



A. K. Stockmart Pvt. Ltd.



**Public Issue of Secured Redeemable
Non-Convertible Debentures
of
MUTHOOT FINANCE LIMITED
January 8, 2024 – January 19, 2024**





INVESTMENT RATIONALE

- **PUBLIC ISSUE BY MUTHOOT FINANCE LIMITED ("COMPANY" OR THE "ISSUER") OF SECURED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF Rs 1,000 EACH ("NCDs") FOR AN AMOUNT OF Rs 100 CRORES ("BASE ISSUE SIZE") WITH AN OPTION TO RETAIN OVERSUBSCRIPTION UP TO Rs 900 CRORES AGGREGATING UP TO 1,00,00,000 NCDs AMOUNTING TO Rs 1000 CRORES ("TRANCHE III ISSUE LIMIT") ("TRANCHE III ISSUE") WHICH IS WITHIN THE SHELF LIMIT OF Rs 2600 CRORES AND IS BEING OFFERED BY WAY OF THE TRANCHE III PROSPECTUS DATED DECEMBER 21, 2023.**
- **Proposed NCDs have a Credit Rating of [ICRA] AA+ /Stable (ICRA Double A plus rating with stable outlook) by ICRA Limited.**
- **The NCDs are proposed to be listed on BSE Limited ("BSE"). For the purposes of the issue, BSE shall be the Designated Stock Exchange.**

COMPANY PROFILE

- Muthoot Finance Limited ("MFL" / "the Company") is the largest gold loan NBFC in India in terms of loan portfolio, according to the CRISIL Limited, CRISIL Research – Industry Report on Gold Loans in March 2023.
- MFL is an "Upper Layer NBFC" (NBFC-UL) 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. In addition, MFL provides money transfer services through their branches as sub-agents of various registered money transfer agencies and also provide collection agency services. MFL has also started providing unsecured loans to individuals and loans to traders and self-employed. Apart from the above, MFL also provides micro-finance, housing finance, vehicle and equipment finance and insurance broking services through its subsidiaries.
- Gold Loan portfolio as of September 30, 2023 comprised approximately 85.2 lakh loan accounts in India that MFL serviced through their 4,745 branches across 22 states, the national capital territory of Delhi and six union territories in India. As of September 30, 2023 -, MFL employed 28,097 persons in their operations.
- MFL also relies on loans from banks and financial institutions as its sources of funds. As of March 31, 2023, MFL had Rs 29624.30 crore as borrowings from banks and financial institutions. In FY 2019-20, MFL accessed external commercial borrowing through issuance of USD denominated Senior Secured Notes raising 1 Billion USD.
- As of March 31, 2021, 2022 and 2023 MFL's portfolio of outstanding principal amount of gross Gold Loans under management was, Rs 51926.57 crore, Rs 57531.31 crore and Rs 61875.31 crore respectively, and approximately 170.61 tons, 187.04 tons and 179.93 tons respectively, of gold jewelry was held by MFL as security for its Gold Loans.
- Stage 3 Loan Assets were at 0.88%, 2.99% and 3.79% of MFL's gross loan assets (principal amount) as of March 31, 2021, 2022 and 2023 respectively.
- For the years ended March 31, 2021, 2022 and 2023 its total income was at, Rs 10,574.36 crore, Rs.11,098.40 and Rs.10,543.74 respectively which shows a year over year increase of 21.23%, 4.96% and a decline of 4.99% respectively
- For the years ended March 31, 2021, 2022 and 2023 revenues from MFL's gold loan business constituted 95.88%, 96.67% and 95.10% respectively of its total income.
- For the year ended March 31, 2021, 2022 and 2023 its profit after tax was at, Rs 3,722.18 crore ,Rs 3,954.30 and 3,475.33 crore respectively which shows a year over year increase of 23.32%,6.24% and a decline of 12.11% respectively
- As of March 31, 2021, 2022 and 2023, MFL's net worth was, Rs 15,238.89 crore, Rs 18,344.57 crore and 21,061.93 crore respectively.

