the SCSB while making an Application. In case of ASBA Applicants, an amount equivalent to the full Application Amount will be blocked by the SCSBs in the relevant ASBA Accounts.

Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable law or as specified in this Prospectus.

THE MEMBERS OF THE SYNDICATE AND THE COMPANY SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR OMISSIONS ON THE PART OF THE TRADING MEMBERS IN CONNECTION WITH THE RESPONSIBILITY OF SUCH TRADING MEMBERS IN RELATION TO COLLECTION AND UPLOAD OF APPLICATIONS IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGES. FURTHER, THE RELEVANT STOCK EXCHANGE SHALL BE RESPONSIBLE FOR ADDRESSING INVESTOR GREIVANCES ARISING FROM APPLICATIONS THROUGH TRADING MEMBERS REGISTERED WITH SUCH STOCK EXCHANGE.

Please note that for the purposes of this section, the term “Working Day” shall mean all days excluding Sundays or a public holiday in India or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881.

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 RRBs which are authorised to invest in the NCDs;
- Provident funds, pension funds, superannuation funds and gratuity funds, which are authorised to invest in the NCDs;
- Venture Capital Funds registered with SEBI;
- Insurance Companies;
- State industrial development corporations;
- Insurance funds set up and managed by the army, navy, or air force of the Union of India;
- Insurance funds set up and managed by the Department of Posts, the Union of India;
- 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 Options of NCDs.

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 Options of NCDs.

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 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 Applicants. Our Company and 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.

How to apply?

Availability of Prospectus and Application Forms

Copies of the Abridged Prospectus containing the salient features of this Prospectus together with Application Forms and copies of this Prospectus may be obtained from our Registered Office, the Lead Managers, the Registrar, the Lead Brokers and the Designated Branches of the SCSBs. Additionally this Prospectus and the Application Forms will be available

- (i) for download on the websites of BSE at www.bseindia.com and NSE at www.nseindia.com, and the websites of the Lead Managers at www.icicisecurities.com, www.akcapindia.com, www.edelweissfin.com, www.karvy.com, www.rrfinance.com/rrfcl.com and www.sbicans.com; and
- (ii) at the designated branches of the SCSB and the Members of the Syndicate at the Syndicate ASBA Application Locations.

Electronic Application Forms will also be available on the website of Stock Exchanges. A hyperlink to the website of the Stock Exchange for this facility will be provided on the website of the Lead Managers and the SCSBs. Further, Application Forms will also be provided to Trading Members at their request.

Methods of Application

An eligible investor desirous of applying in the Issue can make Applications by one of the following methods:

1. Applications through the ASBA process; and
2. Non-ASBA Applications.

Applicants are requested to note that in terms of the Debt Application Circular, SEBI has mandated issuers to provide, through a recognized stock exchange which offers such a facility, an online interface enabling direct application by investors to a public issue of debt securities with an online payment facility (“**Direct Online Application Mechanism**”). In this regard, SEBI has, through the Debt Application Circular, directed recognized stock exchanges in India to put in necessary systems and infrastructure for the implementation of the Debt Application Circular and the Direct Online Application Mechanism. In the event that the Stock Exchanges put in necessary systems, infrastructure and processes in place so as to enable the adoption of the Direct Online Application Circular prior to the Issue Opening Date, we shall offer eligible investors desirous of applying in the Issue the option to make Applications through the Direct Online Application Mechanism. In such an event, the methods and procedure for relating to the Direct Online Application Mechanism shall be widely disseminated by us through a public notice in a reputed national daily newspaper.

Applications through the ASBA process

Applicants can submit their Applications through the ASBA process by submitting the Application Forms in physical mode to the SCSB with whom the ASBA Account is maintained or through the Members of the Syndicate or Trading Members (ASBA Applications through the Members of the Syndicate and Trading

Members shall hereinafter be referred to as the “**Syndicate ASBA**”), prior to or on the Issue Closing Date. **ASBA Applications through the Members of the Syndicate and Trading Members is permitted only at the Syndicate ASBA Application Locations (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Vadodara and Surat).** Kindly note that Application Forms submitted by ASBA Applicants to Members of the Syndicate and the Trading Members at the Syndicate ASBA Application Locations will not be accepted if the SCSB with which the ASBA Account, as specified in the Application Form is maintained has not named at least one branch at that location for the Member of the Syndicate or the Trading Members to deposit the Application Form (A list of such branches is available at http://www.sebi.gov.in/cms/sebi_data/attachdocs/1345612849756.html). The Members of Syndicate and Trading Members shall accept ASBA Applications only at the Syndicate ASBA Application Locations and should ensure that they verify the details about the ASBA Account and relevant SCSB prior to accepting the Application Form.

Trading Members shall, upon receipt of physical Application Forms from ASBA Applicants, upload the details of these Application Forms to the online platform of the Stock Exchanges and submit these Application Forms with the SCSB with whom the relevant ASBA Accounts are maintained in accordance with the Debt Application Circular.

An ASBA Applicant shall submit the Application Form, which shall be stamped at the relevant Designated Branch of the SCSB. Application Forms in physical mode, which shall be stamped, can also be submitted to be Members of the Syndicate and the Trading Members at the Syndicate ASBA Application Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form.

Our Company, our directors, affiliates, associates and their respective directors and officers, Lead Managers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to ASBA Applications accepted by SCSBs and Trading Members, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount has been blocked in the relevant ASBA Account. Further, all grievances against Trading Members in relation to the Issue should be made by Applicants directly to the Stock Exchanges.

Please note that you cannot apply for the NCDs through the ASBA process if you wish to be Allotted the NCDs in physical form.

Non-ASBA Applications

(i) Non- ASBA Applications for Allotment of the NCDs in dematerialised form

Applicants may submit duly filled in Application Forms either in physical or downloaded Application Forms to the Members of the Syndicate or the Trading Members accompanied by account payee cheques/ demand drafts prior to or on the Issue Closing Date. The Members of the Syndicate and Trading Members shall, upload the non-ASBA Application on the online platforms of the Stock Exchanges from 10:00 a.m. till 5.00 p.m. (Indian Standard Time) during the Issue Period, following which they shall acknowledge the uploading of the Application Form by stamping the acknowledgment slip with the date and time and returning it to the Applicant. This acknowledgment slip shall serve as the duplicate of the Application Form for the records of the Applicant and the Applicant should preserve this and should provide the same for any grievances relating to their Applications.

Upon uploading the Application on the online platform of the Stock Exchanges, the Members of the Syndicate and Trading Members will submit the Application Forms, along with the relevant payment instruments (cheques or demand drafts) to the Escrow Collection Banks, which will realise the payment instrument, and send the Application details to the Registrar. The Members of the Syndicate/ Trading Members are requested to note that all Applicants are required to be banked with only the designated branches of Escrow Collection Banks, as mentioned in the Application Form. The Registrar shall match the Application details as received from the online platform of the Stock Exchanges with the Application Amount details received from the Escrow Collection Banks for reconciliation of funds received from the Escrow Collection Banks. In case of discrepancies between the two data bases, the details received from the online platform of the Stock Exchanges will prevail. Upon Allotment, the Registrar will credit the NCDs in the demat accounts of the successful Applicants as mentioned in the Application Form.

Please note that neither our Company, nor the Members of the Syndicate, nor the Registrar shall be responsible

for redressal of any grievances that Applicants may have in regard to the non-ASBA Applications made to the Trading Members, including, without limitation, relating to non-upload of the Applications data. All grievances against Trading Members in relation to the Issue should be made by Applicants to the relevant Stock Exchange.

(ii) Non- ASBA Applications for Allotment of the NCDs in physical form

Applicants can also apply for Allotment of the NCDs (under Options I, II, III and IV) in physical form by submitting duly filled in Application Forms to the Members of the Syndicate or the Trading Members, along with the accompanying account payee cheques or demand drafts representing the full Application Amount and KYC documents as specified in the sections titled “*Issue Procedure – Applications by various Applicant Categories*” and “*Issue Procedure - Additional instructions specific for Applicants seeking Allotment of the NCDs in physical form*” at pages 181 and 191, respectively. The Members of the Syndicate and Trading Members shall, upon submission of the Application Forms to them, verify and check the KYC documents submitted by such Applicants and upload details of the Application on the online platform of the Stock Exchanges, following which they shall acknowledge the uploading of the Application Form by stamping the acknowledgment slip with the date and time and returning it to the Applicant. This acknowledgment slip shall serve as the duplicate of the Application Form for the records of the Applicant and the Applicant shall preserve this and should provide the same for any queries relating to non-Allotment of NCDs in the Issue.

Upon uploading of the Application details, the Members of the Syndicate and Trading Members will submit the Application Forms, along with the payment instruments to the Escrow Collection Banks, which will realise the payment instrument, and send the Application Form and the KYC documents to the Registrar, who shall check the KYC documents submitted and match Application details as received from the online platform of the Stock Exchanges with the Application Amount details received from the Escrow Collection Banks for reconciliation of funds received from the Escrow Collection Banks. In case of discrepancies between the two data bases, the details received from the online platform of the Stock Exchanges will prevail. The Members of the Syndicate/ Trading Members are requested to note that all Applicants are required to be banked with only the designated branches of Escrow Collection Banks, as mentioned in the Application Form. Upon Allotment, the Registrar will dispatch NCD Certificates to the successful Applicants to their addresses as provided in the Application Form. **Please note that, in the event that KYC documents of an Applicant are not in order, the Registrar will withhold the dispatch of NCD Certificates pending receipt of complete KYC documents from such Applicant. In such circumstances, successful Applicants should provide complete KYC documents to the Registrar at the earliest.**

Please note that in such an event, any delay by the Applicant to provide complete KYC documents to the Registrar will be at the Applicant’s sole risk and neither our Company, the Registrar, the Escrow Collection Banks, or the Members of the Syndicate, will be liable to compensate the Applicants for any losses caused to them due to any such delay, or liable to pay any interest on the Application Amounts for such period during which the NCD Certificates are withheld by the Registrar. Further, our Company will not be liable for any delays in payment of interest on the NCDs allotted to such Applicants, and will not be liable to compensate such Applicants for any losses caused to them due to any such delay, or liable to pay any interest for such delay in payment of interest on the NCDs.

Please note, further, that Applicants cannot apply for Allotment of NCDs under Option V in physical form. Our Company shall allocate and allot NCDs under Option IV to all Applicants who have applied for Allotment of NCDs of Option V in physical form.

Members of the Syndicate or Trading Members are also required to ensure that the Applicants are competent to contract under the Indian Contract Act, 1872 including minors applying through guardians, at the time of acceptance of the Application Forms.

To supplement the foregoing, the mode and manner of Application and submission of Application Forms is illustrated in the following chart.

Mode of Application	To whom the Application Form has to be submitted
ASBA Applications	<p>(i) to the Members of the Syndicate only at the Syndicate ASBA Application Locations; or</p> <p>(ii) to the Designated Branches of the SCSBs where the ASBA Account is maintained; or</p> <p>(iii) to Trading Members only at the Syndicate ASBA Application Locations.</p>

Mode of Application	To whom the Application Form has to be submitted
Non- ASBA Applications	(i) to the Members of the Syndicate; or (ii) to Trading Members.

Application Size

Each Application should be for a minimum of 10 NCDs and in multiples of one NCD thereafter. The minimum Application Size for each Application would be ₹ 10,000 and in multiples of ₹ 1,000 thereafter.

APPLICATIONS BY VARIOUS APPLICANT CATEGORIES

Applications by Mutual Funds

A mutual fund scheme cannot invest more than 15.00% 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 20.00% 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 the Application is being made. An Applications Forms by a mutual fund registered with SEBI for Allotment of the NCDs in physical form must be also accompanied by certified true copies of (i) its SEBI registration certificates (ii) the trust deed in respect of such mutual fund (ii) a 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 from a Mutual Fund for Allotment of the NCDs in physical form in whole or in part, in either case, without assigning any reason therefor.

Application by Scheduled Banks, Co-operative Banks and RRBs

Scheduled Banks, Co-operative Banks and RRBs can apply in this Issue based upon their own investment limits and approvals. Applications by them for Allotment of the NCDs in physical form must be accompanied by certified true copies of (i) a board resolution authorising investments; and (ii) a letter of authorisation. Failing this, our Company reserves the right to accept or reject any Application for Allotment of the NCDs in physical form in whole or in part, in either case, without assigning any reason therefor.

Application by Insurance Companies

In case of Applications for Allotment of the NCDs in physical form made by an Insurance Company, a certified copy of its certificate of registration issued by IRDA must be lodged along with Application Form. The Applications must be accompanied by certified copies of (i) its Memorandum and Articles of Association; (ii) a power of attorney (iii) a resolution authorising investment and containing operating instructions; and (iv) specimen signatures of authorized signatories. Failing this, our Company reserves the right to accept or reject any Application for Allotment of the NCDs in physical form in whole or in part, in either case, without assigning any reason therefor.

Applications by trusts

In case of Applications for Allotment of the NCDs in physical form made by trusts, settled under the Indian Trusts Act, 1882, or any other statutory and/or regulatory provision governing the settlement of trusts in India, Applicants must submit a (i) a certified copy of the registered instrument for creation of such trust; (ii) a 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 for Allotment of the NCDs in physical form in

whole or in part, in either case, without assigning any reason therefor.

Applications by Public Financial Institutions or statutory corporations, which are authorized to invest in the NCDs

Applications by Public Financial Institutions or statutory corporation for Allotment of the NCDs in physical form must be accompanied by certified true copies of: (i) any Act/rules under which such Applicant is incorporated; (ii) a resolution of the board of directors of such Applicant authorising investments; and (iii) specimen signature of authorized persons of such Applicant. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in physical form in whole or in part, in either case, without assigning any reason therefor.

Applications made by companies, bodies corporate and societies registered under the applicable laws in India

Applications made by companies, bodies corporate and registered societies for Allotment of the NCDs in physical form must be accompanied by certified true copies of: (i) any Act/rules under which such Applicant is incorporated; (ii) a resolution of the board of directors of such Applicant authorising investments; and (iii) specimen signature of authorized persons of such Applicant. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in physical form in whole or in part, in either case, without assigning any reason therefor.

Indian scientific and/ or industrial research organizations, which are authorized to invest in the NCDs

Applications by scientific and/ or industrial research organisations which are authorised to invest in the NCDs must be accompanied by certified true copies of: (i) Any Act/rules under which such Applicant is incorporated; (ii) a resolution of the board of directors of such Applicant authorising investments; and (iii) specimen signature of authorized persons of such Applicant. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in physical form in whole or in part, in either case, without assigning any reason therefor.

Partnership firms formed under applicable Indian laws in the name of the partners and Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008

Applications made by partnership firms and limited liability partnerships formed and registered under the Limited Liability Partnership Act, 2008 must be accompanied by certified true copies of: (i) the partnership deed for such Applicants; (ii) any documents evidencing registration of such Applicant thereof under applicable statutory/regulatory requirements; (iii) a resolution authorizing the investment and containing operating instructions; and (iv) specimen signature of authorized persons of such Applicant. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in physical form in whole or in part, in either case, without assigning any reason therefor.

Applications under a power of attorney by limited companies, corporate bodies and registered societies.

In case of Applications made pursuant to a power of attorney by Applicants from Category I, 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.

In case of Applications made pursuant to a power of attorney by Applicants from Category II and Category III, a certified copy of the power of attorney must be lodged along with the Application Form.

In case of physical ASBA Applications made pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the Application Form. Failing this, our Company, in consultation with the Lead Manager, reserves the right to reject such Applications.

Our Company, in its absolute discretion, reserves the right to relax the above condition of attaching

the power of attorney along with the Application Forms subject to such terms and conditions that our Company and the Lead Managers may deem fit.

Applications by provident funds, pension funds, superannuation funds and gratuity funds which are authorized to invest in the NCDs

Applications by provident funds, pension funds, superannuation funds and gratuity funds which are authorised to invest in the NCDs, for Allotment of the NCDs in physical form must be accompanied by certified true copies of: (i) any Act/rules under which they are incorporated; (ii) a power of attorney, if any, in favour of one or more trustees thereof, (iii) a board resolution authorising investments; (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements; (iv) specimen signature of authorized person; (v) a certified copy of the registered instrument for creation of such fund/trust; and (vi) any tax exemption certificate issued by Income Tax authorities. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in physical form in whole or in part, in either case, without assigning any reason therefor.

Applications by Indian Venture Capital Funds

Applications by Venture Capital Funds for Allotment of the NCDs in physical form must be accompanied by certified true copies of: (i) their SEBI registration certificates; (ii) a resolution authorising investment and containing operating instructions; and (iii) specimen signatures of authorised signatories. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in physical form in whole or in part, in either case, without assigning any reason therefor.

Applications by National Investment Funds

Application made by a National Invest Fund for Allotment of the NCDs in physical form must be accompanied by certified true copies of: (i) a resolution authorising investment and containing operating instructions; and (ii) specimen signatures of authorized persons. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in physical form in whole or in part, in either case, without assigning any reason therefor.

Applications cannot be made by:

- (a) Minors without a guardian name (A guardian may apply on behalf of a minor. However, the name of the guardian will need to be mentioned on the Application Form);
- (b) Foreign nationals;
- (c) Persons resident outside India;
- (d) Foreign Institutional Investors;
- (e) Non Resident Indians;
- (f) Qualified Foreign Investors;
- (g) Overseas Corporate Bodies;
- (h) Foreign Venture Capital Funds;
- (i) Persons ineligible to contract under applicable statutory/ regulatory requirements.

In case of Applications for Allotment of the NCDs in dematerialised form, the Registrar shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchanges by the Members of the Syndicate or the Trading Members, as the case may be.

Payment instructions

Payment mechanism for ASBA Applicants

An ASBA Applicant shall specify details of the ASBA Account Number in the Application Form and the relevant SCSB shall block an amount equivalent to the Application Amount in the ASBA Account specified in the Application Form. Upon receipt of an intimation from the Registrar, the SCSBs shall, on the Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Account in terms of the Escrow Agreement. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB within 12

(twelve) Working Days of the Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the ASBA Application, as the case may be.

Payment mechanism for non ASBA Applicants

We shall open Escrow Accounts with one or more Escrow Collection Banks in whose favour the Applicants (except for ASBA Applicants) shall draw cheques or demand drafts. All Applicants would be required to pay the full Application Amount at the time of the submission of the Application Form. Cheques or demand drafts for the Application Amount received from Applicants would be deposited by the Members of the Syndicate and Trading Members, as the case may be, in the Escrow Accounts.

Details of the the branches of the Escrow Collection Banks where the Application Forms along with cheques/ demand drafts submitted by a non-ASBA Applicants shall be deposited by the Members of the Syndicate and Trading Members are available on the websites of the Lead Managers at www.icicisecurities.com, www.akcapindia.com, www.edelweissfin.com, www.karvy.com, www.rrfinance.com/rrfcl.com and www.sbicaps.com. A link to the said web pages shall also be available on the website of NSE and BSE at www.nseindia.com and www.bseindia.com, respectively. A link shall also be provided to the above mentioned websites in the Application Form as well.

Each Applicant (except for ASBA Applicants) shall draw a cheque or demand draft for the Application Amount as per the following terms:

- a) The payment instruments from the Applicants shall be payable into the Escrow Account drawn in favour of “Escrow Account Muthoot Finance NCD Public Issue”.
- b) Payments should be made by cheque, or a demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers’ clearing house located at the centre where the Application Form is submitted. 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.
- c) The monies deposited in the Escrow Account will be held for the benefit of the Applicants until the Designated Date.
- d) On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement and this Prospectus into the Public Issue Account. The Escrow Collection Bank shall also, upon receipt of instructions from the Lead Managers and the Registrar, transfer all amounts payable to Applicants, who have not been allotted NCDs to the Refund Accounts.

Please note that Applicants from Category I can also pay Application Amounts through the RTGS mechanism.

Applicants should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Lead Managers, the Escrow Collection Banks and the Registrar to facilitate collections from the Applicants.

Please note that Applications accompanied by Application Amounts in cash/ stock invest/ money orders/ postal orders will not be accepted.

The Escrow Collection Banks will act in terms of this Prospectus and the Escrow Agreement. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein. 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.

Additional information for Applicants

1. Application Forms submitted by Applicants (except for Applicants applying for the NCDs in physical form) whose beneficiary accounts are inactive shall be rejected.

2. For ASBA Applicants, no separate receipts will be issued for the money blocked on the submission of Application Form. However, the collection centre of the Members of the Syndicate or the SCSB or the Trading Member, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicant the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant.
3. Applications should be submitted on the Application Form only. In the event that physical Application Forms do not bear the stamp of the Members of the Syndicate/ Trading Member or the relevant Designated Branch, they are liable to be rejected.

Applicants are advised not to submit Application Forms to Escrow Collection Banks and the same will be rejected in such cases and the Applicants will not be entitled to any compensation whatsoever.

Filing of this Prospectus with ROC

A copy of this Prospectus has been filed with the RoC in terms of section 60 of the Companies Act.

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 the SEBI Debt Regulations. Material updates, if any, between the date of filing of this Prospectus with the RoC and the date of release of this statutory advertisement will be included in the statutory advertisement.

Instructions for completing the Application Form

- (a) Applications must be made in the prescribed Application Form.
- (b) Application Forms are to be completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in this Prospectus and the Application Form. Incomplete Application Forms are liable to be rejected. Applicants should note that the Members of the Syndicate, or the Trading Members, as appropriate, will not be liable for errors in data entry due to incomplete or illegible Application Forms.
- (c) Applications are required to be for a minimum of such NCDs and in multiples of such NCDs thereafter as specified in this Prospectus.
- (d) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.
- (e) Applications should be in single or joint names and not exceeding three names, and in the same order as their Depository Participant details (in case of Applicants applying for Allotment of the NCDs in dematerialized form) and Applications should be made by Karta in case the Applicant is an HUF.
- (f) Applicants applying for Allotment in dematerialised form must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of such Applicant's active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of the Stock Exchanges by SCSBs, the Members of the Syndicate at the Syndicate ASBA Application Locations and the Trading Members, as the case may be, the Registrar will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs.
- (g) ASBA Applicants must ensure that their Application Forms are:
 - (i) made in a single name; and
 - (ii) completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in this Prospectus and in the Application Form.

- (h) If the ASBA Account holder is different from the ASBA Applicant, the Application Form should be signed by the ASBA Account holder also, in accordance with the instructions provided in the Application Form.
- (i) All Applicants are required to tick the relevant column in the “Category of Investor” box in the Application Form.
- (j) Applications for all the Options of the NCDs may be made in a single Application Form only.
- (k) All Applicants are required to tick the relevant box of the “Mode of Application” in the Application Form, choosing either the ASBA or Non-ASBA mechanism.

