



A.K. Stockmart Pvt. Ltd.



**Public Issue of Secured Redeemable Non-Convertible
Debentures**

of

MUTHOOT FINANCE LIMITED

Tranche IV Issue

NOVEMBER 29, 2019 - DECEMBER 24, 2019





MUTHOOT FINANCE LIMITED

INVESTMENT RATIONALE

- **PUBLIC ISSUE of SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES of FACE VALUE of Rs 1,000 each ("NCDs") for an amount of Rs 100 crore ("BASE ISSUE SIZE") with an option to retain oversubscription up to Rs. 690 crore aggregating up to 7,900,000 NCDs amounting to Rs 790 crore ("Tranche IV issue limit") ("Tranche IV issue") which is within the SHELF LIMIT of Rs. 4,000 crore and is being offered by way of the Tranche IV prospectus.**
- **The issue offers yields ranging from 9.25% to 10.00% depending up on the option applied for.**
- **Credit Rating of '[ICRA] AA (Stable)' by ICRA and 'CRISIL AA/Stable' by CRISIL for NCDs for an amount of Rs. 4,000 Crore.**
- **The NCDs are proposed to be listed on BSE. For the purposes of the Tranche IV Issue, BSE shall be the Designated Stock Exchange.**

COMPANY PROFILE

- Muthoot Finance Limited (MFL) is the largest gold loan NBFC in India in terms of loan portfolio.
- MFL is a "Systemically Important Non-Deposit Taking NBFC" (NBFC-ND-SI) headquartered in the south Indian state of Kerala.
- MFL provides personal loans and business loans secured by gold jewelry, or Gold Loans, primarily to individuals who possess gold jewelry but are not able to 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.
- Gold Loan portfolio as of September 30, 2019 comprised approximately 8.10 million loan accounts in India that MFL serviced through 4,540 branches across 23 states, the national capital territory of Delhi and five union territories in India. As of September 30, 2019 MFL employed 25,091 persons in its operations.
- MFL also relies on bank loans and subordinated debt instruments as its sources of funds. As of March 31, 2019, MFL had 523.76 crore in outstanding Muthoot Gold Bonds and Rs. 26,373.33 crore in other borrowings.
- For the years ended March 31, 2015, 2016, 2017, 2018 and 2019, revenues from MFL's Gold Loan business constituted 98.19%, 98.49%, 97.95%, 97.64% and 97.32% respectively, of its total income.
- As of March 31, 2015, 2016, 2017, 2018 and 2019, MFL's portfolio of outstanding principal amount of gross Gold Loans under management was Rs. 23,349.90 crore, Rs. 24,335.54 crore, Rs. 27,219.96 crore, Rs. 28,848.39 crore and Rs. 33,585.30 crore respectively, and approximately 131.13 tons, 141.91 tons, 148.81 tons, 155.39 tons and 169.46 tons respectively, of gold jewellery was held by MFL as security for its Gold Loans.
- Gross non-performing assets ("NPAs") were at 2.19%, 2.88% and 2.06% of MFL's gross loan portfolio under management as of March 31, 2015, 2016 and 2017 respectively. Stage 3 loan assets were at 4.42% and 2.72% of MFL's gross loan assets (principal amount) as of March 31, 2018 and 2019 respectively.
- For the year ended March 31, 2015, MFL's total income declined by 12.59% at Rs. 4,324.64 crore, in spite of increase in gold loan portfolio on account of reduction in lending rates. For the year ended March 31, 2016, its total income increased by 12.73% at Rs. 4,875.02 crore due to intensified interest collection without offering any settlements. For the year ended March 31, 2017, its total income increased by 17.88% at Rs. 5,746.70 crore. For the year ended March 31, 2018, MFL's total income increased by 10.21% at Rs. 6,333.15 crore and for the year ended March 31, 2019, its total income has increased by 8.64% at Rs. 6,880.63 crore.
- For the year ended March 31, 2015, consequent to a reduction in gold loan portfolio, MFL's profit after tax was Rs 670.52 crore showing a decline of 14.04%. For the year ended March 31, 2016, 2017, 2018 and 2019, its profit after tax was at Rs. 809.55 crore, Rs. 1,179.83 crore, Rs. 1,777.56 crore and Rs. 1,972.14 crore which shows an increase of 20.75%, 45.74, 50.66% and 10.95%.
- As of March 31, 2015, 2016, 2017, 2018 and 2019 MFL's net worth was Rs. 5,083.50 crore, Rs. 5,619.25 crore, Rs. 6,516.54 crore, Rs.7,812.02 crore and Rs. 9,792.72 crore respectively.