Source: Tranche III Prospectus dated December 21, 2023

Disclaimer: Invest only after referring to the Shelf Prospectus dated March 28, 2023 and Tranche III Prospectus dated December 21 2023

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. MFL's experience, through their Promoters, has enabled them to have a leading position in the Gold Loan business in India. MFL is the largest gold loan NBFC in India according to the CRISIL Research – Industry Report on Gold Loans in March 2023. The loan portfolio as of March 31, 2023 comprised approximately 81.5 lakh loan accounts, in India with Gold Loans outstanding of Rs 61,875.32 crore. The branch network has expanded significantly in recent years from 373 branches as of March 31, 2005 to 4,745 branches as of September 30, 2023. Due to its early entry, they have built a recognizable brand in the rural and semi-urban markets of India. The average disbursed Gold Loan amount outstanding was Rs 75,940 per loan account as of March 31, 2023 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 84 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 capitalizes on this 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 63,209.76 crore as of March 31, 2023.

- ***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. Furthermore, since the loans are all over-collateralized by gold jewelry, there are minimal documentary and credit assessment requirements, thereby shortening the turnaround time.

- ***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 issued 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, 2021, 2022 and 2023 its outstanding borrowings from banks and financial institutions were Rs 19,833.14 crore, Rs. 27,663.07 and Rs 29,624.30 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 jewelry 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 this purpose. MFL's 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: Tranche III Prospectus dated December 21, 2023

Disclaimer: Invest only after referring to the Shelf Prospectus dated March 28, 2023 and Tranche III Prospectus dated December 21, 2023