We shall allocate and Allot NCDs of Option IV to all valid Applications, wherein the Applicants have not indicated their choice of the relevant NCD Option applied for.

Applicants’ PAN, Depository Account and Bank Account Details

ALL APPLICANTS APPLYING FOR ALLOTMENT OF THE NCDS IN DEMATERIALISED FORM SHOULD MENTION THEIR DP ID, CLIENT ID AND PAN IN THE APPLICATION FORM. APPLICANTS MUST ENSURE THAT THE DP ID, CLIENT ID AND PAN GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE DEPOSITORY DATABASE. IF THE BENEFICIARY ACCOUNT IS HELD IN JOINT NAMES, THE APPLICATION FORM SHOULD CONTAIN THE NAME AND PAN OF BOTH THE HOLDERS OF THE BENEFICIARY ACCOUNT AND SIGNATURES OF BOTH HOLDERS WOULD BE REQUIRED IN THE APPLICATION FORM.

On the basis of the DP ID, Client ID and PAN provided by them in the Application Form, the Registrar will obtain from the Depository the Demographic Details of the Applicants including PAN and MICR code. These Demographic Details would be used for giving Allotment Advice and refunds (for non-ASBA Applicants), if any, to the Applicants. Hence, Applicants are advised to immediately update their Demographic Details (including bank account details) as appearing on the records of the Depository Participant and ensure that they are true and correct. Please note that failure to do so could result in delays in despatch/ credit of refunds to Applicants, delivery of Allotment Advice or unblocking of ASBA Accounts at the Applicants’ sole risk, and neither the Members of the Syndicate nor the Trading Members, nor the Registrar, nor the Escrow Collection Banks, nor the SCSBs, nor our Company shall have any responsibility and undertake any liability for the same.

Applicants applying for Allotment of the NCDs in dematerialized form may note that in case the DP ID, Client ID and PAN mentioned in the Application Form, as the case may be and entered into the electronic Application system of the Stock Exchanges by the Members of the Syndicate, the Trading Members or the SCSBs, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form is liable to be rejected and our Company, and the Members of the Syndicate shall not be liable for losses, if any.

These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice and printing of bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar except in relation to the Issue.

By signing the Application Form, Applicants applying for the NCDs in dematerialised form would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

Refund orders/ Allotment Advice would be mailed at the address of the Applicants as per the Demographic Details received from the Depositories. Applicants 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 (other than ASBA Applicants) in the Application Form would be used only to ensure dispatch of refund orders. Further, please note that any such delay shall be at such Applicants’ sole risk and neither our Company, Escrow Collection Banks, Registrar nor the Lead Managers shall be liable to compensate the Applicant for any losses caused to the Applicants due to

any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in this Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case of Applications made under powers of attorney, our Company in its absolute discretion, reserves the right to permit the holder of a power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the 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, which matches the three parameters, namely, DP ID, Client ID and PAN, then such Applications are liable to be rejected.

Electronic registration of Applications

- (a) The Members of the Syndicate, SCSBs and Trading Members will register the Applications using the on-line facilities of Stock Exchanges. The Lead Managers, our Company, and the Registrar are not responsible for any acts, mistakes or errors or omission and commissions in relation to (i) the Applications accepted by the SCSBs and Trading Members, (ii) the Applications uploaded by the SCSBs and the Trading Members, (iii) the Applications accepted but not uploaded by the SCSBs or the Trading Members, (iv) with respect to ASBA Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts or (iv) with respect to ASBA Applications accepted and uploaded by Members of the Syndicate at the Syndicate ASBA Application Locations for which the Application Amounts are not blocked by the SCSBs.
- (b) The Stock Exchanges will offer an electronic facility for registering Applications for the Issue. This facility will be available on the terminals of Members of the Syndicate, Trading Members and the SCSBs during the Issue Period. On the Issue Closing Date, the Members of the Syndicate, Trading Members and the Designated Branches of the SCSBs shall upload the Applications till such time as may be permitted by the Stock Exchanges. This information will be available with the Members of the Syndicate, Trading Members and the Designated Branches of the SCSBs on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation.
- (c) Based on the aggregate demand for Applications registered on the electronic facilities of the Stock Exchanges, a graphical representation of consolidated demand for the NCDs, as available on the websites of the Stock Exchanges, would be made available at the Application centres as provided in the Application Form during the Issue Period.
- (d) At the time of registering each Application, SCSBs, the Members of the Syndicate and Trading Members, as the case may be, shall enter the details of the Applicant, such as the Application Form number, PAN, Applicant category, DP ID, Client ID, number and Option(s) of NCDs applied, Application Amounts, details of payment instruments (for non – ASBA Applications) and any other details that may be prescribed by the online uploading platform of the Stock Exchanges.
- (e) A system generated TRS will be given to the Applicant as a proof of the registration of his Application. It is the Applicant's responsibility to obtain the TRS from the SCSBs, Members of the Syndicate or the Trading Members, as the case may be. The registration of the Applications by the SCSBs, Members of the Syndicate or Trading Members does not guarantee that the NCDs shall be allocated/ Allotted by our Company. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
- (f) The permission given by the Stock Exchanges to use their network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, and/or the Lead Managers are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus; nor does it warrant that the NCDs will be listed or will continue to be

listed on the Stock Exchanges.

- (g) In case of apparent data entry error by either the Members of the Syndicate or the Trading Members, in entering the Application Form number in their respective schedules, other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchange.
- (h) Only Applications that are uploaded on the online system of the Stock Exchanges shall be considered for Allotment. The Members of the Syndicate, Trading Members and the Designated Branches of the SCSBs shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Application data in the electronic systems of the Stock Exchange. In order that the data so captured is accurate the Members of the Syndicate, Trading Members and the Designated Branches of the SCSBs will be given up to one Working Day after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

General Instructions

Do's

- **Check if you are eligible to apply;**
- **Read all the instructions carefully and complete the Application Form;**
- If the Allotment of the NCDs is sought in dematerialized form, ensure that the details about Depository Participant and beneficiary account are correct and the beneficiary account is active;
- Applications are required to be in single or joint names (not more than three);
- 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 Applications are submitted to the Members of the Syndicate, Trading Members or the Designated Branches of the SCSBs, as the case may be, before the closure of application hours on the Issue Closing Date;
- Ensure that the Application Forms (for non-ASBA Applicants) are submitted at the collection centres provided in the Application Forms, bearing the stamp of a Member of the Syndicate or a Trading Members of the Stock Exchange, as the case may be;
- Information provided by the Applicants in the Application Form will be uploaded on to the online platform of the Stock Exchanges by the Members of the Syndicate and Trading Members, as the case may be, and the electronic data will be used to make allocation/ Allotment. The Applicants should ensure that the details are correct and legible;
- Ensure that the Applicant's names (for Applications for the NCDs in dematerialised form) given in the Application Form is exactly the same as the names in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form;
- Ensure that you have funds equal to or more than the Application Amount in your ASBA Account before submitting the Application Form for ASBA Applications;
- Ensure that you mention your PAN in the Application Form. In case of joint applicants, the PAN of all the Applicants should be provided, and for HUFs, PAN of the HUF should be provided. Any Application Form without the PAN is liable to be rejected. Applicants should not submit the GIR

Number instead of the PAN as the Application is liable to be rejected on this ground;

Except for Application (i) on behalf of the Central or State Government and officials appointed by the courts, and (ii) (subject to the circular dated April 3, 2008 issued by SEBI) from the residents of the state of Sikkim, each of the Applicants should provide their PAN. Application Forms in which the PAN is not provided will be rejected. The exemption for the Central or State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same.

- Ensure that the Demographic Details (for Applications for the NCDs in dematerialised form) as provided in the Application Form are updated, true and correct in all respects;
- Ensure that you request for and receive a TRS for all your Applications and an acknowledgement as a proof of having been accepted;
- 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 the NCDs;
- Ensure that signatures other than in the languages specified in the Eighth Schedule to the Constitution of India is attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
- Ensure that your Application Form bears the stamp of the relevant SCSB, Trading Members or the Members of the Syndicate to whom the Application is submitted;
- In the event that you are submitting an Application Form to a Trading Member, ensure that he is located in a town/ city that has a designated branch of the Escrow Collection Banks (a list of such locations are available on the websites of Stock Exchanges, the Company and Lead managers, a link for the same being available in the Application Form);
- Ensure that you receive a TRS from a designated branch of an SCSB, a Trading Member or from the Members of the Syndicate, as the case may be, for the submission and upload of your Application Form into the electronic platform of the Stock Exchanges;
- **Applicants (other than ASBA Applicants) are requested to write the sole/ first Applicant’s name, his phone number and the Application number on the reverse of the instruments by which the payments are made;**
- All Applicants are requested to tick the relevant column “Category of Investor” in the Application Form; and
- Tick the Option of NCDs in the Application Form that you wish to apply for.

Don’ts

- Do not apply for lower than the minimum Application size;
- Do not pay the Application amount in cash, by money order, postal order, stock invest;
- Do not send the Application Forms by post; instead submit the same to the Members of the Syndicate and Trading Members (as the case may be) only;
- Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground;

- Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar;
- 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;
- Do not submit Applications on plain paper or on incomplete or illegible Application Forms;
- Do not submit an Application in case you are not eligible to acquire the NCDs under applicable law or your relevant constitutional documents or otherwise;
- Do not submit the Application Forms without the Application Amount; and
- Do not apply if you are not competent to contract under the Indian Contract Act, 1872.

Additional instructions specific for ASBA Applicants

Do's

- Before submitting the physical Application Form with the Member of the Syndicate at the Syndicate ASBA Application Locations ensure that the SCSB, whose name has been filled in the Application Form, has named a branch in that centre;
- For ASBA Applicants applying through Syndicate ASBA, ensure that your Application Form is submitted to the Members of the Syndicate at the Syndicate ASBA Application Locations and not to the Escrow Collection Banks (assuming that such bank is not a SCSB), to our Company, the Registrar or Trading Members;
- For ASBA Applicants applying through the SCSBs, ensure that your Application Form is submitted at a Designated Branch of the SCSB where the ASBA Account is maintained, and not to the Escrow Collection Banks (assuming that such bank is not a SCSB), to our Company, the Registrar or the Members of the Syndicate or Trading Members.
- Ensure that the Application Form is signed by the ASBA Account holder in case the ASBA Applicant is not the account holder;
- Ensure that you have mentioned the correct ASBA Account number in the Application Form;
- Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form to the respective Designated Branch, or to the Members of the Syndicate at the Syndicate ASBA Application Locations, or to the Trading Members, as the case may be;
- Ensure that you have correctly ticked, provided or checked the authorisation box in the Application Form, or have otherwise provided an authorisation to the SCSB *via* the electronic mode, for the Designated Branch to block funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form; and
- Ensure that you receive an acknowledgement from the Designated Branch or the concerned member of the Syndicate, or the Trading Member, as the case may be, for the submission of the Application Form.

Don'ts

- Do not make payment of the Application Amounts in any mode other than through blocking of the Application Amounts in the ASBA Accounts shall not be accepted under the ASBA process;

- Do not submit the Application Form with a Member of the Syndicate at a location other than the Syndicate ASBA Application Locations;
- Do not submit non-ASBA Application Forms to any of the collection centres of the Escrow Collection Banks or to the Registrar or directly to the Company;
- Do not send your physical Application Form by post. Instead submit the same with a Designated Branch or a member of the Syndicate at the Syndicate ASBA Application Locations, or a Trading Member, as the case may be; and
- Do not submit more than five Application Forms per ASBA Account.

Additional instructions specific for Applicants seeking Allotment of the NCDs in physical form

Any Applicant who wishes to subscribe to the NCDs in physical form shall undertake the following steps:

- **Please apply for Allotment of NCDs under Option I, or Option II, or Option III or Option IV in physical form. Please note that our Company shall allocate and allot NCDs under Option IV in the event that you have applied for Allotment of NCDs of Option V in physical form.**
- **Please complete the Application Form in all respects, by providing all the information including PAN and Demographic Details. However, do not provide the Depository Participant details in the Application Form.** The requirement for providing Depository Participant details shall be mandatory only for the Applicants who wish to subscribe to the NCDs in dematerialised form.
- Please provide the following documents along with the Application Form:
 - (a) Self-attested copy of the PAN card;
 - (b) Self-attested copy of your proof of residence. Any of the following documents shall be considered as a verifiable proof of residence:
 - ration card issued by the GoI; or
 - valid driving license issued by any transport authority of the Republic of India; or
 - electricity bill (not older than three months); or
 - landline telephone bill (not older than three months); or
 - valid passport issued by the GoI; or
 - voter's identity card issued by the GoI; or
 - passbook or latest bank statement issued by a bank operating in India; or
 - registered lease and license agreement or agreement for sale or rent agreement or flat maintenance bill.
- Self-attested copy of a cancelled cheque of the bank account to which the amounts pertaining to payment of refunds, interest and redemption, as applicable, should be credited.

In absence of the cancelled cheque, our Company may reject the Application or it may consider the bank details as given on the Application Form at its sole discretion. In such case the Company, Lead Managers and Registrar shall not be liable for any delays/ errors in payment of refund and/ or interest.

The Applicant shall be responsible for providing the above information accurately. Delays or failure in credit of the payments due to inaccurate details shall be at the sole risk of the Applicants and neither the Lead Managers nor our Company shall have any responsibility and undertake any liability for the same. Applications for Allotment of the NCDs in physical form, which are not accompanied with the aforesaid documents, may be rejected at the sole discretion of our Company.

In relation to the issuance of the NCDs in physical form, please note the following:

1. An Applicant has the option to seek Allotment of NCDs in either dematerialised or physical mode. No partial Application for the NCDs shall be permitted and is liable to be rejected.

2. In case of NCDs that are being issued in physical form, our Company will issue one certificate to the holders of the NCDs for the aggregate amount of the NCDs for each of the Options that are applied for (each such certificate a “**Consolidated NCD Certificate**”).
3. **Any Applicant who provides the Depository Participant details in the Application Form shall be Allotted the NCDs in dematerialised form only. Such Applicant shall not be Allotted the NCDs in physical form.**
4. Our Company shall dispatch the Consolidated NCD Certificate to the address of the Applicant provided in the Application Form.

The Members of the Syndicate and the Trading Members of the Stock Exchange shall ensure they shall accept Application Forms only in such cities/ towns where the designated branches of the Escrow Collection Banks are available. Details of the the branches of the Escrow Banks where the Application Form along with the cheque/ demand draft submitted by a Non ASBA applicant shall be deposited by the Members of the Syndicate and Trading Members are available on the websites of the Lead Managers at www.icicisecurities.com, www.akcapindia.com, www.edelweissfin.com, www.karvy.com, www.rrfinance.com/rrfcl.com and www.sbicaps.com. A link to the said web pages shall also be available on the website of NSE and BSE at www.nseindia.com and www.bseindia.com, respectively. A link shall also be provided to the above mentioned websites in the Application Forms as well.

Submission of Application Forms

For details in relation to the manner of submission of Application Forms, see the section titled “*Issue Procedure – Methods of Application*” at page 178.

OTHER INSTRUCTIONS

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.

Additional/ Multiple Applications

An Applicant is allowed to make one or more Applications for the NCDs for the same or other Options of NCDs, subject to a minimum Application size of ₹ 10,000 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 an HUF and/or as joint Applicant (second or third applicant), shall not be deemed to be a multiple Application.

Depository Arrangements

We have made depository arrangements with NSDL and CDSL for issue and holding of the NCDs in dematerialised form. In this context:

- (i) Tripartite Agreements dated December 8, 2010 and August 25, 2006, between us, the Registrar and CDSL and NSDL, respectively have been executed, for offering depository option to the Applicants.
- (ii) It may be noted that NCDs in electronic form can be traded only on stock exchanges having electronic connectivity with NSDL or CDSL. The Stock Exchanges have connectivity with NSDL and CDSL.
- (iii) 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.

- (iv) The trading of the NCDs shall be in dematerialized form only.

For further information relating to Applications for Allotment of the NCDs in dematerialised form, see the sections titled “*Issue Procedure – Methods of Application*” and “*Issue Procedure – General Instructions*” at pages 178 and 188, respectively.

Communications

All future communications in connection with Applications made in the Issue should be addressed to the Registrar 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 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. Please note that Applicants who have applied for the NCDs through Trading Members should contact the Stock Exchanges in case of any Post-Issue related problems, such as non-receipt of Allotment Advice / credit of NCDs in depository’s beneficiary account/ refund orders, etc.

Rejection of Applications

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:

- Number of NCDs applied for being less than the minimum Application size;
- Applications not being signed by the sole/joint Applicants;
- Applications submitted without payment of the Application Amount;
- Application Amounts paid not tallying with the number of NCDs applied for;
- Investor Category in the Application Form not being ticked;
- Bank account details not provided in the Application Form;
- Applications by persons not competent to contract under the Indian Contract Act, 1872 including a minor without the name of a guardian;
- Applications by stock invest or accompanied by cash/money order/postal order;
- For ASBA Applications, where an authorization to the SCSB for blocking funds in the ASBA Account has not been provided;
- Applications uploaded after the expiry of the allocated time on the Issue Closing Date, unless extended by the Stock Exchanges, as applicable;
- ASBA Applications submitted to the Members of Syndicate or Trading Members at locations other than the Syndicate ASBA Application Locations or at a Designated Branch of a SCSB where the ASBA Account is not maintained, and ASBA Applications submitted directly to an Escrow Collecting Bank (assuming that such bank is not a SCSB), to our Company or the Registrar;
- Applications made without mentioning the PAN of the Applicant, except for Applications by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participants;
- Date of birth for the sole/ first Applicant for persons applying for Allotment of NCDs in physical form not mentioned in the Application Form;
- GIR number mentioned in the Application Form 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;

- For Applications for Allotment in dematerialised form, DP ID, Client ID and PAN mentioned in the Application Form do not match with the Depository Participant ID, Client ID and PAN available in the records with the depositories;
- In case of Applicants applying for the NCDs in physical form, if the address of the Applicant is not provided in the Application Form;
- Applications by persons who are not eligible to acquire the NCDs in terms of applicable laws, rules, regulations, guidelines and approvals;
- Copy of KYC documents not provided in case of option to hold NCDs in physical form;
- Application Forms from ASBA Applicants not being signed by the ASBA Account holder, if the account holder is different from the Applicant;
- Applications for an amount below the minimum Application size;
- ASBA Applications not having details of the ASBA Account to be blocked;
- With respect to ASBA Applications, inadequate funds in the ASBA Account to enable the SCSB to block the Application Amount specified in the Application Form at the time of blocking such Application Amount in the ASBA Account or no confirmation is received from the SCSB for blocking of funds;
- Applications where clear funds are not available in Escrow Accounts as per final certificates from Escrow Collection Banks;
- Applications by persons prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority;
- Applications by Applicants seeking Allotment in dematerialised form whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;
- Non- ASBA Applications accompanied by more than one payment instrument;
- Applications not uploaded on the terminals of the Stock Exchange;
- Applications for Allotment of NCDs in dematerialised form providing an inoperative demat account number;
- In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted along with the Application Form;
- Applications (except for ASBA Applications) where clear funds are not available in Escrow Accounts as per final certificates from the Escrow Collection Banks;
- With respect to ASBA Applications, the ASBA Account not having credit balance to meet the Application Amounts or no confirmation is received from the SCSB for blocking of funds; and
- Applications not uploaded on the terminals of the Stock Exchanges.

For further instructions regarding Application for the NCDs, Applicants are requested to read the Application Form.

Allotment Advice/ Refund Orders

In case of Applications other than those made through the ASBA process, the unutilised portion of the Application Amounts will be refunded to the Applicant within 12 (twelve) Working Days of the Issue Closure Date through any of the following modes:

- Direct Credit** – Applicants having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by us.
- NECS** – Payment of refund would be done through NECS for Applicants having an account at any of the 68 centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as available from the Depositories. The payment of refunds through this mode will be done for Applicants having a bank account at any centre where NECS facility has been made available (subject to availability of all information for crediting the refund through NECS).
- NEFT** – Payment of refund shall be undertaken through NEFT wherever the Applicant's bank has been assigned the Indian Financial System Code ("IFSC"), which can be linked to a MICR, allotted 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. In case of online payment or wherever the Investors have registered their nine digit MICR number and their bank account number with the depository participant while opening and operating the demat account, the MICR number and their bank account number will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

- iv. **RTGS** – If the refund amount exceeds ₹ 200,000, Applicants have the option to receive refund through RTGS. Charges, if any, levied by the refund bank(s) for the same would be borne by us. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant.
- v. For all other Applicants (not being ASBA Applicants), refund orders will be despatched through speed post/ registered post. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/ first Applicants and payable at par.

In the case of Applicants other than ASBA Applicants, applying for the NCDs in dematerialised form, the Registrar will obtain from the Depositories the Applicant's bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Applicants in their Application Forms. Accordingly, Applicants are advised to immediately update their details as appearing on the records of their Depository Participants. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay will be at the Applicant's sole risk and neither our Company, the Registrar, the Escrow Collection Banks, or the Members of the Syndicate, will be liable to compensate the Applicants for any losses caused to them due to any such delay, or liable to pay any interest for such delay.

In case of ASBA Applicants, the Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Applications within 12 (twelve) Working Days of the Issue Closing Date.

Our Company and the Registrar shall credit the allotted NCDs to the respective beneficiary accounts/ despatch the Letters of Allotment or letters of regret/ Refund Orders by registered post/speed post/ ordinary post at the Applicant's sole risk, within 12 Working Days from the Issue Closing Date. 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 in the Issue shall be made within a time period of 12 Working Days from the Issue Closure Date;
- (b) Credit to dematerialised accounts will be given within two Working Days from the Date of Allotment;
- (c) Interest at a rate of 15.00% 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 12 Working Days from the Issue Closing Date, for the delay beyond 12 Working Days; and
- (d) Our Company will provide adequate funds to the Registrar for this purpose.

Retention of oversubscription

Our Company is making a public Issue of NCDs aggregating upto ₹ 2,500.0 million with an option to retain oversubscription of NCDs up to ₹ 2,500.0 million.

Grouping of Applications and allocation ratio

For the purposes of the basis of allotment:

- A. Applications received from Category I Applicants: Applications received from Applicants belonging to Category I shall be grouped together, ("**Institutional Portion**");
- B. Applications received from Category II Applicants: Applications received from Applicants belonging to

Category II, shall be grouped together, (“**Non-Institutional Portion**”); and

- C. Applications received from Category III Applicants: Applications received from Applicants belonging to Category III shall be grouped together, (“**Individual Category Portion**”).