Source: Shelf Prospectus dated February 5, 2019 and Tranche IV Prospectus dated Nov 26, 2019

Disclaimer: Invest only after referring to the Shelf Prospectus dated February 5, 2019 and Tranche IV Prospectus dated Nov 26, 2019

STRENGTHS

- ***Market leading position in the Gold Loan business in India with pan-India reach and branch network***

Gold loans are the core products in MFL's asset portfolio. Its experience, through its Promoters, has enabled it to have a leading position in the Gold Loan business in India. MFL is the largest gold financing company in India in terms of loan portfolio as of March 31, 2018 according to the IMaCS Industry Report 2018. The loan portfolio as of March 31, 2019 comprised approximately 8.06 million loan accounts in India with Gold Loans outstanding of Rs. 33,585.30 crore. The branch network has expanded significantly in recent years from 373 branches as of March 31, 2005 to 4,540 branches as of September 30, 2019, comprising 775 branches in northern India, 2,741 branches in southern India, 727 branches in western India and 297 branches in eastern India covering 23 states, the national capital territory of Delhi and five union territories in India. Due to early entry MFL has built a recognizable brand in the rural and semi-urban markets of India. The average disbursed Gold Loan amount outstanding was Rs. 41,658 per loan account as of March 31, 2019 while interest rates on the Gold Loans usually range between 12.00% and 24.00% per annum.

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

MFL's operating history has evolved over a period of 80 years. The experience, skills and goodwill acquired by the Promoters over these years cannot be easily replicated by competitors. Its highly experienced and motivated management team that capitalizes on the heritage at both the corporate and operational levels. The senior management team has extensive experience in the Gold Loan industry and has demonstrated the ability to grow the business through their operational leadership, strategic vision and ability to raise capital. Under the current management team, the loan assets portfolio has grown from Rs. 3,369.01 crore as of March 31, 2009 to Rs. 34,932.93 crore as of March 31, 2019.

- ***High-quality customer service and robust operating systems***

MFL adheres to a strict set of market survey and location guidelines when selecting branch sites to ensure that its branches are set up close to the customers. Each of the branches across India is staffed with persons who possess local knowledge and understanding of customers' needs and who are trained to appraise collateral and disburse loans within a few minutes. MFL believes that its high quality customer service and short response time are significant competitive strengths that differentiate its services and products from those provided by commercial banks.

- ***Strong capital raising ability to fund a high profitability business model***

MFL has a track record of successfully raising capital from various sources at competitive costs. It regularly issues secured redeemable non-convertible debentures to retail investors, earlier on a private placement basis and now through public issue route as a means to access capital for its Gold Loan business. MFL believes that it is able to raise capital from retail investors because of its leadership, goodwill, trust, reputation, track record, performance, stability in the business and strong quality asset portfolio. As of March 31, 2015, 2016, 2017, 2018 and 2019 MFL's outstanding borrowings from banks and financial institutions were Rs. 7,241.87 crore, Rs. 7,687.66 crore, Rs. 9,126.95 crore, Rs. 11,183.56 crore and Rs. 13,104.28 crore respectively. It has developed stable long-term relationships with its lenders, and established a track record of timely servicing its debts.