ISSUE STRUCTURE

Particulars	Details		
Issuer	Muthoot Finance Limited		
Lead Manager	A.K. Capital Services Limited.		
Debenture Trustee	IDBI Trusteeship Services Limited		
Registrar to the Issue	Link Intime India Private Limited		
Type and nature of instrument	Secured, redeemable non-convertible debentures of face value Rs.1,000 each		
Base Issue	Rs. 100 crore		
Option to retain Oversubscription Amount	Rs. 900 crore		
Face Value (in Rs / NCD)	Rs. 1,000		
Issue Price (in Rs / NCD)	Rs. 1,000		
Minimum application	Rs. 10,000		
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 the company 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 pari passu charge on current assets, book debts, loans and advances, and receivables including gold loan receivables, both present and future, of the Company, by way of hypothecation. The Company shall create and maintain security for the Secured NCDs in favour of the Debenture Trustee for the Secured NCD Holders on the book value of the above assets as appearing in the balance sheet from time to time to the extent of 100% of the amount outstanding in respect of Secured NCDs, including interest thereon, at any time. The Company is required to obtain permissions / consents from the prior creditors having corresponding assets as Security, in favour of the Debenture Trustee, for creation of such pari passu charge. The Company had applied to the prior creditors for such permissions / consents and has obtained all permissions / consents from such creditors thereby enabling it to undertake this Tranche III Issue. At the request of the Company, the Debenture Trustee may release/ exclude a part of the assets mentioned above from the security so created for the Secured NCDs, subject to the Company maintaining the security cover as mentioned above and subject to such other terms and conditions as may be stipulated by the Debenture Trustee. The Company shall carry out subsequent valuation of the assets mentioned above, at the request of the Debenture Trustee, at the Company's cost.		
Mode of Issue	Public Issue		
Tranche III Issue	Public Issue by the Company of secured redeemable non-convertible debentures of face value of Rs. 1,000 each for an amount of Rs. 100 crore with an option to retain oversubscription up to Rs.900 crore aggregating up to 1,00,00,000 NCDs amounting to Rs. 1000 crore which is within the Shelf Limit of Rs. 2600 crore and is being offered by way of the Tranche III Prospectus dated December 21, 2023, containing, inter alia, the terms and conditions of this Tranche III Issue, which should be read together with the Shelf Prospectus dated March 28, 2023 filed with the Registrar of Companies, Kerala and Lakshadweep, the Stock Exchange and the SEBI.		
Listing	BSE BSE shall be the Designated Stock Exchange for the Tranche III Issue. The NCDs are proposed to be listed within 6 Working Days from the Tranche III Issue Closing Date.		
Lock-in	N.A.		
Mode of Allotment and Trading	NCDs will be issued and traded compulsorily in dematerialised form.		
Mode of settlement	Please refer to the section titled "Issue Structure" in the Tranche III Prospectus.		
Trading Lot	One (1) NCD		
Depositories	NSDL and CDSL		
Who can apply/ Eligible Investors	Please refer to the section titled "Issue Procedure" in the Tranche III Prospectus.		
Credit Ratings	Rating agency ICRA	Instrument NCDs	Rating Symbol "[ICRA] AA+ (Stable)"
Tranche III Issue	Rs. 100 crore with an option to retain oversubscription up to Rs. 900 crore aggregating up to Rs. 1000 crore.		
Minimum Subscription	75% of the Base Issue i.e. Rs. 75 crore		
Pay-in 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 Exchange, will be deemed as the Record Date.		
Tranche III Issue Schedule*	The Tranche III Issue shall be open from January 8, 2024 to January 19, 2024 with an option to close earlier and/or extend up to a period as may be determined by the NCD Committee, subject to compliance with Regulation 33A of the SEBI NCS Regulations and subject to not exceeding thirty days from filing the Tranche III Prospectus with ROC.		
Objects of the Issue	Please refer to the section titled "Objects of the Issue" in the Tranche III Prospectus.		
Details of the utilisation of Issue proceeds	Please refer to the section titled "Objects of the Issue" in the Tranche III Prospectus.		
Coupon rate	Please refer to the section titled "Issue Structure" in the Tranche III Prospectus.		
Coupon payment date	Please refer to the section titled "Issue Structure" in the Tranche III Prospectus.		
Interest type	Please refer to the section titled "Issue Structure" in the Tranche III Prospectus.		
Tenor	Please refer to the section titled "Issue Structure" in the Tranche III Prospectus.		
Coupon payment frequency	Please refer to the section titled "Issue Structure" in the Tranche III Prospectus.		
Redemption date	Please refer to the section titled "Issue Structure" in the Tranche III Prospectus.		
Redemption Amount	Please refer to the section titled "Issue Structure" in the Tranche III Prospectus.		
Redemption premium/discount	Please refer to the section titled "Issue Structure" in the Tranche III Prospectus.		
Description regarding Security (where applicable) including type of security (movable/immovable/tangible etc.), type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the Offer Document/ Information Memorandum.	The Secured NCDs shall be secured by way of first pari passu floating charge on current assets, book debts, loans, advances and receivables including gold loan receivables both present and future, by way of hypothecation. The issuer shall create and maintain security for the Secured NCDs in favour of the Debenture Trustee for the Secured NCD Holders on the book value of the above assets as appearing in the balance sheet from time to time to the extent of 100% of the amount outstanding in respect of Secured NCDs, including interest thereon, at any time. At the request of the Company, the Debenture Trustee may release/ exclude a part of the assets mentioned above from the security to be created for the Secured NCDs, subject to the Company maintaining the security cover as mentioned above and subject to such other terms and conditions as may be stipulated by the Debenture Trustee. The Company shall carry out subsequent valuation of the assets mentioned above, at the request of the Debenture Trustee, at the Company's cost. While the Secured NCDs will be secured to the tune of 100% of the principal and interest amount as per the terms of the Tranche III Prospectus, in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained, however, the possibility of recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security. While the Secured NCDs will be secured to the tune of 100% of the principal and interest amount as per the terms of the Tranche III Prospectus, in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained, however, the possibility of recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security. The 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 Secured NCDs. The Company proposes to complete the execution of the Debenture Trust Deed prior to listing of Secured NCDs with the Designated Stock Exchange and utilize the funds only after the stipulated security has been created and upon receipt of listing and trading approval from the Designated Stock Exchange. Under the terms of the Debenture Trust Deed, the Company will covenant with the Debenture Trustee that it will pay the Secured NCD Holders the principal amount on the Secured NCDs on the relevant redemption date and also that it will pay the interest due on Secured NCDs on the rate specified in the Shelf Prospectus / the Tranche III Prospectus and in the Debenture Trust Deed. The Debenture Trust Deed will also provide that the Company may withdraw any portion of the security and replace with another asset of the same or a higher value subject to the security cover being maintained till the maturity date of the Secured NCDs.		
Day count convention	Actual/Actual		
Tranche III Issue Opening Date	January 8, 2024		
Tranche III Issue Closing Date	January 19, 2024		
Deemed Date of Allotment	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 each Tranche 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 (as specified for each Tranche Issue by way of the relevant Tranche Prospectus) shall be available to the Debenture holders from the Deemed Date of Allotment.		

In terms of Regulation 7 of the SEBI NCS 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 Tranche III Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. (Indian Standard Time), during the period indicated in the Tranche III Prospectus, except that the Tranche III Issue may close on such earlier date or extended date as may be decided by the Board of Directors of the Company ("Board") or the NCD Committee of the Board of Directors of the Company, subject to compliance with Regulation 33A of the SEBI NCS Regulations and subject to not exceeding 30 days from filing of the Tranche III prospectus with ROC. In the event of an early closure or extension of the Tranche III Issue, the Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in an English daily national newspaper with wide circulation and a regional daily with wide circulation where the registered office of the Company is located (in all the newspapers in which pre-issue advertisement for opening of this Tranche III Issue has been given on or before such earlier or initial date of Issue closure). On the Tranche III 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. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5 p.m. (Indian Standard Time) on one Working Day post the Tranche III Issue Closing Date. For further details, see "Issue Related Information" in the Tranche III Prospectus.