For removal of doubt, the terms “**Institutional Portion**”, “**Non-Institutional Portion**” and “**Individual Category Portion**” are individually referred to as “**Portion**” and collectively referred to as “**Portions**”.

For the purposes of determining the number of NCDs available for allocation to each of the abovementioned Portions, our Company shall have the discretion of determining the number of NCDs to be allotted over and above the Base Issue, in case our Company opts to retain any oversubscription in the Issue upto ₹2,500.0 million. The aggregate value of NCDs decided to be allotted over and above the Base Issue, (in case our Company opts to retain any oversubscription in the Issue), and/or the aggregate value of NCDs upto the Base Issue Size shall be collectively termed as the “**Overall Issue Size**”.

Basis of Allotment

(a) Allotments in the first instance:

- (i) Applicants belonging to the Institutional Portion, in the first instance, will be allocated NCDs upto 15% of Overall Issue Size on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchanges;
- (ii) Applicants belonging to the Non-Institutional Portion, in the first instance, will be allocated NCDs upto 35% of Overall Issue Size on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchanges;
- (iii) Applicants belonging to the Individual Category Portion, in the first instance, will be allocated NCDs upto 50% of Overall Issue Size on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchanges;

Allotments, in consultation with the Designated Stock Exchange, shall be made on a first-come first-serve basis, based on the date of upload of each Application on the electronic platform of the Stock Exchanges, in each Category subject to the allocation ratio indicated at the section titled “*Issue Procedure – Basis of Allotment – Allotments in the first instance*” at page 196.

- (b) Under Subscription: If there is any under subscription in any Category, priority in Allotments will be given to the Individual Category Portion, and balance, if any, shall be first made to applicants of the Non Institutional Portion, followed by the Institutional Portion on a first come first serve basis, on proportionate basis.
- (c) For each Category, all Applications uploaded on the same day onto the electronic platform of the Stock Exchanges 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, 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 and proportionate allotment of NCDs to the applicants on the date of oversubscription (based on the date of upload of each Application on the electronic platform of the Stock Exchanges, in each Portion).
- (f) Proportionate Allotments: For each Portion, 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 Options of NCDs: If an Applicant has applied for more than one Options of NCDs and in case such Applicant is entitled to allocation of only a part of the aggregate number of NCDs applied for, the Option-wise allocation of NCDs to such Applicants shall be in proportion to the number of NCDs with respect to each Options, applied for by such Applicant, subject to rounding off to the nearest integer, as appropriate in consultation with Lead Managers and the 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 IV NCDs to all valid Applications, wherein the Applicants have not indicated their choice of Option.

Investor Withdrawals and Pre-closure

Investor Withdrawal: Applicants are allowed to withdraw their Applications at any time prior to the Issue Closure Date.

Pre-closure: Our Company, in consultation with the Lead Managers reserves the right to close the Issue at any time prior to the Issue Closing Date, subject to receipt of minimum subscription for NCDs aggregating to 75.00% 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.

Further, the Issue will also be withdrawn by our Company in the event that the aggregate Applications received for the NCDs is lesser than 75.00% of the Base Issue.

Utilisation of Application Amounts

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.

Utilisation of the proceeds of the Issue

- (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 Companies 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.
- (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 the Stock Exchanges and on receipt of the minimum subscription of 75.00% of the Base Issue.

- (e) 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.

Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of section 68 A of the Companies Act, which is reproduced below:

“Any person who:

- a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or*
- b) otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name,*

shall be punishable with imprisonment for a term which may extend to five years.”

Listing

The NCDs will be listed on the Stock Exchanges. Our Company has applied for an in-principle approval to the Stock Exchanges for permission to deal in and for an official quotation of our NCDs. The application for listing of the NCDs will be made to the Stock Exchanges at an appropriate stage.

If permissions to deal in and for an official quotation of our NCDs are not granted by the Stock Exchanges, 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 the Stock Exchanges are taken within 12 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.

Undertaking by the Issuer

We undertake that:

- a) the complaints received in respect of the Issue (except for complaints in relation to Applications submitted to Trading Members) shall be attended to by us expeditiously and satisfactorily;
- b) we shall take necessary steps for the purpose of getting the NCDs listed within the specified time;
- c) the funds required for dispatch of refund orders/ allotment advice/ certificates by registered post shall be made available to the Registrar by our Company;
- d) necessary cooperation to the credit rating agencies shall be extended in providing true and adequate information until the debt obligations in respect of the NCDs are outstanding;
- e) we shall forward the details of utilisation of the funds raised through the NCDs duly certified by our statutory auditors, to the Debenture Trustee at the end of each half year;
- f) we shall disclose the complete name and address of the Debenture Trustee in our annual report;
- g) we shall provide a compliance certificate to the Trustee (on an annual basis) in respect of compliance with the terms and conditions of issue of NCDs as contained in this Prospectus; and
- h) we shall make necessary disclosures/ reporting under any other legal or regulatory requirement as may be required by our Company from time to time.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

At the meeting of the Board of Directors of our Company, held on July 30, 2012 the Board of Directors approved the issue of NCDs to the public upto an amount not exceeding ₹ 5,000.0 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 BSE

“BSE Limited (“the Exchange”) has given vide its letter dated September 3, 2012, permission to this Company to use the Exchange’s name in this offer document as one of the stock exchanges on which the company’s securities are proposed to be listed. The Exchange has scrutinised this offer document for its limited internal purpose deciding the matter of granting this aforesaid permission to this Company. The Exchange does not in any manner: –

- d) warrant, certify, or endorse the correctness or completeness of any of the contents of the offer document; or
- e) warrant that this Company’s securities will be listed or will continue to be listed on the Exchange; or
- f) take any responsibility for the financial or other soundness of the Company, its promoters, its management, or any scheme or project of the 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 acquire any securities of this Company may do so pursuant to independent inquiry, investigation 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 NSE

“As required, a copy of this Offer Document has been submitted to the National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter ref.: NSE/LIST/ 179976-Q dated September 3, 2012 permission to the Issuer to use the Exchange’s name in the Offer Document as one of the stock exchanges on which this Issuer’s securities are proposed to be listed. The Exchange has scrutinised this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant this Issuer’s securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who decides to apply for or otherwise acquire any securities of this Issuer may do pursuant to independent inquiry, investigation 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 any 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.

Track record of past issues handled by the Lead Managers

The track record of past issues handled by the Lead Managers is available at their websites at www.icicisecurities.com, www.akcapindia.com, www.edelweissfin.com, www.karvy.com, www.rrfinance.com/rrfcl.com and www.sbicans.com.

Listing

The NCDs will be listed on the Stock Exchanges. Our Company has received an in-principle approval from the Stock Exchanges dated September 3, 2012 to deal in and for an official quotation of our NCDs. The application for listing of the NCDs will be made to the Stock Exchanges at an appropriate stage.

If permissions to deal in and for an official quotation of our NCDs are not granted by the Stock Exchanges, 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 the Stock Exchanges are taken within 12 Working Days from the Issue Closure Date.

For the avoidance of doubt, it is hereby clarified that in the event of non subscription to any one or more of the Options, NCDs of such 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, (d) Lead Managers, (e) Lead Brokers, (f) the Registrar to the Issue, (g) Legal counsel to the Issue, (h) Credit Rating Agencies, (h) the Debenture Trustee, (i) the Escrow Collection Banks and (j) the Refund Banks to act in their respective capacities, have been obtained and the same has been filed along with a copy of this Prospectus with the ROC.

The consent of the Statutory Auditors of our Company, namely M/S. Rangamani & Co, Chartered Accountants for (a) inclusion of their names as the Statutory Auditors, (b) examination reports on the Reformatted Financial Statements and the Limited Review Financial Information 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.

Expert Opinion

Our Company has not obtained any expert opinions in relation to the Issue.

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 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 75.00% of the Base Issue, i.e. ₹ 1,875.0 million, the entire Application Amounts shall be refunded to the Applicants within the time period prescribed under applicable regulatory/ statutory requirements. If there is delay in the refund of Application Amounts 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.

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 SEBI Debt Regulations for dissemination on their website. The Draft Prospectus has also been filed with NSE.

A copy of this Prospectus has been filed with the RoC, in terms of section 60 of the Companies Act.

Debenture Redemption Reserve

Section 117C of the Companies 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 MCA has, through the DRR 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 DRR Circular however further specifies that, for NBFC- NDs like our Company, the adequacy of the DRR will be 50.00% of the value of debentures issued through a public issue. Accordingly our Company is required to create a DRR of 50.00% of the value of the NCDs issued through the Issue. As further clarified by the DRR 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 our 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 ₹ 5,000.0 million (assuming the full subscription including the retention of over subscription of upto ₹ 5,000.0 million) are as follows:

(₹ in million)	
Activity	Expenses
Fees to intermediaries (Lead Management fees, brokerage, fees to SCSBs, rating agency, registrar, legal advisors, debenture trustees etc.)	90.0
Advertising and marketing expenses	50.0
Printing and Stationery	10.0
Total	150.0

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 our 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

There are no listed companies under the same management within the meaning of section 370(1) (B) of the Companies Act.

Commissions and brokerage on previous issue

1. An amount of ₹ 151.3 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 Equity Share, in terms of a prospectus dated April 28, 2011, pursuant to an initial public offer under the SEBI ICDR Regulations.
2. An amount of ₹ 127.7 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, in terms of a prospectus dated August 10, 2011, pursuant to a public issue under the SEBI Debt Regulations.

3. An amount of ₹ 75.1 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, in terms of a prospectus dated December 16, 2011 pursuant to a public issue under the SEBI Debt Regulations.
4. An amount of ₹ 36.3 million was incurred towards lead management fees, and selling commission in connection with the public issue of 2,597,522 secured non-convertible debentures of face value ₹ 1,000 each issued at face value, in terms of a prospectus dated February 23, 2012, pursuant to a public issue under the SEBI 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 Equity Share, amounting to an aggregate of ₹ 9,012,500,000 pursuant to an initial public offer under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“**SEBI ICDR Regulations**”) 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.

On September 14, 2011, our Company issued and allotted 6.93 million secured, redeemable non-convertible debentures (“**Tranche I NCDs**”) at a price of ₹ 1,000 per Tranche I Debenture, amounting to an aggregate of ₹ 6,930 million pursuant to a public offer under the SEBI Debt Regulations which opened on August 23, 2011 and closed on September 05, 2011. The electronic credit of the Tranche I NCDs to investors pursuant to this public offer was completed on September 16, 2011.

On January 18, 2012, our Company issued and allotted 4.59 million secured, redeemable non-convertible debentures (“**Tranche II NCDs**”) at a price of ₹ 1,000 per Tranche II Debenture, amounting to an aggregate of ₹ 4,590.0 million pursuant to a public offer under the SEBI Debt Regulations which opened on December 22, 2011 and closed on January 07, 2012. The electronic credit of the Tranche II NCDs to investors pursuant to this public offer was completed on January 19, 2012.

On April 18, 2012, our Company issued and allotted 2.6 million secured, redeemable non-convertible debentures (“**Tranche III NCDs**”) at a price of ₹ 1,000 per Tranche III Debenture, amounting to an aggregate of ₹ 2,590.0 million pursuant to a public offer under the SEBI Debt Regulations which opened on March 2, 2012 and closed on March 17, 2012. The electronic credit of the Tranche III NCDs to investors pursuant to this public offer was completed on April 19, 2012.

Previous Issues

Except as stated in the sections titled “*Capital Structure*” and “*Disclosures on Existing Financial Indebtedness*” at pages 50 and 145, respectively, our Company has not made any other issue of non convertible debentures.

Other than as specifically disclosed in the section titled “*Capital Structure – Notes to Capital Structure – Share capital history of our Company – Equity Shares issued for consideration other than cash*” at page 52, 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 filing of this Prospectus are as follows.

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	February 03, 2012	187.00	98,298	May 07, 2012	112.60	2,25,822	141.45

* 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	May 25, 2012	105.70	12,892	141.34

* 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* (₹)
August 2012	August 06, 2012	138.55	103,387	August 31, 2012	119.15	116,245	130.87
July 2012	July 05, 2012	145.20	398,116	July 02, 2012	115.10	590,829	134.34
June 2012	June 27, 2012	149.55	3,756,273	June 19, 2012	119.00	27,061	125.73
May 2012	May 16, 2012	140.00	648,811	May 07, 2012	112.60	225,822	123.96
April 2012	April 03, 2012	137.65	3,221,140	April 27, 2012	118.10	150,203	127.27
March 2012	March 16, 2012	172.00	332,146	March 27, 2012	120.05	4,341,550	153.63

* 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* (₹)
August 2012	August 03, 2012	137.25	47,503	August 29, 2012	117.00	25,064	130.59
July 2012	July 05, 2012	145.35	84,342	July 27, 2012	122.15	10,931	134.28
June 2012	June 27, 2012	149.65	1,443,115	June 19, 2012	118.10	2,161	125.66
May 2012	May 16, 2012	136.00	156,752	May 25, 2012	105.70	12,892	123.77
April 2012	April 03, 2012	137.50	890,223	April 28, 2012	116.00	1,925	127.10
March 2012	March 15, 2012	171.85	93,047	March 27, 2012	120.00	622,803	153.52

* 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
August 2012	3.29	1.80
July 2012	6.63	1.64
June 2012	7.18	2.64
May 2012	2.71	0.86
April 2012	11.77	3.46
March 2012	24.24	5.01

(Source: www.nseindia.com, and www.bseindia.com)

Stock Exchanges on which the 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/ bonds and redeemable preference shares/ 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 number INE414G07159. No trade data is available since no trades have taken place in these debentures in NSE since they were listed.

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 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* (₹)
August 2012	-	-	-	-	-	-	-
July 2012	-	-	-	-	-	-	-
June 2012	-	-	-	-	-	-	-
May 2012	May 14, 2012	975.00	100	May 14, 2012	975.00	100	975.00
April 2012	April 09, 2012	1,001.80	11	April 09, 2012	990.00	11	990.00
March 2012	-	-	-	-	-	-	-

* 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* (₹)
August 2012	-	-	-	-	-	-	-
July 2012	-	-	-	-	-	-	-
June 2012	-	-	-	-	-	-	-
May 2012	-	-	-	-	-	-	-
April 2012	-	-	-	-	-	-	-
March 2012	March 27, 2012	1,122.12	1	March 26, 2012	935.10	258	1,016.20

* 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* (₹)
August 2012	August 06, 2012	1100.00	21	August 29, 2012	985.00	522	1,076.86
July 2012	July 27, 2012	1,091.80	110	July 04, 2012	1,054.20	20	1,075.94
June 2012	June 29, 2012	1,082.00	108	June 14, 2012	1,050.00	210	1,063.09
May 2012	May 28, 2012	1,064.00	87	May 10, 2012	1,020.20	274	1,041.65
April 2012	April 24, 2012	1,044.00	70	April 02, 2012	1,002.00	25	1,025.12
March 2012	March 20, 2012	1,020.00	3,399	March 28, 2012	997.01	102	1,008.96

* 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* (₹)
August 2012	Aug 28, 2012	1110.98	49	Aug-29, 2012	981.00	292	1,068.36
July 2012	July 24, 2012	1,099.00	97	July 04, 2012	1,055.05	50	1,073.14
June 2012	June 13, 2012	1,070.00	69	June 08, 2012	1,050.10	100	1,061.88
May 2012	May 29, 2012	1,058.00	5	May 04, 2012	1,024.20	6	1,038.38
April 2012	April 16, 2012	1,035.00	17	April 02, 2012	998.00	106	1,021.34
March 2012	March 13, 2012	1,019.00	65	March 07, 2012	994.38	25	1,004.88

* 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* (₹)
August 2012	-	-	-	-	-	-	-
July 2012	-	-	-	-	-	-	-
June 2012	-	-	-	-	-	-	-
May 2012	-	-	-	-	-	-	-
April 2012	-	-	-	-	-	-	-
March 2012	-	-	-	-	-	-	-

* 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* (₹)
August 2012	-	-	-	-	-	-	-
July 2012	-	-	-	-	-	-	-
June 2012	-	-	-	-	-	-	-
May 2012	-	-	-	-	-	-	-

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* (₹)
April 2012	-	-	-	-	-	-	-
March 2012	-	-	-	-	-	-	-

* 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 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* (₹)
August 2012	August 14, 2012	1095.00	190	August 31, 2012	973.02	254	1069.84
July 2012	July 05, 2012	1,081.00	51	July 02, 2012	900.01	352	1,068.67
June 2012	June 04, 2012	1,116.99	257	June 04, 2012	1,025.25	257	1,050.18
May 2012	May 24, 2012	1,071.00	10,180	May 02, 2012	995.00	888	1,012.21
April 2012	April 28, 2012	1,196.99	57	April 04, 2012	991.00	77	1,001.56
March 2012	March 15, 2012	1,010.00	70	March 27, 2012	977.02	531	999.13

* 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* (₹)
August 2012	August 27, 2012	1,098.5	10	August 31, 2012	970.04	339	1,056.06
July 2012	July 25, 2012	1,082.00	393	July 04, 2012	1,049.01	50	1,067.13
June 2012	June 27, 2012	1,064.00	135	June 11, 2012	1,021.01	152	1,049.39
May 2012	May 31, 2012	1,042.00	70	May 15, 2012	991.00	359	1,010.86
April 2012	April 17, 2012	1,010.90	40	April 12, 2012	992.00	299	1,001.88
March 2012	March 07, 2012	1,006.00	347	March 01, 2012	980.00	1,220	996.74

* 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 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* (₹)
August 2012	-	-	-	-	-	-	-
July 2012	-	-	-	-	-	-	-
June 2012	-	-	-	-	-	-	-
May 2012	-	-	-	-	-	-	-
April 2012	-	-	-	-	-	-	-
March 2012	-	-	-	-	-	-	-

* 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* (₹)
August 2012	-	-	-	-	-	-	-
July 2012	-	-	-	-	-	-	-
June 2012	-	-	-	-	-	-	-
May 2012	-	-	-	-	-	-	-
April 2012	-	-	-	-	-	-	-
March 2012	-	-	-	-	-	-	-

* 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 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* (₹)
August 2012	August 21, 2012	1080.45	4385	August 24, 2012	1073.00	686	1079.78
July 2012	July 25, 2012	1,069.98	1,503	July 02, 2012	1,040.00	1,276	1,057.58
June 2012	June 25, 2012	1,044.95	1,346	June 04, 2012	1,002.00	1,556	1,032.42
May 2012	May 28, 2012	1,014.20	1,572	May 21, 2012	970.01	612	985.43
April 2012	April 17, 2012	986.00	2,176	April 02, 2012	949.00	931	971.49
March 2012	March 19, 2012	999.70	857	March 27, 2012	944.99	4,040	971.53

* 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* (₹)
August 2012	August 21, 2012	1,080.00	2,058	August 29, 2012	945.05	3,045	1,054.22
July 2012	July 20, 2012	1,065.98	872	July 02, 2012	1,042.20	356	1,057.77
June 2012	June 29, 2012	1,045.00	1,169	May 30, 2012	1,002.00	130	1,031.84
May 2012	May 28, 2012	1,010.00	2,064	May 07, 2012	970.01	2,209	985.40
April 2012	April 23, 2012	987.00	554	April 02, 2012	948.00	536	971.47
March 2012	March 19, 2012	991.00	1,161	March 27, 2012	943.95	3,533	971.53

* 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 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* (₹)
August 2012	August 16, 2012	1072.9	150	August 13, 2012	1020.00	852	1054.56
July 2012	July 16, 2012	1,100.00	126	July 02, 2012	1,030.05	100	1,047.05
June 2012	June 29, 2012	1,045.00	91	June 01, 2012	1,005.10	112	1,027.71
May 2012	May 30, 2012	1,020.00	742	May 18, 2012	990.00	194	1,000.13
April 2012	April 16, 2012	1,014.29	254	April 02, 2012	965.10	398	990.54
March 2012	March 13, 2012	999.90	361	March 05, 2012	957.07	517	988.81

* Average refers to average of closing prices during the period
(Source: www.bseindia.com)

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 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* (₹)
August 2012	August 29, 2012	1085.00	250	August 01, 2012	1040	239	1063.32
July 2012	July 23, 2012	1,155.00	29	July 27, 2012	1,022.50	132	1,049.48
June 2012	June 08, 2012	1,208.99	70	June 04, 2012	999.00	628	1,027.33
May 2012	May 28, 2012	1,204.00	245	May 16, 2012	996.00	226	1,000.81
April 2012	April 19, 2012	1,018.88	235	April 18, 2012	979.00	408	996.10
March 2012	March 27, 2012	1,032.00	432	March 27, 2012	971.05	432	995.05

* 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 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* (₹)
August 2012	August 03, 2012	1070.98	95	August 23, 2012	1,036.05	220	1061.17
July 2012	July 20, 2012	1,079.99	150	July 09, 2012	1,026.25	152	1,048.60
June 2012	June 12, 2012	1,094.99	112	June 01, 2012	995.50	125	1,023.01
May 2012	May 28, 2012	1,030.00	355	May 02, 2012	975.00	655	1,001.16
April 2012	April 19, 2012	1,014.99	50	April 26, 2012	961.00	10	996.94
March 2012	March 16, 2012	1,025.00	72	March 28, 2012	974.50	229	997.43

* 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 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* (₹)
August 2012	August 23, 2012	1,093	221	August 28, 2012	1050.00	191	1074.07
July 2012	July 13, 2012	1,075.00	714	July 06, 2012	1,001.01	194	1,040.98
June 2012	June 21, 2012	1,016.90	625	June 04, 2012	977.01	155	997.31
May 2012	May 24, 2012	995.00	640	May 11, 2012	951.01	298	970.58
April 2012	April 16, 2012	994.99	659	April 27, 2012	888.99	249	975.83
March 2012	March 20, 2012	1,011.00	508	March 27, 2012	960.00	349	988.21

* Average refers to average of closing prices during the period
(Source: www.bseindia.com)

k. The high, low and average market prices of the listed debentures of our Company bearing ISIN number INE414G07167 upto the last calendar month preceding the date 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* (₹)
August 2012	August 24, 2012	1,050.00	83	August 06, 2012	974.00	75	1024.71
July 2012	July 23, 2012	1,032.50	215	July 05, 2012	985.02	137	1,017.25
June 2012	June 15, 2012	1,034.00	63	June 28, 2012	991.10	520	1,003.56
May 2012	May 09, 2012	1,007.00	275	May 08, 2012	970.00	214	986.09
April 2012	April 24, 2012	1,010.00	180	April 23, 2012	972.02	7	982.93
March 2012	NA	NA	NA	NA	NA	NA	NA

* Average refers to average of closing prices during the period
(Source: www.bseindia.com)

l. The high, low and average market prices of the listed debentures of our Company bearing ISIN number INE414G07175 upto the last calendar month preceding the date 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* (₹)
August 2012	August 30, 2012	1131.07	120	August 01, 2012	1022.00	100	1033.204
July 2012	July 19, 2012	1,059.90	35	July 06, 2012	997.02	26	1,029.04
June 2012	June 21, 2012	1,049.14	60	June 26, 2012	983.00	560	1,009.17
May 2012	May 09, 2012	1,005.00	1	May 23, 2012	986.00	50	994.89
April 2012	April 27, 2012	1,005.00	100	April 25, 2012	930.00	67	1,005.00
March 2012	NA	NA	NA	NA	NA	NA	NA

* Average refers to average of closing prices during the period
(Source: www.bseindia.com)

m. The high, low and average market prices of the listed debentures of our Company bearing ISIN number INE414G07183 upto the last calendar month preceding the date 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* (₹)
August 2012	August 09, 2012	1079.00	5	August 27, 2012	1021.00	147	1048.62
July 2012	July 18, 2012	1,060.00	15	July 03, 2012	996.02	427	1,029.15
June 2012	June 12, 2012	1,100.90	15	June 01, 2012	1,000.00	35	1,018.39
May 2012	May 18, 2012	1,013.00	53	May 08, 2012	960.00	200	993.81
April 2012	April 26, 2012	1,028.00	10	April 24, 2012	940.00	25	972.67
March 2012	NA	NA	NA	NA	NA	NA	NA

* Average refers to average of closing prices during the period
(Source: www.bseindia.com)

n. The high, low and average market prices of the listed debentures of our Company bearing ISIN number INE414G07191 upto the last calendar month preceding the date 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* (₹)
August 2012	August 27, 2012	1068.89	245	August 07, 2012	1030.00	82	1046.21
July 2012	July 13, 2012	1,080.00	5	July 24, 2012	1,020.00	34	1,043.46
June 2012	June 14, 2012	1,100.00	501	June 01, 2012	1,004.00	34	1,023.36
May 2012	May 10, 2012	1,030.00	148	May 04, 2012	985.00	1,000	1,004.87
April 2012	April 23, 2012	1,195.00	44	April 23, 2012	935.00	44	1,017.85
March 2012	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.