- ***In-house training capabilities to meet the branch expansion requirements***

MFL's ability to timely appraise the quality of the gold jewellery collateral is critical to the business. It does not engage third parties to assess the collateral for the Gold Loans, but instead employs in-house staff for the purpose. MFL believes that its in-house training has built up a talent pool that enables it to staff new branches with qualified and skilled personnel as it seeks to grow its branch network. The in-house training capabilities also enable it to improve the skill sets of the existing personnel.

Source: Shelf Prospectus dated February 5, 2019 and Tranche IV Prospectus dated Nov 26, 2019

Disclaimer: Invest only after referring to the Shelf Prospectus dated February 5, 2019 and Tranche IV Prospectus dated Nov 26, 2019

ISSUE STRUCTURE

| | | | | | | |
|--|---|------------|---------------------|--|---|---|
| Issuer | Muthoot Finance Limited | | | | | |
| Lead Managers | A. K. Capital Services Limited and Edelweiss Financial Services Limited | | | | | |
| Type and nature of instrument | Secured redeemable non-convertible debentures of face value of Rs. 1,000 each | | | | | |
| Base Issue | Rs. 100 Crore | | | | | |
| Option to retain Oversubscription Amount | Rs. 690 Crore | | | | | |
| Tranche IV Issue Size | Rs. 790 Crore | | | | | |
| Shelf Limit | Rs. 4,000 Crore | | | | | |
| Mode of Issue | Public Issue | | | | | |
| Issue | Public issue by the Company of Secured NCDs of face value of Rs. 1,000 each, for an amount up to Rs. 40,000 million ("Shelf Limit"), hereinafter referred to as the "Issue". The NCDs will be issued in one or more tranches up to the Shelf Limit, on terms and conditions as set out in the relevant Tranche Prospectus for any Tranche Issue (each a "Tranche Issue") | | | | | |
| Face Value (in Rs./ NCD) | Rs. 1,000 | | | | | |
| Issue Price (in Rs./ NCD) | Rs. 1,000 | | | | | |
| Minimum application | Rs. 10,000 (10 NCDs) (for all options of NCDs, namely Option I, Option II, Option III, Option IV, Option V, Option VI, Option VII, Option VIII, Option IX and Option X). | | | | | |
| In multiples of | Rs. 1,000.00 (1 NCD) | | | | | |
| Seniority | Senior (to clarify, the claims of the Secured NCD Holders shall be superior to the claims of any unsecured creditors, subject to applicable statutory and/or regulatory requirements). The Secured NCDs would constitute secured obligations of ours and shall rank pari passu inter se, present and future 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 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 the Company. | | | | | |
| Tranche IV Issue | Public Issue by the Company of secured redeemable non-convertible debentures of face value of Rs. 1,000 each ("NCDs") for an amount of Rs. 100 crores ("Base Issue") with an option to retain oversubscription up to Rs. 690 crores aggregating upto 7,900,000 NCDs amounting to Rs. 790 crores ("Tranche IV Issue Limit") ("Tranche IV Issue") which is within the shelf limit of Rs. 4,000 crores and is being offered by way of this Tranche IV Prospectus dated, 2019 containing, inter alia, the terms and conditions of this Tranche IV Issue ("Tranche IV Prospectus"), which should be read together with the Shelf Prospectus dated February 05, 2019 ("Shelf Prospectus") filed with the Registrar of Companies, Kerala and Lakshadweep, the Stock Exchange and the SEBI. | | | | | |
| Mode of Issue | Public Issue | | | | | |
| Listing | BSE.BSE shall be the Designated Stock Exchange for this Tranche IV Issue. The NCDs are proposed to be listed within 6 Working Days from the respective Tranche IV Issue Closing Date. | | | | | |
| Mode of Allotment and Trading | NCDs will be issued and traded compulsorily in dematerialised form. | | | | | |
| Trading Lot | One (1) NCD | | | | | |
| Security | Security for the purpose of this Tranche IV Issue will be created in accordance with the terms of the Debenture Trust Deed. | | | | | |
| Credit Ratings | Rating agency | Instrument | Rating symbol | Date of credit rating letter | Amount rated | Rating definition |
| | ICRA | NCDs | "[ICRA] AA(Stable)" | December 31, 2018 and further revalidated by letters dated January 30, 2019, April 24, 2019, August 28, 2019 and November 12, 2019 | Secured NCDs for Rs. 40,000.00 million rated "[ICRA] AA (Stable)" | Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. |
| | CRISIL | NCDs | "CRISIL AA/Stable" | January 18, 2019 and further revalidated by letters dated January 31, 2019, April 22, 2019, September 03, 2019 and November 12, 2019 | Secured NCDs for Rs. 40,000.00 million rated "CRISIL AA/Stable" | Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. |
| Pay-in date | Application Date. The entire Application Amount is payable on Application. | | | | | |
| Record Date | The Record Date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 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 Exchange, as the case may be. In case Record Date falls on a day when Stock Exchange is having a trading holiday, the immediate subsequent trading day or a date notified by the Company to the Stock Exchanges, will be deemed as the Record Date. | | | | | |
| Day count convention | Actual/Actual | | | | | |
| Tranche IV Issue Opening Date | November 29, 2019 | | | | | |
| Tranche IV Issue Closing Date | December 24, 2019 | | | | | |
| Put/Call Date/Price Option | N.A. | | | | | |
| Deemed Allotment Date of | The date on which the Board or the duly authorised committee of the Board constituted by resolution of the Board dated May 16, 2018 approves the Allotment of the NCDs for the Tranche IV Issue. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs shall be available to the Debenture holders from the Deemed Date of Allotment. | | | | | |