Source: Tranche III Prospectus dated December 21, 2023

Disclaimer: Invest only after referring to the Shelf Prospectus dated March 28, 2023 and Tranche III Prospectus dated December 21, 2023

THE SPECIFIC TERMS OF EACH OPTION OF NCDs

Terms and conditions in connection with Secured NCDs ⁽¹⁾ Options	I	II	III [#]	IV	V	VI	VII
Frequency of Interest Payment	Monthly [*]	Monthly [*]	Annually ^{**}	Annually ^{**}	Annually ^{**}	NA	NA
Who can apply	All categories of investors (Category I, II, III & IV)						
Category I– Institutional							
Category II– Non-institutional							
Category III- High Net Worth Individual							
Category IV- Retail Individual							
Minimum Application	₹ 10,000 (10 NCDs)	₹ 10,000 (10 NCDs)	₹ 10,000 (10 NCDs)	₹ 10,000 (10 NCDs)	₹ 10,000 (10 NCDs)	₹ 10,000 (10 NCDs)	₹ 10,000 (10 NCDs)
In multiples of	₹ 1,000.00 (1 NCD)	₹ 1,000.00 (1 NCD)	₹ 1,000.00 (1 NCD)	₹ 1,000.00 (1 NCD)	₹ 1,000.00 (1 NCD)	₹ 1,000.00 (1 NCD)	₹ 1,000.00 (1 NCD)
Face Value of NCDs (₹ / NCD)	₹ 1,000.00	₹ 1,000.00	₹ 1,000.00	₹ 1,000.00	₹ 1,000.00	₹ 1,000.00	₹ 1,000.00
Issue Price (₹ / NCD)	₹ 1,000.00	₹ 1,000.00	₹ 1,000.00	₹ 1,000.00	₹ 1,000.00	₹ 1,000.00	₹ 1,000.00
Tenor from Deemed Date of Allotment	36 months	60 months	24 months	36 months	60 months	36 months	60 months
Coupon Rate (% per annum) (A)							
Category I- Institutional	8.25%	8.25%	8.25%	8.50%	8.50%	NA	NA
Category II- Non Institutional	8.25%	8.25%	8.25%	8.50%	8.50%	NA	NA
Category III-High Net Worth Individual	8.25%	8.25%	8.25%	8.50%	8.50%	NA	NA
Category IV-Retail Individual	8.25%	8.25%	8.25%	8.50%	8.50%	NA	NA
Additional incentive above Coupon Rate (% per annum) on any Record Date as applicable to Category II, Category III and Category IV investors (B) ⁽²⁾							
Category II- Non Institutional	0.50%	0.50%	0.50%	0.50%	0.50%	NA	NA
Category III- High Net Worth Individual	0.50%	0.50%	0.50%	0.50%	0.50%	NA	NA
Category IV- Retail Individual	0.50%	0.50%	0.50%	0.50%	0.50%	NA	NA
Aggregate of the Coupon Rate and the additional incentive above the Coupon Rate on any Record Date as applicable to Category II, Category III and Category IV investors {(A) + (B)}							
Category I- Institutional	8.25%	8.25%	8.25%	8.50%	8.50%	NA	NA
Category II- Non Institutional	8.75%	8.75%	8.75%	9.00%	9.00%	NA	NA
Category III- High Net Worth Individual	8.75%	8.75%	8.75%	9.00%	9.00%	NA	NA
Category IV- Retail Individual	8.75%	8.75%	8.75%	9.00%	9.00%	NA	NA
Effective Yield (Per annum) ⁽³⁾							
Category I- Institutional	8.25%	8.25%	8.25%	8.50%	8.50%	8.50%	8.50%
Category II- Non Institutional	8.75%	8.75%	8.75%	9.00%	9.00%	9.00%	9.00%
Category III- High Net Worth Individual	8.75%	8.75%	8.75%	9.00%	9.00%	9.00%	9.00%
Category IV- Retail Individual	8.75%	8.75%	8.75%	9.00%	9.00%	9.00%	9.00%
Mode of Payment	Through various options available						
Amount (₹ / NCD) on Maturity ⁽⁴⁾							
Category I- Institutional	₹ 1,000.00	₹ 1,000.00	₹ 1,000.00	₹ 1,000.00	₹ 1,000.00	₹ 1,277.29	₹ 1,503.66
Category II- Non Institutional	₹ 1,000.00	₹ 1,000.00	₹ 1,000.00	₹ 1,000.00	₹ 1,000.00	₹ 1,295.03	₹ 1,538.62
Category III- High Net Worth Individual	₹ 1,000.00	₹ 1,000.00	₹ 1,000.00	₹ 1,000.00	₹ 1,000.00	₹ 1,295.03	₹ 1,538.62
Category IV- Retail Individual	₹ 1,000.00	₹ 1,000.00	₹ 1,000.00	₹ 1,000.00	₹ 1,000.00	₹ 1,295.03	₹ 1,538.62
Maturity Date (From Deemed Date of Allotment)	36 months	60 months	24 months	36 months	60 months	36 months	60 months
Nature of indebtedness	Secured and non-convertible						