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.

Our Company has declared dividend at the rate of 40% on the paid up Equity Share capital of the Company for the financial year ending March 31, 2012 on September 01, 2012.

Revaluation of assets

Our 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
Telephone: (+91 22) 2596 7878
Facsimile: (+91 22) 2596 0329
Email: mfl4.ncd@linkintime.co.in
Investor Grievance Email: mfl4.ncd@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Dinesh Yadav
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 seven 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. His contact details 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 Amounts.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB, giving full details such as name, address of Applicant, Application Form number, number of NCDs applied for, amount paid on Application and the Designated Branch or the collection centre of the SCSB where the Application Form was submitted by the ASBA Applicant.

All grievances arising out of Applications for the NCDs made through the Online Stock Exchanges Mechanism or through Trading Members may be addressed directly to the respective Stock Exchanges.

Change in the auditors of our Company during the last three years

There has been no changes in our statutory auditors 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 our 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.

Our Company is a systemically important NBFC which does not accept public deposits. As such, our business activities are regulated by RBI regulations applicable to NBFC - NDs. Our 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 NBFC - NDs

All ND-NBFCs with an asset size of ₹ 1000.0 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 ₹ 1000.0 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 15.00%.

Rating of NBFCs

The RBI has instructed that all NBFCs with an asset size of ₹ 1,000.0 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 than 15.00% 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 100.00% 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, 10.00% 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 15.00% 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 55.00%; (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 15.00% 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 15.00% of the owned funds of the systemically important ND-NBFC, while the credit exposure to a single group of borrowers shall not exceed 25.00% 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 15.00% of its owned funds, and in the shares of a single group of companies exceeding 25.00% 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 5.00% 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 25.00% of its owned funds to or in single party and 40.00% 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 ₹ 1,000.0 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.

Loan-to-value guidelines

The RBI, vide notification No.DNBS(PD).241/ CGM(US)-2012 dated March 21, 2012 has amended the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 to direct all NBFCs to:

- (i) maintain a loan-to-value ratio not exceeding 60 percent for loans granted against the collateral of gold jewellery and;
- (ii) disclose in their balance sheet the percentage of such loans to their total assets.

Further, NBFC's are also required not to grant any advance against bullion / primary gold and gold coins and NBFCs primarily engaged in lending against gold jewellery (such loans comprising 50 percent or more of their financial assets) are required to maintain a minimum Tier I capital of 12.00% by April 01, 2014.

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 banks

The RBI has issued guidelines vide a circular bearing reference 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.

The RBI has issued further guidelines vide a circular bearing reference number DBOD BP.BC.No. 106/21.04.172/2011-12 dated May 18, 2012 whereby it has instructed banks to (i) reduce their regulatory exposure on a single NBFC having gold loans to the extent of 50.00% or more of its financial assets from 10.00% to 7.50% of their capital funds; and (ii) have an internal sub-limit on their aggregate exposure to all such NBFCs having gold loans to the extent of 50.00% or more of their financial assets, taken together. The exposure ceiling mentioned in point (i) may however be maintained at 12.50% of a bank's capital funds if the additional exposure of 5.00% is account of funds on-lent by such NBFCs to the infrastructure sector.

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 ₹ 1,000.0 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 15.00% of outflows of each time-bucket and the cumulative gap of up to one year should not exceed 15.00% 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 ₹ 1.0 million; (ii) all series of cash transactions integrally connected to each other which have been valued below ₹ 1.0 million where such series of transactions have taken place within one month and the aggregate value of such transaction exceeds ₹ 1.0 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 is 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, at a fixed price of ₹ 2.7 per unit of power. Further, a 5.00% wheeling and transmission charge is applicable, should our Company opt to take the assistance of the Tamil Nadu Electricity Board for wheeling. The policy permits our Company to bank all the power generated by the wind-mills. However, a 5.00% banking charge is applicable on all power banked by our 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 in generating 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.

III. Foreign Investment Regulations

Foreign investment in India is governed primarily by the provisions of the FEMA and the rules, regulations and notifications thereunder, read with the presently applicable consolidated FDI policy, effective from April 1, 2012 as issued by the Department of Industrial Policy and Promotion, (“**DIPP**”).

The RBI, in exercise of its powers under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 (“**FEMA Regulations**”) to prohibit, restrict or regulate, transfer by or issue of security to a person resident outside India.

FDI is permitted, except in certain 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. 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.

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 100.00% 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 51.00% - US\$ 0.5 million to be brought up front.
 - (ii) For FDI above 51.00% and up to 75.00% - US \$ 5 million to be brought up front.
 - (iii) For FDI above 75.00% and up to 100.00% - US \$ 50 million out of which US \$7.5 million to be brought up front 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 100.00% operating subsidiaries without the condition to disinvest a minimum of 25.00% 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 75.00% or less than 75.00% 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 100.00% 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

Our 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

Our 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. Our Company is also required to make contributions under the Employees' State Insurance Act, 1948.

Miscellaneous

Our 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 trademarks 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

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 the Stock Exchanges 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 pursuant 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 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 notwithstanding 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 shareholder 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 at least 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 be 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 the 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 without 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 dividend.

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 in 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, Kochi, 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 Issue Closure Date.

A. *Material Contracts*

1. Engagement letter dated August 24, 2012 received from the Company appointing the Lead Managers.
2. Issue Agreement dated August 24, 2012 between the Company and the Lead Managers.
3. Memorandum of understanding dated August 24, 2012 with the Registrar to the Issue.
4. Debenture Trustee agreement dated August 24, 2012 executed between the Company and the Debenture Trustee.
5. Escrow agreement dated September 6, 2012 executed by the Company, the Registrar, the Escrow Collection Bank(s), the Refund Bank and the Lead Managers.
6. Memorandum of understanding dated September 6, 2012 with the Lead Brokers to the Issue.
7. Tripartite agreement between the Company, Registrar to the Issue and CDSL dated December 8, 2010.
8. Tripartite agreement between the Company, Registrar to the Issue and NSDL dated August 9, 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. 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 August 23, 2012 from ICRA and credit rating letter dated August 14, 2012 from CRISIL, granting credit ratings to the NCDs.
5. Copy of the Board Resolution dated July 30, 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 counsel 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 M/s 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 August 20, 2012 in relation to the Reformatted Financial Statements and the Limited Review Financial Information for the three month period ended June 30, 2012 included herein.
10. Statement of Tax Benefits, dated August 20, 2012, prepared by the Statutory Auditors.
11. Annual Reports of the Company for the last five financial years, from the financial year ended March 31, 2008 to the financial year ended March 31, 2012.
12. Due diligence certificate dated September 8, 2012 filed by the Lead Managers with SEBI.
13. In-principle approval, dated September 3, 2012 for the Issue issued by the BSE.
14. In-principle approval, dated September 3, 2012 for the Issue issued by the NSE.

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 : Sd

George Thomas Muthoot
Whole Time Director : Sd

George Jacob Muthoot
Whole Time Director : Sd

George Alexander Muthoot
Managing Director : Sd

P. George Varghese
Independent Director : Sd

K. John Mathew
Independent Director : Sd

John K Paul
Independent Director : Sd

George Joseph
Independent Director : Sd

Date: September 9, 2012

Place: Kochi, India

ANNEXURE A

TOP TEN HOLDERS OF DEBT SECURITIES OF OUR COMPANY

Details of our top – ten debenture holders as on August 24, 2012 is provided below.

A. Top ten holders of our listed debentures

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, 4 th Floor, Plot No. C-11, G Block, Bandra-Kurla Complex, Bandra East, Mumbai	100,000	100.00
3.	Oriental Bank of Commerce	Plot No.5, Institutional Area, Sector - 32, Gurgaon, Haryana	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 Ltd, Custody Services, Lodha – I, Think Techno Campus, Off Floor 8, 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 Exp Highway, Sahar Rd Junction, Vile Parle-E, Mumbai	20,000	20.00
3.	Rekha Munjal	House No-19 C, 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 Floor 8, 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	Plot No-34, Maitreya Bhavan, Opposite Vinayak Appartment, B/H ICICI Bank, Dindayal Nagar, Vasi Road(W), Thane, Maharashtra	10,000	10.00
7.	Padma Jalan	Stadium House, Block No.1, 6th Floor Veer Nariman Road, Churchgate, Mumbai	5,000	5.00
8.	Vandana Ajay Kanoria	Tanna Electro Mechanics P L, 6th Floor, Block No 1, Stadium House, Veer Nariman Road, Churchgate, Mumbai	5,000	5.00

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
9.	Srikumar Ghosh & Manjusha Ghosh	HDFC Bank Limited Custody Services, Lodha I, Think Techno Campus, Office Floor 8, Kanjurmarg East, Mumbai	5,000	5.00
10.	Vyakarnam Anjaneya Sastry & Raveen Sastry Vyakaranam	HDFC Bank Limited, Custody Services, Lodha I, Think Techno Campus, Office Floor 8, Kanjurmarg East, Mumbai	5,000	5.00

- (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, 8 th Floor, Kanjurmarg East, Mumbai	250,000	250.00
2.	IndusInd Bank Limited Treasury Department	Indusind House, 4 th 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.	Peerless Mutual Fund – Peerless Income Plus Fund	HDFC Bank Limited Custody Services, Lodha-I, Think Techno Campus Off, Floor 8, Next To Kanjurmarg Railway Station, Kanjurmarg- E, Mumbai	55,000	55.00
3.	Evermore Stock Brokers Private Limited	D 104 Krishna, Vasant Sagar Complex, Thakur Village, Kandivali East, Mumbai	52,751	52.75
4.	Kanoria Chemicals And Industries Limited	Park Plaza, 7th Floor, 71 Park Street, Near Park Street, Post Office, Kolkata	50,000	50.00
5.	Timblo Private Limited	HDFC Bank Limited, Custody Services, Lodha – I, Think Techno Campus Off, Floor 8, Next To Kanjurmarg Station, Kanjurmarg East, Mumbai	29,445	29.45
6.	D M Kothari	HDFC Bank Ltd, Custody Services, Lodha – I, Think Techno Campus Off Floor 8, Next To Kanjurmarg Station, Kanjurmarg East, Mumbai	20,000	20.00
7.	Aegis Logistics Limited	403, Peninsula Chambers, Ganpatrao Kadam Marg, Lower Parel, Mumbai, Maharashtra	20,000	20.00
8.	A. K. Capital Finance Private Limited	30 39 Free Press House, 3 rd Floor, Free Press Journal Marg, 215 Nariman Point, Mumbai	15,717	15.72
9.	Peerless Mutual Fund – Peerless MF Child Plan	HDFC Bank Limited Custody Services, Lodha-I, Think Techno Campus Off Floor 8, Next To Kanjurmarg Railway Station, Kanjurmarg East, Mumbai	15,000	15.00
10.	Devendra M Kothari &	HDFC Bank Limited, Custody Services,	13,085	13.09

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
	Indu Devendra Kothari	Lodha – I, Think Techno Campus Off, Floor 8, Next To Kanjurmarg Station, Kanjurmarg East, Mumbai		

- (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, VasantVihar, New Delhi	500,000	500.00
2.	Yes Bank Limited	2 nd Floor, Tiecicon House, Dr E Moses Road, Opposite Famous Studio, Mahalaxmi, Mumbai	140,000	140.00
3.	MTNL Employees Provident Fund Trust	MTNL Corporate Office, 6th Floor, Mahanagar Doorsanchar Bhavan, Jawaharlal Nehru Marg, Near Zakir Hussain College, New Delhi	130,000	130.00
4.	Bothra Financial Services	C/o JM Financial Products Private Limited, 4th Floor, Palm Court, M Wing, Link Road, Above D Mart, Malad West, Mumbai	95,585	95.59
5.	Air- India Employees Provident Fund.	Air India Employees Provident, Fund Account, Old Air Port, Santacruz, Mumbai	50,000	50.00
6.	W.L.D. Investments Private Limited	A-212, Shivakik, New Delhi	50,000	50.00
7.	Borosil Glass Works Limited	Khanna Construction House, 44 Dr R Ghadani Marg, Worli, Mumbai	50,000	50.00
8.	Altius Finserve Private Limited	9 th Floor, Naman Centre, C 31, Bandra Kurla Complex, Bandra East, Mumbai	38,370	38.37
9.	JM Financial Services Private Limited	4th Floor, Palm Court, M Wing, Link Road, Malad W, Mumbai, 400064	31,517	31.52
10.	JNJ Holdings Private Limited	Raval Building No. 1, 2 nd Floor, 428, Bhadkamkar Marg, Mumbai	27,000	27.00

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, 4 th Floor, Bandra Kurla Complex, Bandra East, Mumbai	250,000	250.00
2.	Mahendra Kumar Gupta	HDFC Bank Limited, Custody Services, Lodha - I Think Techno Campus Off, Floor 8, Next to Kanjurmarg Station, Kanjurmarg East Mumbai	20,000	20.00
3.	Aishwarya Rai Bachchan	B 973/2, 12 th Floor, Lamer Mistry Park, Chandiwalla Compound, Kadeshwari Mandir Road, Bandra West, 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 Soc, Flat No 5, 18-A Chimbai Road, Bandra West, Mumbai	10,000	10.00
6.	The National Cooperative Bank Limited	53/1, Bull Temple Road, Bangalore	10,000	10.00
7.	Shining Engineers Founders Private Limited	Near Archer Metal Industries, Survey No 81/82, At Shapar Veraval Kotda Sangani, Rajkot, Gujarat	10,000	10.00
8.	Maverick Developers & Coloniser Private Limited	B-4, Vaishali Nagar, Jaipur, Rajasthan	6,000	6.00
9.	Priti Bharat Shah & Bharat Chimanlal Shah	4, Shanti Sadan, Off 8 th and 11 th Road, Khar West, Mumbai	5,000	5.00
10.	Pangulury Mohan Murty & Gayatri Murty	102, 6 - 3 - 1192 / A 2 - A 5, Ashoka Lake View Apartments, Kundanbagh, Begumpet, Hyderabad, Andhra Pradesh	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 Employee's Pension Fund	Sharda Bhavan, 1 st Floor, Near Mithibai College, V.M. Marg, Juhu, Vileparle, Mumbai	70,000	70.00
2.	Poddar Tyres Limited	5/D, Court Chambers, 35, New Marine Lines, Mumbai	50,000	50.00
3.	Dena Bank Employees Gratuity Fund	Sharda Bhavan, 1 st Floor Near Mithibai College, V.M. Marg, Juhu, Vileparle, Mumbai	30,000	30.00
4.	BMW Holdings Private Limited	Ground Floor, 3, Antriksh Bhawan, 22, Kasturba Gandhi Marg, New Delhi	25,000	25.00

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
5.	Vikram Aditya And Associates Private Limited	620, Antriksh Bhawans, 22, K G Marg, New Delhi	10,000	10.00
6.	Bedrock Limited	6 B, Court Chambers, 35, New Marine Lines, Mumbai	10,000	10.00
7.	Smt Sitadevi N Poddar Charity Trust	6/B, Court Chambers, 35, New Marine Lines, Mumbai	7,923	7.92
8.	Signature Towers Private Limited	Ground floor, 3, Antriksh Bhawan, 22, K G Marg, New Delhi	6,000	6.00
9.	Mantle Enterprises Private Limited	Varuna 413, My Home, Mawadweepa Madhapur, Hyderabad, Andhra Pradesh	5,000	5.00
10.	JM Financial Services Private Limited	4 th Floor, Palm Court, M Wing Link Road, Malad West, Mumbai	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.	Baring Private Equity Partners (India) Private Limited	Infinity Towers Tower A, 9 th Floor, DLF Phase-II, Gurgaon, Haryana	7,500	7.50
2.	Mantle Enterprises Private Limited	Varuna 413, My Home, Mawadweepa Madhapur, Hyderabad, Andhra Pradesh	6,500	6.50
3.	Om Prakash Gupta	17/19, Kasturbha Gandhi Marg, Allahabad Uttar Pradesh	5,000	5.00
4.	Bharat Chimanlal Shah & Priti Bharat Shah	4, Shanti Sadan, Off 8 th and 11 th Road, Khar West, Mumbai	5,000	5.00
5.	Harilal Devdan Soni	501, 5 th Floor, JVPD, 9 10 th Road, Near UTI Bank, Juhu, Mumbai	5,000	5.00
6.	Anju Dharmesh Jain	Mayur Pankh, 15/16, 5 th Floor, N.S. Road, Mulund West, Mumbai	5,000	5.00
7.	Rajlaxmi Project Finance Consultancy Private Limited	B 402, Rekha Retreat, Shanti Park, Mira Road East, Thane	5,000	5.00

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
8.	Lakkur Narayan Prakash Gupta	10/32, Pravanika 6 th C Main, 4 th Block, Jayanagar, Bangalore	3,750	3.75
9.	Smt. Sitadevi N Poddar Charity Trust	6/B, Court Chambers, 35 New Marine Lines, Mumbai	3,606	3.61
10.	Maya Gupta	17/19, Kasturba Gandhi Marg, Allahabad, Uttar Pradesh	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	Custody Services, Lodha - I Think Techno Campus, Off Floor 8, next to Kanjurmarg Station, Kanjurmarg East, Mumbai	500,000	500.00
2.	ICICI Securities Primary Dealership Limited	ICICI Centre, H T Parekh Marg, Churchgate, Mumbai	500,000	500.00
3.	Union Bank Of India	C/O. ILFS, ILFS House, Plot No.14, Raheja Vihar, Chandivali, Andheri East, Mumbai	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	100,000	100.00
5.	Star Chemicals (Bombay) Private Limited	55/58, Jolly Maker Chambers No-II, Fifth Floor, Nariman Point, Mumbai	10,000	10.00
6.	Meena Sinha	B-2, Ground Floor, Maharani Bagh, New Delhi	10,000	10.00
7.	Mohit Hero Chuganee	102, White House, N Gamadia Cross Road, Mumbai	5,000	5.00
8.	Sujay Chandrakant Ladge	1039 / A 10th Cross, Bhagyanagar, Hindwadi, Bellaur	5,000	5.00
9.	Divyang I Bhansali & Trupti Divyang Bhansali	Trupti Divyang Bhansali, 16 New Neelkamal Cooperative Housing Society, Opposite Jaslok Hospital, Peddar Road, Mumbai	5,000	5.00
10.	M George Joseph	No 534/30, 5 th Cross, Mahalaxmi Layout, Bangalore	5,000	5.00

Listed secured non-convertible debentures – Series PL-III

- (a) List of top ten holders of PL-III series secured non convertible debentures of face value of ₹ 1,000 per debenture bearing ISIN code INE414G07175

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Vinod A Chandiramani & Kintu V Chandiramani	269/D, Renuka, Linking Road, Bandra West, Mumbai.	10,000	10.00
2.	Srikumar Ghosh & Manjusha Ghosh	D-75 Saket, Malvia Nagar, New Delhi	5,000	5.00
3.	Devendra Motilal Kothari & Indu Devendra Kothari	B-4, Seaface Park Cooperative Housing Society Limited, 50, Bhulabhai Desai Road, Mumbai	5,000	5.00
4.	Chance Investments And Trading Co Pvt Ltd	7D, Lands End, 29D, Doongersi Road, Malabar Hill, Mumbai	5,000	5.00
5.	Krishan Kumar Radhu	D 828, New Friends Colony, New Delhi	5,000	5.00
6.	Menka Radhu	D-828, New Friends Colony, New Delhi	5,000	5.00
7.	Reshma Vasudev Chhabria & Vijay Vasudev Chhabria	5/20, Krishna Kunj, 94 Marine Drive, Mumbai	3,500	3.50
8.	William Thomas Millns	14 B, Sindhutirth Society, Near Makhmali Talao, Thane	3,000	3.00
9.	Mohan Rao	470, 4th A Main, 7th Cross, RMV 2nd Stage, Bangalore, Karnataka	2,700	2.70
10.	Promila Kukreja	C-19, G K Enclave-1, New Delhi	2,500	2.50

- (b) List of top ten holders of PL-III series secured non convertible debentures of face value of ₹ 1,000 per debenture bearing ISIN code INE414G07167