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

*The subscription list shall remain open for subscription on Working Days from 10 A.M. to 5 P.M., during the period indicated above, except that the Tranche IV Issue may close on such earlier date or extended date as may be decided by the Board or the NCD Committee. In the event of such an early closure of or extension subscription list of the Tranche IV Issue, the Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in a national daily newspaper with wide circulation on or before such earlier date or extended date of closure. Applications Forms for the Tranche IV 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 BSE, on Working Days during the Tranche IV Issue Period. On the Tranche IV Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 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 BSE.

**Please refer to Schedule A of Tranche IV Prospectus for details pertaining to the cash flows of the Company in accordance with the SEBI circulars bearing numbers CIR/IMD/DF/18/2013 dated October 29, 2013 and CIR/IMD/DF-1/122/2016 dated November 11, 2016.

Source: Shelf Prospectus dated February 5, 2019 and Tranche IV Prospectus dated Nov 26, 2019
Disclaimer: Invest only after referring to the Shelf Prospectus dated February 5, 2019 and Tranche IV Prospectus dated Nov 26, 2019

THE SPECIFIC TERMS OF EACH OPTION OF NCDs

| Terms and conditions in connection with Secured NCDs****Options | I | II | III | IV | V | VI | VII | VIII | IX | X |
|---|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Frequency of Interest Payment | Monthly* | Monthly* | Monthly* | Annually** | Annually** | Annually** | NA | NA | NA | NA |
| Who can apply | All categories of investors (Category I, II ,III and IV) | | | | | | | | | |
| Minimum Application | Rs. 10,000 (10 NCDs) | Rs. 10,000 (10 NCDs) | Rs. 10,000 (10 NCDs) | Rs. 10,000 (10 NCDs) | Rs. 10,000 (10 NCDs) | Rs. 10,000 (10 NCDs) | Rs. 10,000 (10 NCDs) | Rs. 10,000 (10 NCDs) | Rs. 10,000 (10 NCDs) | Rs. 10,000 (10 NCDs) |
| In multiples of | Rs. 1,000.00 (1 NCD) | Rs. 1,000.00 (1 NCD) | Rs. 1,000.00 (1 NCD) | Rs. 1,000.00 (1 NCD) | Rs. 1,000.00 (1 NCD) | Rs. 1,000.00 (1 NCD) | Rs. 1,000.00 (1 NCD) | Rs. 1,000.00 (1 NCD) | Rs. 1,000.00 (1 NCD) | Rs. 1,000.00 (1 NCD) |
| Face Value of NCDs (Rs. / NCD) | Rs. 1,000.00 | Rs. 1,000.00 | Rs. 1,000.00 | Rs. 1,000.00 | Rs. 1,000.00 | Rs. 1,000.00 | Rs. 1,000.00 | Rs. 1,000.00 | Rs. 1,000.00 | Rs. 1,000.00 |
| Issue Price (Rs. / NCD) | Rs. 1,000.00 | Rs. 1,000.00 | Rs. 1,000.00 | Rs. 1,000.00 | Rs. 1,000.00 | Rs. 1,000.00 | Rs. 1,000.00 | Rs. 1,000.00 | Rs. 1,000.00 | Rs. 1,000.00 |