* With respect to Options where interest is to be paid on a monthly basis, relevant interest will be calculated on the face value of the NCDs 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. The last interest payment under monthly options will be made at the time of redemption of the NCDs.

** 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.

(1) Please refer to Annexure FS – 5A for details pertaining to the cash flows of the Company in accordance with the SEBI Master Circular.

(2) As regards the payment of additional incentive, such additional incentive shall be payable to only such NCD Holders who fall under Category II, III, and IV as per the Tranche III Prospectus as on the Record Date.

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

(4) Subject to applicable tax deducted at source, if any.

Our Company would allot the Option III NCDs, as specified in the Tranche III Prospectus to all valid Applications, wherein the Applicants have not indicated their choice of the relevant option of NCD.

PAYMENT OF INTEREST:

For Secured NCDs subscribed under Option I and Option II, interest is to be paid on a monthly basis, relevant interest will be calculated on the face value of the NCDs from the first day till the last date of every month during the tenor of such Secured NCDs, and paid on the first day of every subsequent month. For the first interest payment for Secured 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. On Option III, Option IV and Option V, the relevant interest will be paid on each anniversary of the Deemed Date of Allotment on the face value of the Secured NCD. The last interest payment for Secured NCDs subscribed under Option I, Option II, Option III, Option IV and Option V will be made at the time of redemption of the Secured NCDs.

On Option VI and Option VII, NCDs shall be redeemed at the end of 36 months and 60 months respectively from the Deemed Date of Allotment.

As regards the payment of additional incentive applicable for Category II, Category III and Category IV investors, such additional incentive shall be payable to only such NCD Holders who fall under Category II, Category III and Category IV as per the Tranche III Prospectus as on the Record Date.

Amount of interest payable shall be rounded off to the nearest Rupee. If the date of interest payment falls does not fall on a Working Day, then interest as due and payable on such day, would be paid on the next Working Day. Further, the future Interest payment dates shall remain intact and shall not be changed because of postponement of such interest payment on account of it falling on a holiday. Payment of interest would be subject to the deduction as prescribed in the IT Act or any statutory modification or re-enactment thereof for the time being in force.

Interest for each of the interest periods shall be calculated, on the face value of principal outstanding on the Secured NCDs at the applicable Coupon Rate for each Category rounded off to the nearest Rupee and same shall be paid annually. Interest shall be computed on a 365 days-a-year basis on the principal outstanding on the NCDs. However, if period from deemed date of allotment/anniversary date of allotment till one day prior to next anniversary date/redemption date includes February 29th, interest shall be computed on 366 days a-year basis.

ALLOCATION RATIO:

Particulars	Institutional Portion	Non-Institutional Portion	High Net Worth Individual Investors Portion	Retail Individual Investors Portion
% of the Tranche III Issue size	5%	30%	30%	35%
Base Issue Size in amount (₹ in million)	50	300	300	350
Total Tranche III Issue Size in amount (₹ in million)	500	3000	3000	3500

Source: Tranche III Prospectus dated December 21, 2023

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INVESTOR CATEGORIES AND ALLOTMENT