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Yes Bank Limited	2nd Floor, Tiecicon House, Dr E Moses Road, Opposite Famous Studio, Mahalaxmi, Mumbai	996,000	996.00
2.	Small Industries Development Bank Of India	SME Development Centre, 4th Floor, Plot No C-11, G Block, Bandra Kurla Complex, Bandra (East), Mumbai	50,000	50.00
3.	The Rami Investments Pvt Ltd	15, F-1, Firuzara, Maharishi Karve Road, Churchgate, Mumbai	20,000	20.00
4.	Adhar Mirchandani & Amina Mirchandani	25 Koregaonm Park Lane, 1A, North, Main Road, Pune	5,000	5.00
5.	Varghese Eapen	'SYDENHAM', 8 15 th Avenue, Harrington Road, Chetpet, Chennai	4,000	4.00
6.	Debojyoti Sen	5 Peary Mohan Roy Road, P.O. Chetla, Kolkata	3,000	3.00
7.	Drishti D Chitrabhanu	E-1, Queen View, 28/30 Walkeshwar Road, Mumbai	3,000	3.00
8.	Viratech Infomedia Private	The Regency, 5th Floor, 6 Hungerford Street,	2,500	2.50

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
	Limited	Kolkata		
9.	Manjeet Bagga	E 48, 1st Floor, Saket, New Delhi	2,500	2.50
10.	Prem Mehra	22, Rajdoot Marg, Chankya Puri, New Delhi	2,000	2.00

(c) List of top ten holders of PL-III series secured non convertible debentures of face value of ₹ 1,000 per debenture bearing ISIN code INE414G07183

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Krishnamoorthy Ananthasivam	590, 1st Main Road Mico Layout, BTM 2nd Stage, Bangalore	4,000	4.00
2.	Rekha Mukherjee & Santanu Mukherjee	8, Ritchie Road, Kolkata	3,000	3.00
3.	Ashok Kumar Sardiwal & Ranju Sardiwal	IMTAC LLC, P.O. Box No 196, Mina Al Fahal, Postal Code 116, Oman Sultanate Of Oman	3,000	3.00
4.	Om Prakash Agarwal	202-Princeton, 2nd Floor, 70 JVPD Scheme, 10n S Road, Ville Parle(East), Mumbai	2,500	2.50
5.	Smt Sitadevi N Poddar Charity Trust	6/B, Court Chambers, 35 New Marine Lines, Mumbai	2,350	2.35
6.	Sarabjit Kaur Lamba & Rajinder Singh Lamba	D1/18-D, Rajouri Garden, New Delhi	2,000	2.00
7.	Anita Anand	61, La Vista, Kishore Kumar Lane, Juhu Tara Road, Juhu, Mumbai	1,900	1.90
8.	Meenakshi Kumar	41 Shreyas, 6 th Floor, Nariman Point, Opposite Air India, Mumbai	1,500	1.50
9.	T K Doctor – HUF	6/11, Tardeo Air Conditioned Market, Tardeo, Mumbai	1,225	1.25
10.	Jhabarmal Poddar Charity Trust	5-C, Court Chambers, 35 New Marine Lines, Mumbai	1,200	1.20

(d) List of top ten holders of PL-III series secured non convertible debentures of face value of ₹ 1,000 per debenture bearing ISIN code INE414G07191

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
1.	Bala Subramanian & Shyamala Balasubramanian	B 11 Sagarika, 44 III Seaward Road, Valmiki Nagar, Chennai	40,000	40.00
2.	Sudhindar Krishan Khanna	505, Ceejay House, Dr. Annie Besant Road, Worli, Mumbai	20,000	20.00
3.	Maya Gupta	17/19, Kasturba Gandhi Marg, Allahabad, Uttar Pradesh	11,400	11.40
4.	Om Prakash Gupta	17/19, Kasturbha Gandhi Marg, Allahabad,	10,000	10.00

S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
5.	Pratap R Jain & Rajmani Jain	Uttar Pradesh 13th Floor, Room 13A, The Peregrine, V S Road, Prabhadevi, Mumbai	5,000	5.00
6.	Jasti Ravindra Babu	Fl No 30108, Cedar Fortune, Kukatpally Ranga Reddy Kukatpally, Hyderabad	5,000	5.00
7.	Mansukhlal Harjivan Shiyani	Sundaram, 3 Sardar Nagar Company, Op Housing, Near Patel Boarding, Mavdi Road, Rajkot Gujrat	5,000	5.00
8.	Wamika Basu & Debashis Basu & Malabika Basu	31, Gariahat Road, CIT Building Block-2 Flat No-2, Sarat Bose Road, Kolkata West Bengal	4,800	4.80
9.	Saurabh Prakash	17/19, Kasturba Gandhi Marg, Allahabad Uttar Pradesh	4,300	4.30
10.	Manish Prakash	17/19, Kasturbha Gandhi Marg, Allahabad Uttar Pradesh	3,000	3.00

Listed secured privately placed non-convertible debentures – Series L4

- (a) List of top tel holders of L4 series secured privately placed non-convertible debentures of face value of ₹ 1,000,000 per debenture holding ISIN code INE414G07159

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

B. Top ten holders of our privately placed non convertible debentures

Series	S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
AD	1.	Prema R Mrs.	H No 2604, HBC, Sector-3, Faridabad, Faridabad, Haryana,	30	0.03
AN	1.	Satheesan N	Nandanath, Ariyallur, Ariyallur, Malappuram, Kerala, 676312	75	0.08
	2.	Satheesan N	Nandanath, Ariyallur, Ariyallur, Malappuram, Kerala, 676312	73	0.07
AO	1.	Kezia D	Kripa Nivas, Nellikunnam Po, Vilangra, Quilon, Kerala,	29	0.03
	2	Ojasvi Ms	434,Forest Lane, Sainik Farm, New Delhi-110068, Tel:9899262381, New Delhi, Delhi	10	0.01
AQ	1.	Divakaran Sulabha	Shanthi Nivas, Kanjirampara, Thiruvananthapuram, Kerala,	95	0.10
	2.	D.Sulabha	Sarovaram, Kanjirampara, Trivandrum, Thiruvananthapuram, Kerala, 695	80	0.08
	3.	G.Vamadevan	Sarovaram, Kanjirampara, Trivandrum, Thiruvananthapuram, Kerala,	80	0.08
	4.	Vinod.T.V	Sarovaram, Kanjirampara, Trivandrum, Thiruvananthapuram, Kerala,	80	0.08
	5.	Raghavapanicker	Thundiyl, Perunnai P.O., Changanacherry., Kottayam, Kerala,	30	0.03
AR	1.	Kunjubeevi.S	Saif Manzil, Keralapuram, Chandanathope. P.O, Kollam, Kerala,	327	0.33
	2.	P.A.Mathews	Punthala Jovilla, Vadakkadathukavu (P.O.), Adoor., Pathanamthitta, Kerala,	45	0.05
	3.	Thomas P L	Puthenparampil, Collectorate, Collectorate, Kottayam, Kerala,	40	0.04

Series	S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
AS	4.	Sobhana.P	Pokkanazhikathu Veedu, Pattathanam,, Kollam., Kollam, Kerala,	38	0.04
	1.	Krishnan N	Puthukala Thodiyil, Mundakkal, Kollam, Kollam, Kerala, 691001	100	0.10
	2.	Haridasan.P	Azhchavattam, Mankavu, Kozhikode, Kerala 673 007, , Delhi, Delhi,	66	0.07
	3.	K P Reji	Karingadampallil H, Chellakadu Po, Ranni, Pathanamthitta, Kerala, 000000	54	0.05
	4.	Mohamed Asim M	Navagriha, Cutchery Ward, Kollam, Kollam, Kerala, 691001	50	0.05
	5.	Sajida Razaque A	Navagriha, Cutchery Ward, Kollam, Kollam, Kerala, 691001	50	0.05
	6.	Edwin J Raj	43 C, Pocket - 1, Sec-7, Dwarka, Delhi, 110045	50	0.05
	7.	Boben.K.	Kripalayam, Near Mgdhs, Kundara P.O., Kollam, Kerala, 691501	43	0.04
	8.	Chinnamma Thomas	Pandalayil., Kizhakketheruvu, Kottarakara., Kollam, Kerala.	35	0.04
AT	9.	Kunjamma Thomas	Valiakallathil House, Karakkal P.O., Peringara,Thiruvalla., Pathanamthitta, Kerala,	35	0.04
	10.	Dr.Gabriel Mar Gregorios Metropolit	St.Marys Orthodox Church, Neeleswaram-PO, Kottarakara, Quilon, Kerala,	32	0.03
	1.	Manju Cibi	Mulayani Kunnel (H), Karimkunnamm P.O Thodupuzha, Idukki Kerala 86, New Delhi, Delhi,	150	0.15
	2.	Sasy Kumar.D	No. 2a, K.B. Plaza, Edapally, Cochin - 24, Ernakulam, Kerala, 543463	98	0.10
	3.	Cibi Chacko	Mulayanikunnel House, Karimkunnamm P O Thoduphza, Idukki Kerala 86, New Delhi, Delhi,	91	0.09
	4.	Renjith Alexander	Verrelathu House, Valanjavattom P.O, Thiruvalla, Pathanamthitta, Kerala, 689111	88	0.09
	5.	H.H.M.M.B.M.Mathews II	St: Georges Higher Secondary, School, Chovvalloor, Edakkadom P.O,Kollam(D), Quilon, Kerala, 691505	86	0.09
	6.	Allen T Varghese	Thattaruzhathil,, Kallissery Po., Chengannur., Pathanamthitta, Kerala,	57	0.06
	7.	Manju Cibi	Mulayani Kunnel (H), Karimkunnamm P.O Thodupuzha, Idukki Kerala 86.	50	0.05
	8.	Mariamamma George	14, Vijaya Bhavan, Jayshree Co-Op Hsg, Soc, Pestomsagar Rd No 4, Tilaknagar,, Chembur, Mumbai-400 089, Thane, Maharashtra,	50	0.05
AU	9.	Stanly A Johns	H No 226,1st Floor,, Sector-30-33, IP.Colony,, Fbd, Faridabad, Haryana,	50	0.05
	10.	Cibi Chacko	Chenchittayil (H), Karippadom P.O., Brahmangalam, Thalayolaparambu,, Kottayam, Kerala, New Delhi, Delhi,	50	0.05
	1.	Stevan Sunny Thomas	Ganapathylakal, Collectorate P O, Kottayam, Kottayam, Kerala, 686004	300	0.30
	2.	Parayarikkal Haridasan	Sunila Azhchavattam,Mankavu Po, Kozhikode, Kerala, Pin-673 007, Delhi, Delhi,	260	0.26
	3.	Sajitha Devi	Mohana Nivas, Maveli, Panmana, Manayil PO, Kollam, Kerala,	125	0.13
	4.	Lana Philip	No 20, 17th Cross, Muthiyalanagar, Mathikere, Bangalore 54, Bangalore 560 054, Karnataka,	100	0.10
	5.	B.Belvisha Clarin	D/o Basil Das.T, 99 , North Street,	100	0.10

Series	S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
	6.	Mariamamma George	Maravan Kudieruppu PO, Kanyakumari, Tamil Nadu, 629002 14, Vijaya Bhavan, Jayshree Co-Op Hsg, Soc, Pestomsagar Rd No 4, Tilaknagar,, Chembur, Mumbai-400 089, Thane, Maharashtra,	100	0.10
	7.	V.S.Raveendranath	Vettuvellil House, Nayarambalam P.O., Ernakulam, Ernakulam, Kerala, 682509	90	0.09
	8.	Rajan Alex Panicker	Chamavila Bunglow, Mukkoodu P.O., Mulavana, Kollam, Kerala,	75	0.08
	9.	Thampan Itty Iype	Thekumcoil, Velloor, , Pathanamthitta, Kerala,	75	0.08
	10.	Binu Varghese	Kuzhipampil, Prakkanam, , Pathanamthitta, Kerala	60	0.06
	1.	Varkey.M.V	Kochukoroth, .Panapilave. P.O, Thottumukkam, Kozhikode, Kerala, 673639	500	0.50
	2.	Rev: Fr: P.George	Vallizhiathe Puthenveedu, Bharanickavu South, Bharanickavu .PO., Alappuzha, Kerala,	165	0.17
	3.	Rachel Jacob	Pattukalayil House, Piralassery P.O, Piralassery P.O,Chengannur, 0, Kerala, 689122	125	0.13
	4.	Jacob Varughese	Pattukalayil House, Piralassery P.O, Piralassery P.O Chengannur, 0, Kerala, 689122	125	0.13
	5.	Santhosh P Mani	Naduvath, Puthuppally P.O, Ktm Ph 235113, Kottayam, Kerala, 686011	115	0.12
AV	6.	Aaliya Azeem	Navagriha, Cutchery Ward, Kollam, Kerala, 691013	100	0.10
	7.	K.M.Salikutty	Thottathil House .Puthenvila Kizhakkathil, Hospital Junction, Kundara.P.O, Kollam, Kerala, 691501	100	0.10
	8.	A.B.Ajith	Basant, Pazhaveedu P.O, Alappuzha, Alappuzha, Kerala, 688009	100	0.10
	9.	Joseph K.J.	Kalathil 1V Cross , Hennur Cross , Kalyan Nagar , Bangalore, Karnataka, 560043	100	0.10
	10.	M.Oommen Varghese	Melepurathu Jeas Villa,, Puthencavu PO, Chengannur, Alappuzha, Kerala, 000000	88	0.09
	1.	Leelamma Thomas	Kunnath Grace Home , Kalayapuram , Kotarakara , Kollam, Karnataka, 696329	800	0.80
	2.	Kamala Philip	Puthen Kodickal, Nadackavu, Mavelikara. Ph. 0479-2304309, Alappuzha, Kerala, 690101	600	0.60
	3.	Parthasarathy.S	Flat No:19, Sun View Nest,, No:45, Abith Colony , Saidapet, Chennai, Tamil Nadu, 600015	500	0.50
	4.	Mathew Alexander	House No. 2526 A,, Sector 47C,, Chandigarh., Chandigarh, Chandigarh, 000000	500	0.50
	5.	Thomas T M	Thengum Thoppil, Mukkoottuthara P O, Mukkoottuthara, Kottayam, Kerala, 686510	500	0.50
AW	6.	Surendran Nair.R	Nettoor Veedu, Kannimel, Pattazhy, Kollam, Kerala, 691522	500	0.50
	7.	T.P.Koshy	Merry Villa, Chennerkara P.O., Via-Kulanada, Pathanamthitta, Kerala, 689517	490	0.49
	8.	M.C.George	Shoppil, Nadackavu, Mavelikara, 0,	483	0.48

Series	S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
	9.	Annie Mathew	Kerala, M-11, Dewasom Lane,Kesavadasapuram, Pattom, Thiruvananthapuram, Kerala, 695004	447	0.45
	10.	Koshy Chacko Alexander	Puthen Pura Thekkathil(Mispa) , Thazhava, Thodiyoor (N) P.O, Kollam, Kerala, 690523	410	0.41
AX	1.	Thamarakshan K E	Gouri Nivas, Vengara, Thodiyoor N, Alappuzha, Kerala, 690523	1500	1.5
	2.	John E.J	Ericattu [H], Thazhathangady P.O, 2381536,09845223650, Kottayam, Kerala, 686005	1500	1.5
	3.	Philomina Lilly Thomas	Jathikallil House,Purapuzha PO., Thodupuzha, Idukki Dist, Kerala, Idukki, Kerala, 000000	980	0.98
	4.	Sini George	Thenkizhamoolayil, Thattarambalam, Mavelikara, 0, Kerala, 690103	500	0.50
	5.	Vimala Roy	No 32, Garden Street, Ramurthy Nagar, Doora Vani Nagar, Bangalore, Karnataka, 560016	500	0.50
	6.	Thomas C T	29, Plot No.6, Mahabhadrakali Apt, Sec- 13, Dwarka, Delhi, 110078	495	0.50
	7.	Aleyamma Alexander	Kinattumkara House, Puthiyacavu, Mavelikara, 0, Kerala, 690101	450	0.45
	8.	George Eapen	Palm Grove, Kottayam, Kottayam, Kottayam, Kerala, 686001	450	0.45
	9.	Y. Eapen	Moolaparambil, Thattarambalam P.O, Mavelikara, Alappuzha, Kerala, 690103	430	0.43
	10.	George Y	Pulikkoottil House , VRA 64 A – Womens Collage Lane , Vazhuthacadu P O, Trivandrum, Kerala, 695014	430	0.43
AY	1.	Varghese.P.I	Peedikaiyil House, Kottamuri.P.O, Changanassery.P.O, Kottayam, Kerala, 686101	1000	1.00
	2.	Abraham K.M	Karanamkottu, Peroor, Peroor P.O, Kottayam, Kerala, 686637	900	0.90
	3.	Anna Thomas	Muthoot House, Miss East Road, Ernakulam, Kerala, 682031	741	0.74
	4.	Mrs Rachel Thomas	Flat No: 29, Plot No: 6, Sector-13, Mahabhadrakati Apts,Dwaraka, 25097720, New Delhi, Delhi, 110075	640	0.64
	5.	P.Chandramohan Pillai	Aswathy, Near Telephone Exchange JN, Kadakkal, Quilon, Kerala, 691536	600	0.60
	6.	Bindhu.P.Nair	Ram Nivas, Nr. Elephant Camp, Konni P.O, Pathanamthitta, Kerala, 689695	600	0.60
	7.	Ramachandra Kamath V	Roopa Nivas, H No:19/109, Cochin, Palluruthy, Ernakulam, Kerala, 682006	570	0.57
	8.	Joy Kutty C.G	Allummoottil House, Kadampanad P.O, Pin:691552, Pathanamthitta, Kerala,	546	0.55
	9.	Susannamma Mathai	No:50 Parameswaran Street, Annai Nagar, Korattur , Chennai, Tamil Nadu, 600076	532	0.53
	10.	Alekutty Thomas	13-B Hariom Colony, Morar , Gwalior, Gwalior, Madhya Pradesh, 474006	500	0.50
AZ	1.	John E.J	Ericattu [H], Thazhathangady P.O, 2381536, 09845223650, Kottayam, Kerala, 686005	2500	2.50
	2.	Dr.Anto Kalliyath	Thayyil House, C.C.N.B.Road, Mullackal, Alappuzha, Kerala, 688011	1900	1.90
	3.	Tito Thomas	Purayidathil, Athirampuzha, Kottayam, Kerala, 686562	1500	1.50

Series	S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
	4.	Laly Anto	Thayyil House, C.C.N.B .Road, Mullackal, Alappuzha, Kerala, 688001	1300	1.30
	5.	Sythoon Beevi	Asha Manzil, Nadukkunnu, Pathanapuram.P.O, Quilon, Kerala, 689695	1250	1.25
	6.	Timmy Abraham	H No. 4376, Sec-B, Pkt-5&6, Vasant Kunj, New Delhi, Delhi, 110070	1155	1.16
	7.	Varghese Thomas	Purayidathil, 101 Junction, Athirampuzha, Kottayam, Kerala, 686562	1100	1.10
	8.	Roy George	Mamootil Cedars, Praikara, Mavelikara, 0, Kerala, 690104	1000	1.00
	9.	Padmalochini K S	Varunima, A K G Road Toll JN, Edappally, Ernakulam, Kerala, 682024	900	0.90
	10.	Mohandas.B	Thoithala Puthen Veedu, Pallickal, Pallickal P.O, Thiruvananthapuram, Kerala, 695604	860	0.86
BA	1.	Abdul Majeed	Mulamootil, Vadakumthala P.O, Karunagappally, Kollam, Kerala, 690536	600	0.60
	2.	Suprabha.K	Vadakkevila House, Punnamkarikkakom, Poovachal.Po, Thiruvananthapuram, Kerala, 695572	500	0.50
	3.	Jaja Uruzula.A	TC.49/216, Kallattumukku, Manacadu.P.O, Thiruvananthapuram, Kerala, 00	500	0.50
	4.	P.David Baby	E.S.I Qtr-58, Type-Ii, Basaidarapur, Ph: 9871040118, Delhi, Delhi, 110015	500	0.50
	5.	Sasidharan	TC.43/1402, Puthuval Puthen Veedu, Vallakkadavu, Thiruvananthapuram, Kerala, 695009	475	0.48
	6.	Jayalekshmi	TC.43/1402, Puthuval Puthen Veedu, Vallakkadavu. P.O, Thiruvananthapuram, Kerala, 695009	475	0.48
	7.	Mr. Varghese K V	Flat No.A/901, Daffodils, Kanderpada, Dahisar West, Mumbai, Mumbai, Maharashtra, 400068	450	0.45
	8.	Mathew Varghese	Rose Bed, Manjadi, Thiruvalla, Pathanamthitta, Kerala, 0000	400	0.40
	9.	P M Thomas	Flat No 7 Jeevan Dhara, Sector 2, Charkop Kandivali (W), Mumbai, Maharashtra, 400067	300	0.30
	10.	N.Valsala Kumary	Eenchaniyil Veedu, Near Telephone Exchange Junction, Kadakkal, Quilon, Kerala, 691536	300	0.30
BB	1.	Laly Anto	Thayyil House, C.C.N.B .Road, Mullackal, Alappuzha, Kerala, 688001	1000	1.00
	2.	P Y Joy	Joys House (Pandarakalayil), Kalayapuram, Kalayapuram, Kollam, Kerala, 691560	800	0.80
	3.	Kuldeep Raj Khera	312, East Patel Nagar, Dehradun, Dehradun, Uttarakhand, 248001	732	0.73
	4.	Sanjeev Kharbanda	D-66, Kirti Nagar, Kirti Nagar, Kirti Nagar, New Delhi, Delhi, 110015	675	0.68
	5.	Reji George	Kakkattu Puthen Veedu, Parakode P.O, Parakode, Pathanamthitta, Kerala, 691554	610	0.61
	6.	James Kunjummen	Arayil House , Pathanapuram P.O, Pathanapuram, Quilon, Kerala, 689695	600	0.60
	7.	Rajasekharan Pillai K	Kidangappillil Veedu, Thamarakudy PO, Thamarakudy, Kollam, Kerala, 691560	600	0.60
	8.	T.C.Philip	Thakidiyil H, Thiruvalla Ph: 4692773268, Theodical P O,	583	0.58