| Tenor from Deemed Date of Allotment | 24 months | 38 months | 60 months | 24 months | 38 months | 60 months | 24 months | 38 months | 60 months | 90 months |
| Coupon Rate | 9.25% | 9.50% | 9.75% | 9.50% | 9.75% | 10.00% | N.A | N.A | N.A | N.A |
| Effective Yield (Per annum)***** | 9.25% | 9.50% | 9.75% | 9.50% | 9.75% | 10.00% | 9.25% | 9.50% | 9.75% | 9.67% |
| Mode of Payment | Through various options available | | | | | | | | | |
| Amount (Rs. / NCD) on Maturity*** | Rs. 1,000.00 | Rs. 1,000.00 | Rs. 1,000.00 | Rs. 1,000.00 | Rs. 1,000.00 | Rs. 1,000.00 | Rs. 1,193.56 | Rs. 1,333.72 | Rs. 1,592.29 | Rs. 2,000.00 |
| Maturity Date (From Deemed Date of Allotment) | 24 months | 38 months | 60 months | 24 months | 38 months | 60 months | 24 months | 38 months | 60 months | 90 months |
| Nature of indebtedness | Secured redeemable non-convertible | | | | | | | | | |

* With respect to Options where interest is to be paid on a monthly basis, 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. For the first interest payment for NCDs under the monthly options, 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.

** With respect to Options where interest is to be paid on an annual basis, relevant interest will be paid on each anniversary of the Deemed Date of Allotment on the face value of the NCDs. The last interest payment under annual Options will be made at the time of redemption of the NCDs.

***Subject to applicable tax deducted at source, if any

**** Please refer to Schedule A of Tranche IV Prospectus for details pertaining to the cash flows of the Company in accordance with the SEBI circular bearing number CIR/IMD/DF/18/2013 dated October 29, 2013 and CIR/IMD/DF-1/122/2016 dated November 11, 2016.

***** On Options I, II and III, monthly interest payment is not assumed to be reinvested for the purpose of calculation of Effective Yield (per annum).

The company would allot the Option IV NCDs, as specified in the Tranche IV Prospectus to all valid Applications, wherein the Applicants have not indicated their choice of the relevant option of NCDs.

ALLOCATION RATIO

| Institutional Portion | Non-Institutional Portion | High Net Worth Individual Investors Portion | Retail Individual Investors Portion |
|-----------------------|---------------------------|---|-------------------------------------|
| 10% | 10% | 30% | 50% |

Source: Shelf Prospectus dated February 5, 2019 and Tranche IV Prospectus dated Nov 26, 2019

Disclaimer: Invest only after referring to the Shelf Prospectus dated February 5, 2019 and Tranche IV Prospectus dated Nov 26, 2019