Category I	Category II	Category III	Category IV
<ul style="list-style-type: none"> Public financial institutions, scheduled commercial banks, Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs; Provident funds and pension funds with a minimum corpus of Rs 25 Crores, 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 IRDAI; 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 registered with the RBI or Non-Banking Financial Company registered with the RBI having a total assets of ₹ 5,000 million or more 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 within the meaning of Section 2(20) of the Companies Act, 2013; Statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs; Co-operative banks and regional rural banks; Trusts including 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"> Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above Rs. 10,00,000 across all options of NCDs in the Issue. 	<p>Retail individual investors, resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including Rs 10,00,000 across all options of NCDs in the Issue and shall include Retail Individual Investors, who have submitted bid for an amount not more than UPI Application Limit (being Rs 500,000 for public issue of debt securities) in any of the bidding options in the Issue (including HUFs applying through their Karta and does not include NRIs) though UPI Mechanism.</p>

APPLICATIONS CANNOT BE MADE BY

- Minors without a guardian name* (A guardian may apply on behalf of a minor. However, Applications by minors must be made through Application Forms that contain the names of both the minor Applicant and the guardian);
- 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.

**Applicants shall ensure that the guardian is competent to contract under Indian Contract Act, 1872.*

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 Designated Intermediaries.

Source: Tranche III Prospectus dated December 21, 2023

Disclaimer: Invest only after referring to the Shelf Prospectus dated March 28, 2023 and Tranche III Prospectus dated December 21, 2023

KEY OPERATIONAL AND FINANCIAL PARAMETERS (Standalone) Ind AS				(Rs.in crore)
Particulars <i>(In Rs crores)</i>	H1 FY 2024	FY 2023	FY 2022	FY 2021
BALANCE SHEET				
Property, Plant and Equipment	276.70	268.21	263.69	241.58
Financial Assets	78934.14	72178.16	70132.77	63072.24
Non-financial Assets excluding property , plant and equipment	196.90	173.44	158.22	151.1
Total Assets	79407.74	72619.81	70554.69	63464.92
Financial Liabilities				
-Derivative financial instruments	1.56	189.24	479.8	330.52
-Trade Payables	114.56	125.77	151.16	201.71
-Debt Securities	1,34,94.54	13738.36	12497.89	13796.06
-Borrowings (other than Debt Securities)	4,17,53.45	35899.24	37170.99	31940.58
-Subordinated liabilities	73.78	96.7	142.37	209.64
-Other financial liabilities	1188.00	956.41	1178.2	1213.51
Non-Financial Liabilities				
-Current tax liabilities (net)	153.30	78.94	135.33	128.24
-Provisions	351.09	351.56	359.84	362.6
-Deferred tax liabilities (net)	-	-	-	-
-Other non-financial liabilities	35.52	51.49	94.55	43.17
Equity (Equity Share Capital and Other Equity)	2218.05	21061.93	18344.57	15238.89
Total Liabilities and Equity	79407.74	72619.81	70554.69	63464.92
PROFIT AND LOSS				
Revenue from operations	6058.36	10514.85	11082.32	10557.21
Other Income	41.56	28.9	16.07	17.15
Total Income	6099.92	10543.75	11098.39	10574.36
Total Expense	3455.18	5877.32	5789.04	5567.85
Profit after tax for the year	1966.12	3473.53	3954.3	3722.18
Total Comprehensive Income	2001.74	3519.53	3907.52	3664.89
Additional Information				
Net worth	2,21,80.53	21,061.93	18,344.57	15,238.89
Loans	7,00,16.14	64,264.88	59,384.23	54,063.39
Cash and cash equivalents	6141.45	6,428.80	9,178.52	7,116.70
Total Debts to Total Assets	69.67%	68.49%	70.60%	72.40%
Interest Income	5972.40	10,368.61	10,956.03	10,328.53
Interest Expense	2220.07	3,699.14	3,835.76	3,692.44
% Net Stage 3 Loans on Loans (Principal Amount)	3.59%	3.40%	2.68%	0.77%
Tier I Capital Adequacy Ratio (%)	29.55%	31.01%	29.10%	26.31%
Tier II Capital Adequacy Ratio (%)	0.76%	0.76%	0.87%	1.08%

DEBT EQUITY RATIO OF THE COMPANY ON A STANDALONE BASIS:

Prior to the Issue (as of September 30, 2023)	2.49 times
Post the issue#	2.54 times

The debt-equity ratio post the Issue is indicative and is on account of total outstanding debt and equity as on September 30, 2023 and an assumed inflow of Rs 1000 crore from the Tranche III Issue as mentioned in the Tranche III 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.

DISCLAIMER:

‘The investors shall invest only on the basis of information contained in the Shelf Prospectus and Tranche III Prospectus.’

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