Series	S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
	9.	Mrs Rachel Thomas	Pathanamthitta, Kerala, 689613 Flat No: 29, Plot No: 6, Sector-13, Mahabhadrakati Apts,Dwaraka, 25097720, New Delhi, Delhi, 110075	579	0.58
	10.	John P.V.	Mathanikoope, Nedumparampu, Pathanapuram, Quilon, Kerala, 689695	550	0.55
BC	1.	T.V.Skaria	Thayyil House, C.C.N.B. Road, Mullackal, Alappuzha, Kerala, 688001	4300	4.30
	2.	T.S.Varghese Ailas Davis Thayyil	Thayyil House, C.C.N.B. Road, Mullackal, Alleppey, Kerala, 000000	4300	4.30
	3.	Mary Ann Joe	Pottamkulam, Mycology Estate, RPC P O, Vandanpathal, Kottayam, Kerala, 686513	1237	1.24
	4.	Benny M Jacob	Mangattu House, Deepthinagar, M-17j, Muttambalam P.O, Kottayam, Kerala, 666666	1000	1.00
	5.	Mathew Varghese	No.5-C Rosemere, 18- Harington Road, Chetpet, Chennai, Tamil Nadu, 600031	1000	1.00
	6.	Kurian K C	H No. A-128 , Priyadarshini Vihar, Laxmi Ngr, New Delhi, Delhi, 110092	1000	1.00
	7.	Annamma Abraham	Odikandathil House, Uthimoodu P O, Pathanamthitta, Pathanamthitta, Kerala, 689645	900	0.90
	8.	M.A.Joseph Shelly	B.20,(J-12), Green Orchid, Avani Vihar Colony, Daldal Seoni, Raipur, Raipur, Chattisgarh, 492006	800	0.80
	9.	Balakrishna Pillai.K	Thulasi Bhavan, Edava, Kappil, Kollam, Kerala, 695311	800	0.80
	10.	Tara John	8/6b, Alipore Park Road, Alipore Park Po , Kolkata, West Bengal, 700027	700	0.70
BD	1.	Mary George	Sankaramangalam, Kanjikuzhy, Muttambalam, Kottayam, Kerala, 686004	2300	2.30
	2.	Lt. General T.C Joseph	13-A Link Heights, Panampilly Nagar, Panampilly Nagar, Ernakulam, Kerala, 682036	1000	1.00
	3.	Dr.Anto Kalliyath	Thayyil House, C.C.N.B.Road, Mullackal, Alappuzha, Kerala, 688011	1000	1.00
	4.	Laly Anto	Thayyil House, C.C.N.B .Road, Mullackal, Alappuzha, Kerala, 688001	1000	1.00
	5.	A.Jalaludeen	Kottamala House, Nettirachira, Mundela (Po) Nedumangad, Thiruvananthapuram, Kerala, 695541	1000	1.00
	6.	Thampan.C	Plot No:1834/7, Mayas Court, 18th Main Road, Anna Nagar West, Chennai, Tamil Nadu, 600040	800	0.80
	7.	Thankamma Kunjukoshy	Kanjirathumveetil Veedu, Panavely, Kottarakara, Quilon, Kerala, 691544	750	0.75
	8.	Jose Philip	Pushpapuram, 28/781, Cheruparambath Cross Road, Kadavanthara, Ernakulam, Kerala, 682020	718	0.72
	9.	Leelamma Thampan	Plot No:1834/7, Mayas Court, 18th Main Road, Anna Nagar West, Chennai, Tamil Nadu, 600040	700	0.70
	10.	John George	Sankaramangalam, Kanjikuzhy, Muttambalam, Kottayam, Kerala, 686004	700	0.70
BE	1.	Dr.Anto Kalliyath	Thayyil House, C.C.N.B.Road, Mullackal, Alappuzha, Kerala, 688011	3000	3.00
	2.	Laly Anto	Thayyil House, C.C.N.B Road, Mullackal, Alappuzha, Kerala, 688001	2950	2.95
	3.	Georgie Abraham(Dr)	9/2, 15th Avenue,, Harrington Road,,	1500	1.50

Series	S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
			Chennai-31, Chennai, Tamil Nadu, 600031		
	4.	Annie Varghese	9 A Skyline Opel Arch, Judges Avenue, Kaloor, Ernakulam, Kerala, 682017	1000	1.00
	5.	Thankachan D	#13, 3rd Main, Indiragandhi Street, Udaya Nagar, Udaya Nagar, Bangalore, Karnataka, 560016	1000	1.00
	6.	Anjana Chopra	H No.776, Sector 14, Faridabad, Faridabad, Faridabad, Haryana, 121001	1000	1.00
	7.	Joseph Joseph	250, 2nd Floor, Kailash Hills, New Delhi, Delhi, 110048	989	0.99
	8.	D S Veergoudar	792/B,, Khanapur Road, Near 3rd Gate, Udyambag, Belgaum, Karnataka, 590006	912	0.91
	9.	K.R.Vijayaraj	No.530, 10th B Cross Road, B Sector, 1st Phase, Yelahanka New Town, Bangalore, Karnataka, 560106	750	0.75
	10.	Dr.Anna George	Puthuchira Bhavan, Convent Square, Cullen Road, Alappuzha, Kerala, 688001	750	0.75
BF	1.	Indian Inland Mission	V-20 , Green Park Extension, New Delhi, New Delhi, Delhi, 110016	357500	357.50
	2.	Jacob C.V	Nechupadam House, Kadayirippu P.O, Kolencherry, Ernakulam, Kerala, 682311	7500	7.50
	3.	Priya Elizabeth Joseph	250, Kailash Hills, East Of Kailash, 9810222112, New Delhi, Delhi, 110052	2500	2.50
	4.	Shaji Mathews	Thengayyam Mel Rose, Mulavana.P.O, Kundara, Kollam, Kerala, 691503	1200	1.20
	5.	Madhavankutty P.C	Panachira Veedu, Pathirickal PO, Pathanapuram, Quilon, Kerala, 689695	1230	1.23
	6.	Dr.Anto Kalliyath	Thayyil House, C.C.N.B. Road, Mullackal, Alappuzha, Kerala, 688011	1200	1.20
	7.	Rajendran.E.T	Mahalakshmi, Chevayur, Chevayur, Kozhikode, Kerala, 673017	1050	1.05
	8.	Sangameswaran A	267, Palaniyandavar Kovil Street, Bhavani Post , Bhavani Post, Erode, Tamil Nadu, 638301	1000	1.00
	9.	Kalpana.S	W/O A.Sangameshwaran, 267, Prabath Illam, Palaniandavarkovil Street, Bhavani, Erode, Tamil Nadu, 638301	1000	1.00
	10.	Mathai K P	Kadaparambil H, Mudikarai, Kuruppampady, Ernakulam, Kerala, 683545	1000	1.00
BG	1.	Noothan.P.Shetty	W/o.Prabhakar Shetty.T, #225, 8th Cross, 2nd Main, 3rd Stage, Gokulam, Mysore, Karnataka, 570002	5000	5.00
	2.	Cherian P C	847.A, Parayedathil House, KK Road, Thrikkakara, Ernakulam, Kerala, 682021	1800	1.80
	3.	Dr.Anto Kalliyath	Thayyil House, C.C.N.B. Road, Mullackal, Alappuzha, Kerala, 688011	1778	1.78
	4.	Ms.Sangeeta Bhattacharyya	Q 335, Jalvayu Vihar, Sec 21 Noida, Noida, Uttar Pradesh, 100000	1500	1.50
	5.	Mr.Apurva Bhattacharyya	Q 335, Jalvayu Vihar, Sec 21, Noida, Uttar Pradesh, 110000	1500	1.50
	6.	Dr Georgi Abraham	9/2 15th Avenue, Harrington Road, Chetpet, Chennai 31, Chennai, Tamil Nadu, 600031	1400	1.40
	7.	A.J.S.Rai (HUF)	#782,, 10th D Cross, , West of Chord Road, Mahalaxmipuram, Bangalore, Karnataka, 560056	1200	1.20
	8.	Malekbanu Anwarali Lakhani	8, Karima Bad Society, Nr. Ram Chowk, God Dhod Road, Surat, Gujarat, 395006	1000	1.00
	9.	Shaju C Mathew	No 46, I St Main, Ganga Nagar Ext, R T	1000	1.00

Series	S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
			Nagar, Bangalore, Karnataka, 560032		
	10.	Jai Karmaker	1 Lindsay Street, New Market, New Market, Kolkata, West Bengal, 700087	1000	1.00
BH	1.	Rachel George	Kaippallil, Inchakkadau, Mylom. P.O, Kollam, Kerala, 691560	2700	2.70
	2.	Cyriac T Luke	Thachara House, Kumarakomp O, Kottayam, Kottayam, Kerala, 686563	2300	2.30
	3.	George.K	Kaippallil, Inchakkadu, Mylom P.O, Kollam, Kerala, 691560	2300	2.30
	4.	Claramma Antony	Choolackal House, St. Benedict Ist Cross Rd, Cochin, Ernakulam, Kerala, 682018	1500	1.50
	5.	Rama Swamy Iyer	House No. 1720, Sector 33d, Chandigarh, Chandigarh, Punjab, 160032	1500	1.50
	6.	Upendra Prasad Singh	Qtr No.B/52, Indian Institute of Technology, Kharagpur, Medinipur, West Bengal, 721302	1500	1.50
	7.	Ashok Kumar Rawat	G-209, Block G, Preet Vihar, New Delhi , Delhi, 110092	1500	1.50
	8.	Thankan T.K	113-B, Pocket A3, Mayur Vihar-Iii, Delhi, Delhi, 110096	1200	1.20
	9.	Bimal Kumar Biswas	30/24, Motilal Mullick Road, Baranagar, Kolkata, West Bengal, 700035	1200	1.20
	10.	Ranjita Gomes	84,Taltala Lane, Taltala , 700014, Kolkata, West Bengal, 700014	1150	1.15
BI	1.	Manu Anand.S	Upasana TC 16/499, Evra 84, Thycaud, Thiruvananthapuram, Kerala, 695014	4500	4.50
	2.	Prahlad Gupta	C/o Mr.George Koshi, D-8/8061,Vasant Kunj, New Delhi, New Delhi, Delhi, 110070	4200	4.20
	3.	Synthite Properties	A Division of Synthite Industries Ltd, Kolenchery, Kadayiruppu, Ernakulam, Kerala, 682311	4000	4.00
	4.	Dr. S.K. Dutt	A-293 South City, Sector- 29 , Gurgaon, Gurgaon, Hariyana, 122001	2250	2.25
	5.	Thankamma Baby	Popy Umbrella Mart, Alleppey, , Alleppey, Kerala,	2100	2.10
	6.	Harjinder Singh Santokh Singh Gadhoke	509,Sadar Bazar,Powai Naka,, Satara, Satara, Maharashtra, 415002	2090	2.09
	7.	K.Raman Pillai	Kailas, Parayanthazhathu Lane, Thripunithura, Ernakulam, Kerala, 682301	2000	2.00
	8.	George Varghese	Kadavil House, Convent Square, Alleppey, Alappuzha, Kerala, 688012	1800	1.80
	9.	Issac Thomas	Poovathoor House, Kadackamon, Pathanapuram, Quilon, Kerala, 689695	1639	1.64
	10.	Kollannur Shaju Mathew Sinimole	Kollannur House, R.G.L/P School., Nellikunnu, Thrissur, Kerala, 680005	1500	1.50
BJ	1.	Aleyamma Jacob	Nechupadam House, Kadayiruppu P O, Kolenchery, Ernakulam, Kerala, 682311	50000	50.00
	2.	Biju Mathews	12 Senavihar, Kammanahalli, Kammanahalli, Bagalkot, Karnataka, 560043	4600	4.60
	3.	T.C.Koshy	Thunduvila Bunglow, Cheerancavu, Ezhukone P.O., Kollam, Kerala, 691505	3000	3.00
	4.	John Thomas	Puthenpurakkal House, Vinpy Nagar, Paravattani, Thrissur, Kerala, 680005	2700	2.70
	5.	Vijaya Kumar Pillai	Room No 102 Anand Mangal CHS, Sector 19 Plot 17, Nerul, Navi Mumbai, Maharashtra, 400706	2500	2.50
	6.	Paul Sajan K.P	Kunukkasseril House, Kizhavana Road,	2500	2.50

Series	S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
BK			Panampilly Nagar, Ernakulam, Kerala, 682036		
	7.	Ajith Kumar Mani	No.303/A Nandanam, 7th Main Road, New Thippasandra Extn., 0, Karnataka, 560075	2000	2.00
	8.	Praveena Girijan	No.303/A , Nandanam, 7 Th Main Road, New Thippasandra Extn, Banglore, Karnataka, 560075	2000	2.00
	9.	O P Bajaj Huf	6 A, Govind Marg, Near Vijay Path, Adarsh Nagar, Jaipur, Rajasthan, 302004	2000	2.00
	10.	Joykuttu Cherian	New Nargoli Estate, Badga Banangala,, Sidapur, 0, Karnataka, 571253	2000	2.00
	1.	Jacob C.V	Nechupadam House, Kadayirippu P.O, Kolencherry, Ernakulam, Kerala, 682311	13500	13.50
	2.	Aleyamma Jacob	Nechupadam House, Kadayiruppu P O, Kolenchery, Ernakulam, Kerala, 682311	10000	10.00
	3.	T.C.Koshy	Thunduvila Bunglow, Cheerancavu, Ezhukone P.O., Kollam, Kerala, 691505	6500	6.50
	4.	Eappen Thomas	No.52, 3rd Main Road, Sri Ayappa Nagar, Chennai, Chennai, Tamil Nadu, 600092	5000	5.00
	5.	John Thomas	Puthenpurakkal House, Vinpy Nagar, Paravattani, Thrissur, Kerala, 680005	4000	4.00
BL	6.	M.P.Balakrishnan	Old No:56,New No.4,Veerabhadran Street,, Nungambakam,Chennai, Chennai, Nungambhakam, Tamilnadu, 600034	3000	3.00
	7.	Shashi Kanta Kayastha	Flat No-2148, C-2, Vasant Kunj, New Delhi, Delhi, 110070	3000	3.00
	8.	Jag Mohan Agarwal	1/1, 8th Coss Laxmi Road, Shanti Nagar, Bangalorae, Bangalorae, Karnataka, 560027	2500	2.50
	9.	Krishna Gopal Agarwal	2/1,8th Cross,Laxmi Road, Shanti Nagar, Bangalore, Bangalore, Karnataka, 560027	2500	2.50
	10.	Radhey Shyam Agarwal	270/34, 4th Block, 5th Main, Jayanagar, Bangalore, Bangalore, Karnataka, 560011	2500	2.50
	1.	S.Nagaraja Reddiar	Lakshmi Sadanam, Mullackal, Mullackal P.O, Alappuzha, Kerala, 688011	10000	10.00
	2.	Nandini Nagaraja Reddiar	Lakshmi Sadanam, Mullackal, Alappuzha, Alappuzha, Kerala, 688011	10000	10.00
	3.	Jacob C V	Nechupadam, Kadayirippu, Kadayirippu, Ernakulam, Kerala, 682311	8200	8.20
	4.	Radhakrishnan.N	Lakshmi Sadanam, Mullackal, Mullackal, Alappuzha, Kerala, 688010	5000	5.00
	5.	Jacob C V	Nechupadam House, Kolenchery, Kadayiruppu, Ernakulam, Kerala, 682311	5000	5.00
	6.	Celine Joseph	Apt-DB-3,Jaladarsini Apts, Golden Street, Vaduthala, Ernakulam, Kerala, 682023	5000	5.00
	7.	Anil Kumar Bhandari	No.10 B Paramount, 25 Ballygunge Circular Road, Kolkata, Westbengal, Delhi, 700019	5000	5.00
	8.	Mr M Manikyaraj Padival S/o M Nemiraj Padival	"Laxmi Vilas", Jail Road, Kodialbail Mangalore, Dk, Karnataka, 575003	4750	4.75
	9.	Suma Mathews	TC 15/2036, Womens College Lane, Vazhuthacaud, Thiruvananthapuram, Kerala, 695014	3500	3.50

Series	S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
	10.	Seema Mary Thomas	TC 15/2036, Womens College Lane, Vazhuthacaud, Thiruvananthapuram, Kerala, 695014	3500	3.50
BM	1.	Jacob C V	Nechupadam, Kadayirippu, Kadayirippu, Ernakulam, Kerala, 682311	17500	17.50
	2.	Aleyamma Jacob	Nechupadam House, Kadayirippu P O, Kolenchery, Ernakulam, Kerala, 682311	11000	11.00
	3.	Integra Software Services Pvt Ltd	100 Feet E C R Road Road, , Paakamudiyaanpet, Pondicherry, Pondicherry, Puducherry, 605008	10000	10.00
	4.	Balwant Singh	434,Main Kanjhawala Road, Village Karala, Karala, Delhi, Delhi, 110081	6500	6.50
	5.	Raj Kala	House No.434, Main Kanjhawala Road, Karala, Delhi, Delhi, 110081	6000	6.00
	6.	Viratech Infomedia Private Limited	The Regency - 5th Floor, 6 Hungerford Street, Park Street, Kolkata, West Bengal, 700017	6000	6.00
	7.	Jacob C V	Nechupadam House, Kolenchery, Kadayirippu, Ernakulam, Kerala, 682311	5500	5.50
	8.	V Krishnan	Flat No -603, Royale Retreat, Eros Garden,Charmwood Village, Faridabad, Haryana, 121009	5500	5.50
	9.	Achal K Aggarwal	E-1 II nd Floor, Lajpat Nagar III, New Delhi, Delhi, Delhi, 110024	5204	5.20
	10.	Pramod Kumar Rastogi	E-153, Preet Vihar, Delhi, 9810070881, Preet Vihar, Delhi, 110092	5100	5.10
BN	1.	Vishnu Prathap Pillai	Thumbikkattil, Blra.15, Bridge Lane-Ulloor Trivandrum, Kottayam, Kerala, 695011	10000	10.00
	2.	Mr.Krishna Prasad	Tc 24/934,Brindavan, Thycaud, Thycaud, Thiruvananthapuram, Kerala, 695014	10000	10.00
	3.	Vinai Prathap Pillai	Thumbikkattil, Blra 15, Bridge Lane--Ulloor, Kottayam, Kerala, 695004	10000	10.00
	4.	Autopumps & Bearings Co P Ltd	I-34(Old No:I-27),, 1st Main Road , Anna Nagar East, Chennai, Tamilnadu, 600102	9000	9.00
	5.	Aleyamma Jacob	Nechupadam House, Kadayirippu P O, Kolenchery, Ernakulam, Kerala, 682311	8000	8.00
	6.	Thomas Kurishingal	Kurishingal House, Fort Kochi, Fort Kochi, Ernakulam, Kerala, 682001	7300	7.30
	7.	Sophy Thomas	Kurishingal House, K.B.Jacob Road Cochin, Fort Kochi, Ernakulam, Kerala, 682001	7200	7.20
	8.	Anil Kumar Bhandari	No.10 B Paramount, 25 Ballygunge Circular Road, Kolkata, Westbengal, Delhi, 700019	5000	5.00
	9.	G. Ravi Kumar	S/o G. Madhusudhana Rao, C/o Madhu Medical Agencies, 10-12-6,Rangrizpet, , Rajahmundry, Andrapradesh, 533101	4000	4.00
	10.	Madhu R Balakrishnan	Krishna, Punnathala, Thirumullavaram Po, Kollam, Kerala, 691012	4000	4.00
BO	1.	Holiday Mantra Hotels and Resorts Pvt.Ltd.	Chandra Vilas, Temple Road, Sasthamangalam, Thiruvananthapuram, Kerala, 695010	14000	14.00
	2.	Siva Equipment Pvt. Ltd.	Deepak Mahal Lam Road Devlali, Nasik Road, Nasik, Nasik, Maharashtra, 422401	10000	10.00
	3.	Anil Kumar Bhandari	No.10 B Paramount, 25 Ballygunge Circular Road, Kolkata, Westbengal,	7500	7.50

Series	S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
	4.	Jacob C V	Delhi, 700019 Nechupadam, Kadayirippu, Kadayirippu, Ernakulam, Kerala, 682311	5400	5.40
	5.	M/s.Sphaera Pharma Pvt.Ltd	Plot No-32,Sector-5, IMT Manesar, Gurgaon, Gurgaon, Hariyana, 122051	5000	5.00
	6.	Manju Madan	C-487, Block-C, Defence Colony, Delhi, Delhi, 110024	5000	5.00
	7.	Proactive Data Systems Pvt Ltd	D-236/A, Sarvodaya Enclave , New Delhi, New Delhi , Delhi, 110069	5000	5.00
	8.	Mrs.Molly Antony	No.6, 4th Main Road, Gandhi Nagar, Adayar, Chennai , Tamil Nadu, 600020	4660	4.66
	9.	Shubhra Dhody	F-70 Poorvi Marg Ground Floor , Vasant Vihar, Vasant Vihar, New Delhi, Delhi, 110057	4400	4.40
	10.	John Thomas	Puthenpurakkal House, Vinpy Nagar, Paravattani, Thrissur, Kerala, 680005	4150	4.15
BP	1.	T.S.Varghese Ailas Davis Thayyil	Thayyil House, C.C.N.B.Road, Mullackal, Alleppey, Kerala, 000000	19800	19.80
	2.	Jacob C.V	Nechupadam House, Kadayirippu P.O, Kolencherry, Ernakulam, Kerala, 682311	11000	11.00
	3.	M/S Ampere Software Pvt Ltd	H-35, Sec-63, Noida, Gautam Budh Nagar, Uttar Pradesh, 201301	6500	6.50
	4.	Futura Medical Products (P) Ltd	10/433c, Palal Gardens, Chittethukkara, Kakkanaad, Ernakulam, Kerala, 682037	5100	5.10
	5.	Tamil Pandi.A	S/O Anaiveeran, Kandasamy Puram, Alagiapandipuram, Thirunelveli,Manur, Tamil Nadu, 627201	5000	5.00
	6.	Joga Singh S/o Sant Ram	Vpo Haripur Teh Nakodar, Haripur, Nakodar, Jalandhar, Punjab, 144040	4300	4.30
	7.	P C Mathew	Chakkapparampil, Kallissery, Pandanad North.P.O, 0, Kerala, 689124	4000	4.00
	8.	Padmakumar K.P	3f Skyline Topaz, Near Vinayaka Kalyana Mandapam, Kaloora-Kadavantra Rd,Kadavanthra, Ernakulam, Kerala, 682017	4000	4.00
	9.	Sunil Dutt	Flat No. 188, Pkt 1, Sec 6, New Delhi , Delhi, 110075	4000	4.00
	10.	Nirmal Jeet	H No-P3B-097,Princeton Estate, DLF Ph-5,Gurgaon, 9650010902, Gurgaon, Haryana, 122009	3550	3.55
BQ	1.	Synthite Industries Limited	Synthite Valley, Kadayirippu, Kolenchery, Ernakulam, Kerala, 682311	72500	72.50
	2.	Anil Kumar Bhandari	No.10 B Paramount, 25 Ballygunge Circular Road, Kolkata, Westbengal, Delhi, 700019	10000	10.00
	3.	Esther George	H No-36/1686,Judges Avenue, Kaloora, Kaloora, Ernakulam, Kerala, 682017	5000	5.00
	4.	Dr.Manoj Thomas	TC.9/24(1), Thekkethil, Kowdiar.P.O, Thiruvananthapuram, Kerala, 695003	5000	5.00
	5.	Keshav Misra	20 ,Golf Links, New Delhi, New Delhi, New Delhi, Delhi, 110003	4000	4.00
	6.	Thankamma Baby	Popy Umbrella Mart, Alleppey, , Alleppey, Kerala,	3500	3.50
	7.	Madhusudhan S V	S/o Venkata Reddy , No-1438/1, Near St. Philominas School,, Bikkanaahalli Road, Sarjapura (V&P), Anekal(TQ), Bangalore Urban, Karnataka, 562125	3000	3.00
	8.	Krishnan M.R.	4B, Windchime Apartments, 75, Beach Road, Kalashetra Colony, Besawt Nagar, 0, Tamil Nadu, 600090	3000	3.00
	9.	Aleyamma Abraham	105/B,Raj Shiv Apts,Shiv Vallabh X Road, Maruti Nagar, Dahisar(E),	3000	3.00