INVESTOR CATEGORIES AND ALLOTMENT

| Category I | Category II | Category III | Category IV |
|--|--|---|--|
| <ul style="list-style-type: none"> • Public financial institutions, statutory corporations, commercial banks, co-operative banks and RRBs and multilateral and bilateral development financial institutions 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; • Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012; • Resident Venture Capital Funds registered with SEBI; • Insurance Companies registered with IRDA; • 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; • Systemically Important Non- Banking Financial Company, a nonbanking financial company registered with the Reserve Bank of India and having a net-worth of more than five hundred crore rupees as per the last audited financial statements • National Investment Fund set up by resolution no. F. No. 2/3/2005 –DDII dated November 23,2005 of the Government of India published in the Gazette of India; and • Mutual Funds registered with SEBI. | <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 (No. 6 of 2009); • Association of Persons; and • Any other incorporated and/or unincorporated body of persons. | <ul style="list-style-type: none"> • High Net-worth Individual Investors ("HNIs") - Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating up to and including Rs.1,000,000 across all options of NCDs in the Tranche IV Issue. | <ul style="list-style-type: none"> • Retail Individual Investors - Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating up to and including Rs.1,000,000 across all options of NCDs in the Tranche IV Issue. |

APPLICATIONS CANNOT BE MADE BY

- 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);
- Foreign nationals;
- Persons resident outside India;
- Foreign Institutional Investors;
- Non Resident Indians;
- Qualified Foreign Investors;
- Overseas Corporate Bodies;
- Foreign Venture Capital Funds;
- Persons ineligible to contract under applicable statutory/ regulatory requirements.

Source: Shelf Prospectus dated February 5, 2019 and Tranche IV Prospectus dated Nov 26, 2019

Disclaimer: Invest only after referring to the Shelf Prospectus dated February 5, 2019 and Tranche IV Prospectus dated Nov 26, 2019

KEY OPERATIONAL AND FINANCIAL PARAMETERS (Standalone)

| Particulars | For the Half Year ended | Year ended March 31 | |
|---|----------------------------|---------------------|-----------|
| | 30.09.2019* | 2019* | 2018* |
| Equity | 10,598.60 | 9,792.72 | 7,812.02 |
| Total Borrowings of which- | | | |
| Debt securities | 8,983.51 | 7,986.95 | 5,198.79 |
| Borrowings(other than debt securities) | 19,059.92 | 18,417.48 | 14,882.27 |
| Subordinated Liabilities | 364.34 | 428.72 | 1,085.97 |
| Property, Plant and Equipment | 202.01 | 186.66 | 192.24 |
| Other Intangible assets | 5.21 | 5.90 | 8.23 |
| Financial Assets | 39,805.93 | 37,774.96 | 30,529.31 |
| Non- Financial Assets | 309.90 | 293.74 | 262.95 |
| Cash and Cash Equivalents | 2,151.02 | 1,713.49 | 455.19 |
| Bank Balances other than cash and cash equivalents | 155.42 | 22.02 | 31.79 |
| Financial Liabilities | 29,324.55 | 27,972.94 | 22,624.82 |
| Non- Financial Liabilities | 192.68 | 303.05 | 355.41 |
| Loans | 36,334.43 | 34,932.93 | 29,506.80 |
| Loans (Principal Amount) | 35,730.53 | 34,246.12 | 29,142.02 |
| Interest Income | 3,933.14 | 6,757.01 | 6,202.13 |
| Finance Costs | 1,311.49 | 2,236.84 | 1,931.40 |
| Impairment on Financial Instruments | 29.75 | 27.55 | 239.65 |
| Profit for the year | 1,387.95 | 1,972.14 | 1,777.56 |
| % Stage 3 Loans on Loans(Principal Amount) | 3.43% | 2.72% | 4.42% |
| % Net Stage 3 Loans on Net Loans (Principal Amount) | 3.02% | 2.39% | 3.84% |
| CRAR - Tier I Capital Ratio(%) | 26.74% | 25.61% | 25.49% |
| CRAR - Tier II Capital Ratio(%) | 0.37% | 0.44% | 0.77% |

* As per Indian Accounting Standards

DEBT EQUITY RATIO OF THE COMPANY ON A STANDALONE BASIS:

| | |
|--|-------------|
| Prior to the Issue (as of September 30, 2019) | 2.68 |
| After the issue of debt securities* | 2.75 |

The debt-equity ratio post the Issue is indicative and is on account of total outstanding debt and equity as on September 30, 2019 and an assumed inflow of Rs.790.00 crores from the issue as mentioned in the Tranche IV Prospectus 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.

