Muthoot Capital Services Ltd First Quarter Net Profit Rs. 5.41 Crores

Kochi, August 4, 2014 – Muthoot Capital Services Ltd. (the listed entity of the Muthoot Pappachan Group) has announced its unaudited financial results for the quarter ended June 30, 2014. The Company has recorded net profit of Rs. 5.41 crores for the quarter ended 30.06.2014.

The Company recorded a total income of Rs. 45.20 crores for the quarter ended 30.06.2014, which was higher by 30% compared to Rs. 34.85 crores for the quarter ended 30.06.2013. Financial expenses increased from Rs.12.37 crores to Rs.19.21 crores during the corresponding period, recording an increase of 55%. Non-financial expenses increased from Rs. 13.39 crores to Rs. 17.84 crores, which was an increase of 33%. As a result of the higher rate of increase in expenses compared to the increase in revenues, the net profit declined by 10% to Rs. 5.41 crores from Rs. 5.98 crores for the corresponding quarter last year.

The Company disbursed 29,902 loans amounting to Rs. 122.56 crores during the quarter ended 30.06.2014, compared to 28,952 loans amounting to 120.95 crores during the quarter ended 30.06.2013. The total loan portfolio of the Company increased to Rs. 692 crores as on 30.06.2014, compared to Rs. 509 crores as on 30.06.2013, recording an increase of 36%. Compared to the level of Rs. 678 crores as on 31.03.2014, the increase has been 2%. The Company has 2,58,391 borrower customers as on 30.06.2014, compared to 1,80,159 customers as on 30.06.2013 (increase of 43%) and 2,43,595 as on 31.03.2014 (increase of 6%).

Mr. Thomas George Muthoot, Managing Director, Muthoot Capital Services Limited said: "We are happy with the continued good performance of the Company, in spite of the adverse business conditions. Our loan disbursal has been consistent. The Company is planning to improve the performance by increasing the geographical reach and introducing new products and variants of the present products."

Mr. R. Manomohanan, Chief Executive Officer, Muthoot Capital Services Ltd stated "The Company has been able to maintain the profitability in spite of the extremely adverse business conditions. Economic conditions during the first quarter have not been conducive and Competition has been increasing. But the Company will be able to better its performance in the coming quarters, by capitalising on the inherent strengths of the Company and by better management of the resources and operations"

Muthoot Capital Services Limited
CIN: L67120AL1994PLC007726
Regd Office: 3rd Floor, Muthoot Towers, M.G Road, Cochin – 682 035 Phone: 0484 6619600 / 6613450
www.muthootcap.com

About Muthoot Capital Services Ltd:

Muthoot Capital Services Ltd. (MCSL) is the first listed entity of Muthoot Pappachan Group. Non Banking Financial Company (NBFC) listed on the Bombay Stock Exchange, MCSL offers financial solutions including Vehicle Loans (2 wheeler loans) and secured debentures (redeemable & non-convertible debentures through private placement). MCSL is presently active in retail financing and caters to the requirements of borrowers both in rural and semi-urban areas. The Company's direct approach helps arrive at solutions that best suit the financial requirements of the applicants. The total number of two wheeler and three wheeler loans disbursed by the company so far in the last six years crossed 3,60,000 by 31.03.2014. The company is currently servicing more than 1,300 plus dealerships in seven states with a strong presence in Hero and Honda which together contribute 80% of the total business.

About Muthoot Pappachan Group

Muthoot Pappachan Group (MPG), the 127 year old conglomerate has been providing solutions, services and expertise to lakhs of customers across the country in various domains like financial services, automotive, property, hospitality, and alternative energy.

Over the years Muthoot Pappachan Group has grown to become a significant entity in the Indian business landscape. Currently it has more than 20000 employees, serving over a million customers. MPG's customer-centric approach and innovation in terms of new products that cater to changing customer needs have helped in winning the loyalty of innumerable customers, as well as attracting new ones. The Group adapts the latest technology and new ways to serve the customers, with an uncompromising stand on values, principles and ethics.

Muthoot Fincorp Ltd., the flagship company of Muthoot Pappachan Group, is one of the largest NBFCs in India, registered with the Reserve Bank of India. Muthoot Fincorp is a provider of mass finance in the form of gold loans. Decades of dedicated research and experience in rural strongholds have enabled the Company to provide quick and customized finance options and investment schemes for millions of customers who do not have access to mainstream commercial banks. Muthoot Fincorp is amongst the largest Gold Loan companies in India and has an average of 50,000 walk in customers per day. The company has a diverse mix of retail offerings catering to the various needs of its customers including Loan products, Money Transfer, Foreign Exchange, Insurance Services and Wealth Management Services.

Three years back the Company entered the affordable housing finance arena through a subsidiary – Muthoot Housing Finance Company Ltd (MHFL). MHFL caters mainly to the housing finance

requirements of customers in the middle and lower income category. The Company offers housing loan, primarily to the people in the unorganised sector to make their dream of owning a home come true. Loan amounts range from Rs 3 lakhs to Rs 15 lakhs, with a loan repayment period up to 15 years and a loan to property value of up to 80%. MHFL offers loans for the purchase of ready property, house/flats under-construction, self-construction on own plot and home extension.

The Net worth of Muthoot Fincorp as on 31st March 2014 is Rs. 1249.85 crores and the Capital Adequacy Ratio of the Company is 21.01%.

The Muthoot Pappachan Group firmly believes that financial inclusion of the economically weaker section of society is important for the socio-economic growth of the country. With that belief MPG launched Muthoot Mahila Mitra (MMM), a micro-finance offering that focuses on empowering women through financial literacy training. Muthoot Mahila Mitra follows the Joint Liability Group (JLG) model of micro-finance. Clients are organised in groups of five to ten women from economically weaker sections of society, living in rural and semi-urban areas or urban slums. Target clients are economically active women with regular cash flow through lawful, sustainable and stable economic activity. Under this program, each individual in a JLG is offered a loan between Rs 10,000 to Rs 15,000 depending on her repayment capacity, for a tenure of 52 weeks. MMM also fosters entrepreneurship skills among women and gives them basic financial literacy.

The Group has added to the tourist attractions of Kerala by setting up star hotels run by the Taj and Hilton Groups, Villa Maya the exclusive restaurant and SkyChef the air catering unit, while contribution to Safe and Clean Energy comes in the form of electricity through wind farms and to Technology through the state of the art Muthoot Technopolis.

Armed with a commitment to society, the Group set up the Muthoot Pappachan Foundation (MPF), a Public Charitable Trust – the CSR arm of the Muthoot Pappachan Group that has touched thousands of lives through its diverse programmes. The CSR initiatives of Muthoot Pappachan Group revolve around the theme HEEL, covering Health, Education, Environment and Livelihood.

For further information please contact:

Ketchum Sampark

Tayyab Imadi I +91 99672 12492 I tayyab.imadi@ketchumsampark.com

Shruti Muddup I +91 98206 51056 I shruti.muddup@ketchumsampark.com