Series	S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
BR	10.	P.Saradamma	Mumbai, Maharashtra, 400068 Uthradam, Vishnu Nagar, Powdikonam, Thiruvananthapuram, Kerala, 695587	3000	3.00
	1.	Bhubaneswar Club	Rajpath, Unit -VI,Bhubaneswar, Ag, Khurda, Orissa, 751001	40000	40.00
	2.	Devinder Singh Puri	21-D,, Friends Colony West, New Delhi, New Delhi, Delhi, 110065	20000	20.00
	3.	Dr. R.S. Sangwan HUF	Sangwan Nursing Home, Sangwan Chowk, Sirsa, Sirsa, Haryana, 125055	20000	20.00
	4.	P S Ushakumari	35/3086, Pukalakkattu House, Palarivattom, Palarivattom, Ernakulam, Kerala, 682025	10000	10.00
	5.	Nina Puri	21-D,, Friends Colony West,, New Delhi, New Delhi, Delhi, 110065	10000	10.00
	6.	Nina Puri	21-D Friends Colony West, New Delhi, New Delhi, New Delhi, Delhi, 110065	10000	10.00
	7.	Aleyamma Jacob	Nechupadam House, Kadayiruppu, Kadayiruppu P.O, Ernakulam, Kerala, 682311	10000	10.00
	8.	P B Gopalakrishnan	35/3086 Pukalakkattu House, Palarivattom, Palarivattom, Ernakulam, Kerala, 682025	10000	10.00
	9.	Vikramjit Singh Puri	21-D Friends Colony West, New Delhi, New Delhi, New Delhi, Delhi, 110065	10000	10.00
BS	10.	Pankaj Gulati	53/A Meherina Apts, Near Simla House, Nepeansea Road, Mumbai Suburban, Maharashtra, 400026	9000	9.00
	1.	Bhubaneswar Club	Rajpath, Unit -Vi,Bhubaneswar, AG, Khurda, Orissa, 751001	10000	10.00
	2.	Haridra Builders Pvt.Limited	G9 & 10, White House Building, Begumpet, Hyderabad, Andhra Pradesh, 500016	10000	10.00
	3.	Roopali Chauhan,	NDS Pay TV Tech, No.9, Ash Ford Park View, 80 Ft Road,Koramangala 3rd Block, Koramangala, Bangalore 560047, Karnataka, 560034	5500	5.50
	4.	Catherine Das	Empire House, Arattuvazhy, P.H.Ward, Alappuzha, Kerala, 688521	5000	5.00
	5.	Lodestar Health and Tourism (India) Private Ltd.	Lodestar, Near Nallalam Police Station, Areekad P O Nallalam, Kozhikode, Kerala, 673027	4500	4.50
	6.	Holiday Manthra Hotels \$ Resorts Pvt Ltd	Chandra Vilas, Temple Road , Sasthamangalam, Thiruvananthapuram, Kerala, 695010	4000	4.00
	7.	Nani & Kaladharan	Thekke Kadu, Pothan Padam, Muthalamada, Palghat, Kerala, 679314	4000	4.00
	8.	Thomas P V	Pootharayil, Aymanam , Aymanam P O, Kottayam, Kerala, 686015	3472	3.47
	9.	Sanjay Dhody	F-70, Poorvi Marg, Vasant Vihar, Vasant Vihar, South Delhi, Delhi, 110057	2500	2.50
BT	10.	Shubhra Dhody	F-70 Poorvi Marg Ground Floor , Vasant Vihar, Vasant Vihar, New Delhi, Delhi, 110057	2500	2.50
	1.	Gopalakrishnan P B	Pukalakkattu House, Palarivattom, Palarivattom, Ernakulam, Kerala, 682025	22500	22.50
	2.	Rajesh Rohira	111, Block- AM , Shalimar Bagh, Shalimar Bagh, North West Delhi, Delhi,	20000	20.00

Series	S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
			110088		
	3.	Anil Tuteja S/o Sh. Bhagwan Dass	G.T.Road , Fatehabad, Fatehabad, Fatehabad, Haryana, 125050	12224	12.22
	4.	Mr.Krishna Prasad	TC 24/934,Brindavan, Thycaud, Thycaud, Thiruvananthapuram, Kerala, 695014	11000	11.00
	5.	Brd Securities Limited	Registered Office, Bethany Complex, Thrissur Road, Kunnamkulam, Thrissur, Kerala, 680503	10000	10.00
	6.	Vireet Investments Pvt Ltd	77- Friends Colony , Friends Colony West , Friends Colony West, New Delhi, Delhi, 110065	10000	10.00
	7.	Salim P K	No 14 Wellesley Road, Cantonment, Kannur, Kannur, Kerala, 670001	9600	9.60
	8.	Thankamma Baby	Popy Umbrella Mart, Alleppey, , Alleppey, Kerala	8100	8.10
	9.	Dr. Joseph I Injodi	M-6/68,Changampuzha Nagar, Kalamassery, Rajagiri P.O, Ernakulam, Kerala, 682033	5100	5.10
	10.	Dona Penta Plantations and Resort P Ltd	TC2/1894-1,No-17, Veerabhadra Gardens, Pattom Palace, Thiruvananthapuram, Kerala, 695004	5000	5.00
BU	1.	Vireet Investments Pvt Ltd	77- Friends Colony , Friends Colony West , Friends Colony West, New Delhi, Delhi, 110065	30000	30.00
	2.	Mamta Agarwal	4 Tulsi Das Marg, Chowk, Chowk, Lucknow, Uttar Pradesh, 226016	11500	11.50
	3.	K.Sadagopa Reddiar	Jai Hrudhai, Mo Ward, Head P.P, Alappuzha, Kerala, 688001	10600	10.60
	4.	Mrs.Jitha Prasad	T C 24/934,Brindavan, Thycaud, Thycaud, Thiruvananthapuram, Kerala, 695014	10000	10.00
	5.	Jacob C V	Nechupadam House, Kolenchery, Kadayiruppu, Ernakulam, Kerala, 682311	10000	10.00
	6.	Aleyamma Jacob	Nechupadam House, Kadayirippu P.O, Kolencherry, Ernakulam, Kerala, 682311	10000	10.00
	7.	Hindustan Industrial Resources Ltd.	6/7 Ist Floor, D.B.Gupta Road, Pahar Ganj, New Delhi , Delhi, 110055	7500	7.50
	8.	Binu Joseph	Mazhuvancheriparampu, Minerva Corporation, M G Road, Kochi, Ernakulam, Kerala, 682035	6500	6.50
	9.	Dr. Georgi Abraham.	9/2,15th Avenue, Harrington Road, Chetpet, Chennai, Tamil Nadu, 600031	5125	5.13
	10.	Homi Farrok Kaka & Others	Avabai Mansion, 15 Henry Road, Colaba, Mumbai, Mumbai, Maharashtra, 400001	5000	5.00
BV	1	Ms.Vaikundam Rubber Co Ltd	TC 2/1894-1, Veerabhadra Gardens, Pattom Palace.P.O, Thiruvananthapuram, Kerala, 695004	10000	10.00
	2	Mariam Mathew	No.38, Tas Enclave, 10 th Main Road, Anna Nagar, Chennai, Tamil Nadu, 600040	7000	7.00
	3	Viratech Software & Communications Ltd	The Regency 5th Floor 6 Hungerford Street, Hungerford Street, Hungerford Street, Kolkata, West Bengal, 700017	5000	5.00
	4	Cybele Industries Ltd	138 SIDCO Industrial Estate, Ambattur, Ambattur, Chennai, Tamil Nadu, 600098	5000	5.00
	5	K P Roy	Manapurathu, Seminary Road,	4300	4.30

Series	S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
	6	Eapen .M.Philip	Chungom, Kottayam, Kerala, 686001 Puthenkodical, Nadacavu, Mavelikara, Alappuzha, Kerala, 690101	3000	3.00
	7	Kusumam Purushothaman	Pattazhiyil, Muttambalam, Muttambalam, Kottayam, Kerala, 686004	2600	2.60
	8	Rajive Arora	3/7430,Ranjeet Nagar, Bereebagh,Khanda-3, Khanda-3 Saharanpur Kotavali Nagar, Saharanpur, Uttar Pradesh, 247001	2500	2.50
	9	Chander Mohan Chopra	#39,Lajpat Nagar, Jalandhar, Jalandhar, Punjab, 144001	2500	2.50
	10	Santhosh.S.	Jalaja Mandiram TC 4/828, Kowdiar.P.O., Kowdiar., Trivandrum, Kerala, 695003	2200	2.20
AE	1.	Tomy Augustine	House No 8,, Atwal House Colony, Cantt Road, Jalandhar, Jalandhar, Punjab	100	0.10
	2.	Sally Thomas	Sunny Villa, Chayalodu P.O, Kilicode, Pathanamthitta, Kerala	100	0.10
	3.	Annamma Varghese	Nochumannil House, Velliyara PO Ayroor, Ph:224016, Pathanamthitta, Kerala	50	0.05
	4.	Alexander J	Vilayil Puthen Veedu, Nallila P O, Kollam, Kollam, Kerala	45	0.05
	5.	Richu Koshy	Edamuriyil House, Kumbazha P.O, Pta, Pathanamthitta, Kerala	35	0.04
	6.	Allwin Tom	House No 8, Atwal Colony,, Cantt Road, Jalandhar, 144005, Jalandhar, Punjab	35	0.04
	7.	Tomy Augustine	H No 08,Atwal Housej, Cantt Road, Jalandhar, Jalandhar, Punjab	30	0.03
	8.	George Varughese	Vettickal House, Vennikulam P.O., , Pathanamthitta, Kerala	25	0.03
	9.	John Daniel Mr	HNO 21/388 Dda Flats, Dakshinpuri Extn, New Delhi 110062, New Delhi, Delhi	24	0.02
	10.	John Daniel Mr	Mavilathekkethil Puthenvu, Paranthil Po, Pathanamthitta Dt., New Delhi, Delhi	23	0.02
AI	1.	John Daniel	20/388,D.D.A Flats,, Dakshin Puri Extn., New Delhi,110062., New Delhi, Delhi	41	0.04
	2.	Sara Ann Mathew/Miss	Parackattil NTV Nagar, Kadappakkada PO, Kollam, Thiruvananthapuram, Kerala	10	0.01
	3.	M.Lavanya Lekshmi	Kannampallil Veedu, Thuvayoor South P.O, Kadampanad P.O -691552, Pathanamthitta, Kerala	10	0.01
AP	1.	Abraham Mathew	Ottaplakal House, Keekozhoor PO, Ranni, Pathanamthitta, Kerala	100	0.10
	2.	Daisy Abraham	Ottaplakal House, Keekozhoor PO, Ranni, Pathanamthitta, Kerala	100	0.10
	3.	Abraham Mathew	Ottaplackal House, Keekozhoor PO, Ranni, Pathanamthitta, Kerala	100	0.10
	4.	Daisy Abraham	Ottaplakal House, Keekozhoor PO, Ranni, Pathanamthitta, Kerala	50	0.05
	5.	Anna Teena Peter	Enchakalodil,Thirumoolapm, Tiruvilla, Kerala, , Pathanamthitta, Kerala	30	0.03

C. Top ten holders of our commercial paper

ISIN No.	S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
INE414G14AQ1	1.	Citicorp Investment Bank (Singapore) Limited	Citibank NA, Custody Services, 3rd floor, Trent House, G Block, Plot No. 60, BKC, Bandra - East, Mumbai 400051	400	200.00
INE414G14AT5	1.	Yes Bank Limited	2nd Floor, Tiecicon House, Dr. E Moses Road, Opp Famous Studio, Mahalaxmi, Mumbai 400011	4,000	2,000.00
INE414G14AS7	1.	Kotak Mahindra Bank Limited	KMBL Treasury Account, 2nd Floor, Bakhtawar, 229, Nariman Point, Mumbai, Maharashtra, India 400021	500	250.00
INE414G14775	1.	BNP Paribas Bond Fund	HSBC Securities Services, 2nd Floor, Shiv, Plot No.139-140 B, Western Exp Highway, Sahar Road Junction, Vile Parle-E Mumbai 400057	440	220.00
	2.	BNP Paribas Short Term Income Fund	HSBC Securities Services, 2nd Floor, Shiv, Plot No.139-140 B, Western Exp Highway, Sahar Road Junction, Vile Parle-E Mumbai 400057	60	30.00
INE414G14825	1.	Future Generali India Life Insurance Co. Ltd- Shareholders / Non Unit Linked	Citibank N. A. Custody Services, 3rd Flr Trent House G Block, Plot No. 60 BKC Bandra East, Mumbai, 400051	100	50.00
	2.	Future Generali India Insurance Co Ltd	HDFC Bank Ltd, Custody Services, Lodha - I Think Techno Campus, Off Flr 8, Next to Kanjurmarg Stn, Kanjurmarg East Mumbai, 400042	100	50.00
	3.	Future Generali India Life Insurance Company Limited-ULIF002180708 Futuincome133	Citibank N. A. Custody Services, 3rd Flr Trent House G Block, Plot No. 60 BKC Bandra East, Mumbai 4000098	40	20.00
	4.	Future Generali India Life Insurance Company Limited-ULIF001180708 Futusecure133	Citibank N. A. Custody Services, 3rd Flr Trent House G Block, Plot No. 60 BKC Bandra East, Mumbai 400098	20	10.00
	5.	Future Generali India Life Insurance Company Limited-ULIF005171008 Fupensecur133	Citibank N. A. Custody Services, 3rd Flr Trent House G Block, Plot No. 60 BKC Bandra East, Mumbai 400098	18	9.00
	6.	Future Generali India Life Insurance Company Limited-ULIF007201008 Fupengrowt133	Citibank N. A. Custody Services, 3rd Flr Trent House G Block, Plot No. 60 BKC Bandra East, Mumbai, 400098	12	6.00
	7.	Future Generali India Life Insurance Company Limited-ULIF011180510 Navguarant133	Citibank N. A. Custody Services, 3rd Flr Trent House G Block, Plot No. 60 BKC Bandra East, Mumbai, 400098	6	3.00
	8.	Future Generali India Life Insurance Company Limited-ULIF004180708 Fumaximize133	Citibank N. A. Custody Services, 3rd Flr Trent House G Block, Plot No. 60 BKC Bandra East, Mumbai, 400098	4	2.00
INE414G14866	1.	BNP Paribas Bond Fund	HSBC Securities Services, 2nd Floor, Shiv, Plot No.139-140 B, Western Exp Highway, Sahar Rd Junct, Vile Parle-E Mumbai, 400057	300	150.00

ISIN No.	S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
	2.	Pramerica Credit Opportunities Fund	Citibank N. A. Custody Services, 3rd Flr Trent House G Block, Plot No. 60 BKC Bandra East, Mumbai, 400098	200	100.00
	3.	BNP Paribas Short Term Income Fund	HSBC Securities Services, 2nd Floor, Shiv, Plot No.139-140 B, Western Exp Highway, Sahar Rd Junct, Vile Parle-E Mumbai, 400057	200	100.00
INE414G14916	1.	Morgan Stanley India Capital Private Limited	HSBC Securities Services, 2nd Floor, Shiv, Plot No.139-140 B, Western Exp Highway, Sahar Rd Junct, Vile Parle-E Mumbai, 400057	1000	500.00
	2.	Yes Bank Limited	2nd Floor, Tiecicon House, Dr E Moses Road, Opp Famous Studio, Mahalaxmi, Mumbai, 400011	800	400.00
	3.	Prakash Industries Limited	Kotak Securities Ltd Kotak Towers, 6th Floor Building No 21, Infinitygoregaon Mulund Link Road, Mumbai Maharashtra, 400097	200	100.00
INE414G14932	1.	Pramerica Ultra Short Term Bond Fund	Citibank N. A. Custody Services, 3rd Flr Trent House G Block, Plot No. 60 BKC Bandra East, Mumbai, 400051	200	100.00
	2.	Pramerica Short Term Income Fund	Citibank N. A. Custody Services, 3rd Flr Trent House G Block, Plot No. 60 BKC Bandra East, Mumbai, 400051	200	100.00
	3.	Pramerica Credit Opportunities Fund	Citibank N. A. Custody Services, 3rd Flr Trent House G Block, Plot No. 60 BKC Bandra East, Mumbai, 400051	100	50.00
INE414G14940	1.	Morgan Stanley India Capital Private Limited	HSBC Securities Services, 2nd Floor, Shiv, Plot No.139-140 B, Western Exp Highway, Sahar Rd Junct, Vile Parle-E Mumbai, 400057	1000	500.00
INE414G14AG2	1.	Canara HSBC Oriental Bank of Commerce Life Insurance Company Ltd	Deutsche Bank AG, DB House, Hazarimal Somani Marg, Post Box No. 1142, Fort, Mumbai, 400001	200	100.00
INE414G14AO6	1.	Unilazer Ventures Limited	HDFC Bank Ltd Custody Services, Lodha-I Think Techno Campus Off Flr, 8, Next to Kanjurmarg Rly Station, Kanjurmarg East Mumbai, 400042	300	150.00
INE414G14AU3	1	Canara Robeco Mutual Fund a/c Canara Robeco Treasury Advantage Fund	HDFC Bank Ltd, Custody Services Lodha - I Think Techno Campus off Flr 8, Next to Kanjurmarg Stn Kanjurmarg East Mumbai 400042	700	350.00
	2	Canara Robeco Mutual Fund a/c Canara Robeco Floating Rate	HDFC Bank Ltd, Custody Services Lodha - I Think Techno Campus off Flr 8, Next to Kanjurmarg Stn Kanjurmarg East Mumbai 400042	300	150.00

D. Top ten holders of our subordinated debt securities

Series	S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
SERIES II	1	Om Kapoor	LU-108, Pitam Pura Behind Water Tank, Near Dst Park, New Delhi, Delhi, 110034	2,355	2.36
	2	Lizy Thankachen	Akkavilayil Jerin Cottage, Kaithacode P.O., Kaithacode., Kollam, Kerala, 691503	2,000	2.00
	3	Vijayakrishnan C.K.	Astoria, Malakkara P.O., Edayaranmula, Pathanamthitta, Kerala, 689532	1,880	1.88
	4	George Jacob	Muthoot House, Pattom, Trivandrum, Thiruvananthapuram, Kerala, 695541	1,636	1.64
	5	Vidya Sagar Pillai.B.M	Archana, 546/IX Ward, West Fort, Mavelikkara, Alappuzha, Kerala, 690101	1,500	1.50
	6	S.Ethelsha	W/o W. Edwin, 86 D 4/2A, Joe Daniel Street,, KP Road, Vetturimadom (P.O), Ngl, K.K Dist, Tamil Nadu, 629003	1,500	1.50
	7	Padma Haran	204,Second Floor, Trafalgar, 124,Lattice Bridge Road,, Thiruvanniyur, Chennai, Tamil Nadu, 600041	1,200	1.20
	8	Rohit Abby Elias	T.C. 3/1086,Sree Nagar Lane, House No.1, Muttada, Muttada. P.O, Thiruvananthapuram, Kerala, 695025	1,100	1.10
	9	Ranjita Gomes	84,Taltala Lane, Taltala , 700014, Kolkata, West Bengal, 700014	1,000	1.00
	10	Achankunju Mathew	Thengumtharayil, Thazhathuvadakku PO, Enathu, Kollam, Kerala, 691562	1,000	1.00
SERIES III	1	Jayasree Padmakumar	5-B, J.M Paradise, Palarivattom, Cochin, Ernakulam, Kerala, 25	3,000	3.00
	2	Mrs. Jayasree Padmakumar	5 B, JM Paradise, Palarivattom, Kochi, Ernakulam, Kerala, 682025	3,000	3.00
	3	Anitha Mohan	TC 9/167(8), "O" Street, BNRA-12G, Jawahar Nagar, Thiruvananthapuram, Kerala, 695003	2,500	2.50
	4	Chander Kant Walia Mr.	S/o Sh. Jatinder Nath Walia, House No 393, Sector 8, Panchkula, Hariyana, 000	2,500	2.50
	5	Elsa Mathew	Sam & Company, Munnar, Devikulam, Thiruvananthapuram, Kerala, 689205	2,500	2.50
	6	Kallianikutty Amma P	Saubhagya, Bunglamparambu Road , Patteripuram Aluva, Ernakulam, Kerala, 683101	2,000	2.00
	7	Srivastava S N	162- C, Pocket - IV, Mayur Vihar Ph - 1, Delhi , Delhi, 110091	1,850	1.85
	8	K.P.Kurian	Thottathil House, Puthen Vila Kizhakkathil, Hospital Junction, Kundara P.O.,	1,700	1.70