Source: Shelf Prospectus dated February 5, 2019 and Tranche IV Prospectus dated Nov 26, 2019

Disclaimer: Invest only after referring to the Shelf Prospectus dated February 5, 2019 and Tranche IV Prospectus dated Nov 26, 2019

(Rs.in Crores)

| Particulars | Year Ended March 31, 2017** |
|---|-----------------------------------|
| Net worth | 6,516.44 |
| Total Debt of Which: | |
| Non-Current Maturities of Long Term Borrowing | 4,231.19 |
| Short Term Borrowing | 12,754.91 |
| Current Maturities of Long Term Borrowing | 3,999.37 |
| Unpaid Matured Debentures | 110.49 |
| Net Fixed Assets | 218.21 |
| Non-Current Assets | 596.69 |
| Cash and Bank Balances | 1,534.05 |
| Current Investments | - |
| Current Assets | 30,116.38 |
| Current Liabilities | 19,292.94 |
| Assets Under Management (Gross Loan Assets) | 27,278.54 |
| Off Balance Sheet Assets | - |
| Interest Income | 5,653.89 |
| Interest Expense | 2,293.82 |
| Provisioning and Write offs | 281.59 |
| | - |
| PAT | 1,179.83 |
| Gross NPA (%)*** | 2.06% |
| Net NPA (%)*** | 1.69% |
| Tier I Capital Adequacy Ratio (%) | 21.78% |
| Tier II Capital Adequacy Ratio (%) | 3.10% |

** As per IGAAP

*** on Gross Loan Assets

DISCLAIMER:

‘The investors shall invest only on the basis of information contained in the final prospectus’

This document has been prepared by A. K. STOCKMART (P) LTD. and/or its affiliate/ group/ associate company(ies) (together referred to as “A.K. Group”) and the contents of this disclaimer are applicable to this document and to any and all written or oral communication(s) made by A.K. Group or its directors, employees, associates, representatives and agents.

The information contained in this document is strictly confidential and solely for the information of the recipients. The information should not be reproduced or redistributed or passed on, directly or indirectly in any form, to any other person/ entity or published, in whole or in part, for any purpose whatsoever. This document is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject A.K. Group to any registration or licensing requirements within such jurisdiction. This document is meant for assistance purpose only and does not constitute an offer or recommendation to buy or sell any products or services of A.K. Group or any of its third party client(s). The recipients should act and rely on the information/ data contained in this document only after understanding all associated risk parameters. Any action/ decision taken by the recipients on the basis of the information contained in this document shall be the sole responsibility of the recipients and neither A.K. Group nor its directors, employees, associates, representatives or agents shall be liable for any damages whether direct, indirect, special or consequential including lost revenue or lost profits that may arise to the recipients from or in connection with the use of the information/ data contained in this document.

The information in this document is subject to change. A.K. Group reserves the right to add, modify, alter and delete any content of this document at its sole and absolute discretion without any prior notice and without assigning any reason whatsoever. The information/ data contained in this document is as of the date hereof. A.K. Group does not undertake any obligation to update such information/ data for any subsequent event(s) that may occur thereafter, and does not explicitly or implicitly guarantee that such information/ data is complete and accurate in all respects as of date hereof or that it will continue to be complete and accurate in future. The copyright and other intellectual property rights of this document vests exclusively with A.K. Group.

This disclaimer is to be regarded as part of this document. If sections or individual terms of this statement are not legal or correct, the content or validity of the other parts remain uninfluenced by this fact.

A. K. Stockmart Pvt. Ltd.

30-39, Free Press House, 3rd Floor, Free Press Journal Marg, 215, Nariman Point, Mumbai – 400 021
Tel. No.: 91-22-67546500 / 67544744 Fax.: 91-22-67544666

CIN: U67120MH2006PTC158932