Series	S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
SERIES IV	9	Sam Alexander.	Kollam, Kerala, 691501 #48/1 Meg Officers Colony, Meg , Ms Nagar PO, Bangalore, Karnataka, 560033	1,629	1.63
	10	Rama Rani	E-61, 1st Floor, Kirti Nagar, New, Delhi, 110015	1,500	1.50
	1	Shilpa Mathew	C-450, SFS Houses, Sheikh Sarai Sarai-I, New Delhi.17., New Delhi, Delhi, 110017	16,500	16.50
	2	Shilpa Mariam Mathew	C-450, SFS Houses, Sheikh Sarai-I, Delhi, Delhi, 110017	10,500	10.50
	3	Mr.Madhu.R.Balakrishnan	Krishna, Punmathala, Thirumullavaram, Kollam, Kerala, 691012	3,750	3.75
	4	Shilpa Mathew	C-450, SFS Houses, Sheikh Sarai, Sheikh Sarai, Central Delhi, Delhi, 110017	3,000	3.00
	5	Jaya Damodaran Mrs	22 / 4 Maitri Park , Sion Trombay Road, Chembur 25209816, Mumbai, Maharashtra, 400071	2,500	2.50
	6	Ajaib Kumar.D.R	H No.263, T.C2/3227, Archana, Kulangara, Pattom, Thiruvananthapuram, Kerala, 695004	2,500	2.50
	7	Binu.S.D	Kizhakkapalanjil, Pada North, Karunagappally, Kollam, Kerala, 690518	2,000	2.00
	8	Thomas Alexander Mathews	Kalathil House, Cherthala, Kannankara P.O, Alappuzha, Kerala, 688527	1,600	1.60
SERIES V	9	Mary Mathew	No 42 2nd Cross, D Costa L/o, Cooke Town, Banglore, Karnataka, 560084	1,500	1.50
	10	Sivadas.K.V	Rugmee House, Pathiri Nagar, Dhoni Post, Palakkad, Kerala, 678009	1,500	1.50
	1	Indian Inland Mission	V-20 , Green Park Extension, New Delhi, New Delhi, Delhi, 110016	120,000	120.00
	2	Shilpa Mathew	C-450, SFS Houses,, Sheikh Sarai Sarai-I, New Delhi.17., New Delhi, Delhi, 110017	20,000	20.00
	3	Thomas Babu	Attuvarathu Melaltil Puthen Veedu, Odanavattom, Odanavattom P.O., Kollam, Kerala, 691512	3,150	3.15
	4	Mr.Abdul Azeem.A	S/o. Abdul Kareem,, No-104C, Nethaji Road,, Melapalayam, Tirunelveli, Tamil Nadu, 627005	2,500	2.50
	5	Jaya Damodaran Mrs	22/4, Maitri Park,Sion Trombay Road, Maitri Park ,Chembur East, Mumbai-400071, Raigad, Maharashtra, 400071	2,500	2.50
	6	Ranjita Gomes	84, Taltola Lane, Kolkata, Entally, Kolkata, West Bengal, 700014	2,000	2.00
	7	C.K.Vijaykrishnan	Astoria, Malakkara P.O, Chengannur, Alappuzha, Kerala, 689532	2,000	2.00
	8	Ramesh Kumar Manikan	Raj Residency Co Op Hsg Soc,	2,000	2.00

Series	S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
		Achari	A1-201/202, Ram Mandir Road, Sai Nath Nagar, Kasarwadavli, Godbunder Road, Thane, Maharashtra, 400601		
	9	Ramesh Chandana	Village Narnaul, Near Kadhiawala Mandir, Narnaul, Faridabad, Haryana, 121001	1,848	1.85
	10	Neeraj Chandna	Village-Narnaul, Near Kadhiawala Mandir, Narnaul, Faridabad, Haryana, 121001	1,848	1.85
SERIES VI	1	Vir Kaur	169,, Urban Estate,, Batala, Gurdaspur, Punjab, 143505	10,000	10.00
	2	Capt.Shaji Mathews	Thengayyam Melrose, Mulavana P.O., Kundara, Kollam, Kerala, 691503	6,700	6.70
	3	George Alexander	Muthoot House , Kozhenchery, P.B No.11, Pattanamthitta, Kerala, 682017	3,645	3.65
	4	Aleyamma Thomas	Vazhuvelikonathu House, Karuvatta, Adoor, Pathanamthitta, Kerala, 691523	3,500	3.50
	5	Shalini Seekond	6/15, Shyam Nivas, Bhulabhai Desai Road, Mumbai, Mumbai, Maharashtra, 400026	3,100	3.10
	6	Koshy Panicker	Payattuvilayil, Cheerankavu, Ezhukone, Kollam, Kollam, Kerala, 691505	2,700	2.70
	7	Prithipal Singh Bhandari	J-153, J Block, Rajouri Garden, Delhi, Delhi, 110027	2,500	2.50
	8	Tiju Abraham	Kothapuzhasheril House, Venmoney West, Venmoney, Alappuzha, Kerala, 689509	2,500	2.50
	9	Siyak.M.V, S/O Siyali Koya	Siya Mahal, Thrikandiyour, Tirur, Malappuram, Kerala, 676104	2,300	2.30
	10	Joy P Varghese	S/o; P.C. Varghese, D.No:39-13-1, Murali Nagar,Visakhapatanam., Murali Nagar., Visakhapatanam, Andrapradesh, 530007	2,240	2.24
SERIES VII	1	Indian Inland Mission	V-20, Green Park Extension, New Delhi, New Delhi, Delhi, 110016	200,000	200.00
	2	Indira Vasudevan	I 34 Old I - 27 , Ist Main Road, Anna Nagar East, Chennai, Tamilnadu, 600102	10,000	10.00
	3	Balraj Vasudevan	I - 34 (Old I - 27), Ist Main Road., Anna Nagar East., Chennai, Chennai, Tamilnadu, 600102	10,000	10.00
	4	Celine Joseph	Apt-DB-3, Jaladarsini Apts, Golden Street, Vaduthala, Ernakulam, Kerala, 682023	9,000	9.00
	5	Khawja Mahmood Ahmed Khan S/o Khwja Ahmed Khan	#171, 9th Cross,, Williams Town,, Benson Town, Bangalore, Karnataka, 560046	6,700	6.70
	6	Sunil Mathew	35/1493, South Janatha Road, Palarivattom, Ernakulam, Kerala, 682025	5,000	5.00
	7	Antony.C.A	Kizhakke Kochuparampil,	4,000	4.00

Series	S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
			Changanacherry, Kurisummoodu P O, Kottayam, Kerala, 686104		
	8	Mahanand Chandana	Village.Narnaul, Near Kadhiawala Mandir, Narnaul, Faridabad, Haryana, 121001	3,000	3.00
	9	George K Varghese	Kottakuzhiyil (H) 9744587482, Puthenangady ,001 4086473429, Puthenangady PO, Kottayam, Kerala, 686001	3,000	3.00
	10	Celine Joseph	Apt DB3 Jaladharsini Apartment, Golden Street, Vaduthala, Ernakulam, Kerala, 682023	3,000	3.00
SERIES VIII	1	Ivo Antonio Araujo	H. No 453, Cabeca, Calapur, North Goa, Goa, 403005	5,000	5.00
	2	Minunath Ganpat Bahira	House No. 1593 At Bhingari, Panvel, Raigad, Maharashtra, 410206	5,000	5.00
	3	Vijaya Gopalakrishna Menon	Flat 2C, Palace Avenue, Olayil, Kollam, Kollam, Kerala, 691001	4,080	4.08
	4	K.Suryanarayana Rao S/o K.Hanumantha Rao	Vijayaenclave 1, No-007, 60 Feet Road , Sanjaynagar, Sanjaynagar, Bangalore, Karnataka, 560094	3,000	3.00
	5	Jacob Joseph	Thekkekoottu House, Kulathoor, Kulathoor P. O., Pathanamthitta, Kerala, 689588	2,781	2.78
	6	Isha Roy	Opp Green Home, Onampalayam, Thondamuthur Road, Coimbatore, Tamil Nadu, 641041	2,500	2.50
	7	Sunny Yadav	S/o Subhash Yadav, C/o Mr. Daulat Ram, Circular Road, Rewari, Rewari, Hariyana, 123401	2,500	2.50
	8	Lalimma Joseph	Kulapurathu House, Perumbaikadu , Perumbaikadu P.O, 0, Kerala, 686028	2,500	2.50
	9	Dharam Vir Sharma	Vill Kheri Kalan, Mehboob Patti, Faridabad, Faridabad, Harayana, 121104	2,500	2.50
	10	Santhan Nanu	The Nanus Essen Enclave Nr Regina Mundi Hig Schoo, Chicalim, Vasco, South Goa, Goa, 403711	2,500	2.50
SERIES IX	1	Indian Inland Mission	V-20 , Green Park Extension, New Delhi, New Delhi, Delhi, 110016	80,000	80.00
	2	L.Rugmini Amma	CVRA-115, Revathy, Venchavode, Chekkalamukku, Sreekariyam. P.O, Thiruvananthapuram, Kerala, 695017	10,000	10.00
	3	Eappen Thomas	No.52, 3rd Main Road, Sri Ayappa Nagar, Chennai, Chennai, Tamil Nadu, 600092	6,000	6.00
	4	Subramaniam M Govindan Nair	Lakshmi Nivas, Anikode, Pudur, Kariyamkode Post, Palakkad, Kerala, 678572	5,000	5.00
	5	Kalpana Retty	I-27 1st Main Road, Anna	5,000	5.00

Series	S No.	Name of holder	Address	Number of instruments	Aggregate amount (in ₹ million)
			Nagar East, Chennai, Tiruvallur, Tamilnadu, 600102		
	6	Jessica Darshini Katz	V-20, Green Park Extn, New Delhi, Delhi, Delhi, 110016	4,400	4.40
	7	Meby Sara Samuel	Chaluvila House, Elikattoor, Piravanthoor P.O, Quilon, Kerala, 689695	4,000	4.00
	8	Sangeetha Madhu	Krishna, Punnathala, Punnathala, Kollam, Kerala, 691012	3,500	3.50
	9	Cherian Mathews	Flat 6 B, Cloud -9 Apts, Law College Junction, P.M.G , Thiruvananthapuram, Kerala, 695004	3,400	3.40
	10	S Anthony Swamy	375, Mariyanpalya H A Farm Post Chowdappa Layout, Mariyanpalya, H A Farm Post, Bangalore Urban, Karnataka, 560024	3,165	3.17
SERIES X	1	Santhan Nanu	The Nanus Essen Enclave Nr Regina Mundi Hig Schoo, Chicalim, Vasco, South Goa, Goa, 403711	5,000	5.00
	2	P.B. Ramani	Command Hospital, CC, Lko, Lko, Lucknow, Uttar Pradesh 226004	4,550	4.55
	3	Saji Singh	B-62, Hill View Appartment, Vasant Vihar, New Delhi 110057	4,000	4.00
	4	Sarojben Kantibhai Amin	Ahankar Villa, NR Raghuvir Chamber, V V Nagar, Anand, Gujarat 388120	3,200	3.20
	5	Valsamma Abraham	Anilvilla, 2464576, Puthuppally Post Office, Kottayam, Kerala 686011	3,050	3.05
	6	Sumita Ray	19/498 Raybari Durgamandir Kabi Joydev Road, Kachari Potty, Bolpur, Birbhum, West Bengal 731204	3,000	3.00
	7	Anila Sankey	237, 5th Main Hrbr 2nd Stage, Kalyan Nagar, Bangalore Urban, Karnataka 560043	3,000	3.00
	8	Shalini Gulati	65/8 Rajpur Road, Dehradun, GPO, Dehradun, Uttarakhand 248001	3,000	3.00
	9	Sivagami K.	No. 8, Nandavanam A Street, Ulsoor, Bangalore Urban, Karnataka, 560008	2,520	2.52
	10	Mrs. Preeth Mohan w/o M.M. Mohan	No. 917, 4th cross, 9th main, Mico layout, BTM 2nd stage, BTM layout, Bangalore, Bangalore Urban, Karnataka 560076	2,500	2.50

ANNEXURE B

CREDIT RATING AND RATIONALE

A. Rating letter from ICRA

Muthoot Finance Limited

ICRA assigns rating of [ICRA]AA- to the non Convertible Debenture programme of Muthoot Finance Limited

RATING

INSTRUMENT	AMOUNT	RATING	RATING ACTION
NON CONVERTIBLE DEBENTURES	Rs. 500 crore	[ICRA]AA- (Stable)	Assigned

ICRA has assigned the rating of [ICRA]AA- (pronounced ICRA double A Minus) to the Rs. 500 crore Non Convertible Debenture programme of Muthoot Finance Limited (MFL)[†]. ICRA has a rating outstanding of [ICRA]AA- to the Rs. 6,575 crore¹ long term fund based limits, Rs. 400 crore Long term loan programme, Rs. 2,400 crore Non Convertible Debentures and Rs. 100 crore Subordinate debt of the company[†]. The long term ratings of the company have a 'Stable' outlook. ICRA also has a rating of [ICRA]A1+ (pronounced ICRA A one plus) to the Rs. 5551 crore¹ short term bank fund based limits and Rs. 200 crore Commercial Paper/ Short term debt programme of the company[†].

The ratings of MFL continues to factor in the company'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. The rating factors in the company's comfortable asset quality supported by good monitoring and internal audit systems. ICRA however has also taken note of a rise in the delinquency level of MFL in the current financial, with the 180+ dpd (computed based on 12 month lagged AUM²) increasing to 1.68% in Jun-12 against 0.88% in Mar-12. While ICRA continues to draw comfort from the company's access to liquid security and adequate security margin, going forward ability of the company stem the increase in delinquencies or any regulatory pressures which may impact/ elongate the recovery or auctioning processes would be an important rating sensitivity. The rating also takes into account the company's moderate capitalization levels (on managed assets basis) of 16.21%³ (Tier 1 capital % of 11.38%). 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 regulatory risks and exposure to market and operational risk associated with large cash handling spread across 3678 branches and 60.12 Lakh loans as of Mar-12.

RBI has tightened the norms for Gold loan NBFC's including: capping of LTV's on loans given by NBFCs against collateral of gold jewelry to 60%, reducing bank single party exposure ceiling to Gold loan NBFC's from 10% to 7.5% of capital funds and increasing in the minimum regulatory Tier 1 capital requirement of Gold Loan NBFC to 12% w.e.f April 1, 2014. ICRA has taken note of impact of changes in regulations by RBI on the financial flexibility of the company. MFL's ability to mobilize fresh funds has been impacted because of a cautious approach adopted by capital market investors and also following changes in securitization guidelines, which have impacted its access to funding through assignment, which constituted 15% of total borrowings as on Mar-12. The constraints on fund availability have led to a sharp decline in disbursements in Q1-13. As a result the managed book of the company has declined by 5.4% in Q1-13 to Rs.23336 crore as on June 30, 2012. MFL's liquidity profile remains comfortable given the fast pace run down of portfolio, access to ~Rs. 850 crore (in Jun-12) of un-utilized bank lines and through roll-over of existing liabilities. Over the short term ICRA expects the company to maintain disbursement volumes at lower levels, however going forward ability of MFL to increase its bank loans and revive its funding lines from capital markets investors would be critical for it to fund its business and would be a key rating sensitivity.

¹ Includes Rs. 2098 cr of interchangeable limits, between long term and short term fund based limits, subject to total utilization not exceeding Rs. 10,028 crore

[†] For complete rating scale and definitions, please refer to ICRA's website www.icra.in or other ICRA Rating Publications.

² Assets Under Management

³ (Tier 1 + Tier 2 Capital as on March 31, 2012) / (Risk Weighted assets + off balance sheet portfolio – credit enhancements) as on March 31, 2012. Reported Capital adequacy was 18.29% (Tier 1 capital of 12.84%) as on March 31, 2012

Furthermore regulatory changes for NBFC's have capped incremental LTV's to 60% against collateral of gold jewellery; similar LTV caps currently are not applicable to gold loans extended by Banks, which is likely to reduce the competitive positioning of MFL viz.a.viz banks. These changes are likely to impact the growth prospects of the company as a result of lower ticket sizes and reduced financial flexibility. Return on equity of the company may also get impacted because of lower business volumes, possible reduction in lending yields (because of lower LTVs) and higher operating expenses. Notwithstanding the same, ICRA expects the risk adjusted earnings of the company to remain at a comfortable level going forward.

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. 24673.6 cr as on March 31, 2012. 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). In April 2011 the company came out with an Initial Public Offering (IPO) in which the promoters diluted their stake from 93% to 80.12%. 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 35% of the company's total funding as on March 31, 2012.

As on March 31, 2012 the promoters of the company held a 80.12% stake in the company. MFL for the financial year ended March 31, 2012 reported a PAT of Rs. 892.02 crore on a managed asset base of Rs. 26,707 crore compared to a PAT of Rs. 494.18 crore on a managed asset base of Rs. 18,152 crore during the previous financial year. For the first quarter ended June 30, 2012 MFL reported a 29% y-o-y growth in profits after tax to Rs. 246.1 crore. As on June 30, 2012 the company operated out of pan India branch network of 3780 branches. As on June 30, 2012 the company had a net worth of Rs. 3172 crore and a gross NPA % of 1.28%, and a net NPA % of 1.11%. Reported capital adequacy of the company on June 30, 2012 was 19.42%, out of which Tier 1 capital was 13.67%.

August 2012

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B. Rating letter from CRISIL

Rating Rationale Muthoot Finance Limited

Rs.5.0 Billion Non-Convertible Debentures	CRISIL AA-/Stable (Assigned)
Non-Convertible Debentures Aggregating Rs.22.5228 Billion	CRISIL AA-/Stable (Reaffirmed)
Rs.1.0 Billion Subordinated Bonds Issue	CRISIL AA-/Stable (Reaffirmed)
Rs.40.0 Billion Short-Term Debt Programme	CRISIL A1+ (Reaffirmed)

CRISIL's has assigned its '**CRISIL AA-/Stable**' rating to the Rs.5.0-billion non-convertible debenture (NCD) issue of Muthoot Finance Ltd (MFL), while reaffirming its ratings on the other abovementioned debt instruments of MFL at '**CRISIL AA-/Stable/CRISIL A1+**'.

CRISIL's ratings on MFL's debt programmes continue to reflect MFL's established track record in the business of financing against gold jewellery, its strong and stable asset quality, and healthy earnings profile. These rating strengths are partially offset by MFL's susceptibility to adverse changes in regulatory and legislative framework, lack of diversity in sources of funding, and geographic and product concentration.

MFL's leadership position in the business of financing against gold jewellery is backed by its promoter-family's long and established track record of over seven decades. The promoters' experience and strong reputation has helped MFL scale up its business significantly since 2006-07 (refers to financial year, April 1 to March 31) and across various geographies. MFL has maintained a strong and stable asset quality over the past few years. Conservative loan-to-value (LTV) ratios and prudent jewellery valuation methods enable MFL to maintain consistently high level of asset quality. Furthermore, auction of gold ornaments of delinquent borrowers helps minimise losses considerably. In recent months, after regulatory changes were notified by the Reserve Bank of India (RBI) in March 2012, there has been an increase in MFL's delinquencies and gross non-performing asset (NPA) levels, though these are expected to reduce as the company resumes regular auctioning process and the adjustment to lower LTV levels is completed for the entire portfolio. However, a shift by MFL to any liberal method of jewellery valuation, leading to higher asset-quality-related risks, may lead to a change in CRISIL's view on MFL's asset quality—it will be a key rating sensitivity factor. MFL has a healthy earnings profile, supported by its high interest spreads and low credit costs; the return on assets (RoA), including off-book advances, was 4.0 per cent for 2011-12, compared with 3.7 per cent for the previous year.

MFL is susceptible to adverse changes in regulatory and legislative framework. In January 2011, RBI removed the benefit of priority-sector status for bank lending to, and portfolios originated by, gold loan companies. Furthermore, the RBI regulations issued in March 2012, aimed at curbing excessive growth in the sector, will have a significant impact on the growth, profitability and funding of the gold loan entities over the medium term. In addition, an unfavourable verdict of the Supreme Court on applicability of The Kerala Money Lenders Act, 1958, for non-banking financial companies (NBFCs) could adversely affect MFL's lending rates and also increase its operational expenditure.

MFL's funding avenues are limited, compared with those of large, asset-backed NBFCs. The proportion of MFL's bank loans and retail privately placed NCDs in its total borrowings is high, at 84 per cent. Furthermore, the share of privately placed NCDs has increased to 34 per cent as on June 30, 2012 from 25 per cent as on March 31, 2011. In view of the regulatory discomfort on the privately placed retail NCDs, this route of raising borrowings in the present form may be subject to regulatory change. In addition, the recent regulatory changes relating to assignment of loans by NBFCs to banks have excluded a significant funding avenue for gold loan companies; the short tenure of gold loans cannot meet the minimum holding period criterion specified in the regulation for assignment of loans. MFL may, therefore, need to find alternative borrowing sources. Therefore, the extent to which MFL's raises incremental funds to meet its targeted growth and the degree of diversification of the funding sources will also be key rating sensitivity factors.

MFL has high concentration in South India, which accounts for more than 67 per cent of its total loans. In addition, MFL's lending against gold constitutes over 99 per cent of its total advances, making it susceptible to risks of revenue concentration over a single asset class.

Average monthly disbursements for MFL has declined sharply by about 18 per cent during the quarter ended June 30, 2012 from the previous quarter, primarily on account of the regulatory cap on LTV at 60 per cent. Furthermore, auction of pledged jewellery slowed down as the company was focused on transition to the new regulatory regime following the issue of RBI guidelines in March 2012. Consequently, delinquency levels increased substantially during the quarter ended June 30, 2012, with gross NPAs at 1.28 per cent, compared with 0.56 per cent as on March 2012. However, with resumption of auctions since July 2012, the delinquency levels are likely to return to reduce over the next two quarters. CRISIL will closely monitor growth (level of fresh disbursements), asset quality, profitability and funding situation, as well as the impact of any additional regulations on the sector and on MFL.

CRISIL believes that the series of recent regulatory pronouncements will benefit the gold loan NBFC sector over the medium term. However, the sector is likely to face challenges in the near term, particularly on growth and asset quality, as it transitions to the new regulatory regime. The cap on LTV ratio at 60 per cent will further strengthen asset quality. Business growth will decline significantly in the short term, but is expected to stabilise at around 20 per cent over the medium term.

On account of the high fixed cost structure and heightened competition from banks and the unorganised sector, profitability of the sector is expected to halve to around 2.5 per cent RoA, but remain healthy over the medium to long term.

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, or inability to borrow funds adequately from diverse sources to meet growth.

About the Company

MFL, an NBFC, was established 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; the promoters' family has been in this business for seven decades. MFL is the flagship company of the Muthoot group, which is also into hospitality, healthcare, media, education, information technology, foreign exchange, insurance distribution, and money transfer businesses. MFL operates through a nationwide network of 3780 branches as on June 30, 2012.

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 present promoter directors of MFL. The financing against gold jewellery business was initially carried out under Muthoot Bankers, a partnership firm. In 2001, when MFL received RBI's registration to function as an NBFC, the group started the lending business in MFL. MFL is the largest gold loan company in India.

For 2011-12, MFL reported a profit after tax (PAT) of Rs.8.9 billion on a total income of Rs.45.5 billion, against a PAT of Rs.4.9 billion on a total income of Rs.23.2 billion for the preceding year. For the quarter ended June 30, 2012, MFL reported a PAT of Rs.2.5 billion on a total income of Rs.12.9 billion, compared with a PAT of Rs.1.9 billion and a total income of Rs.9.2 billion for the corresponding period in the previous year.

