

**DRAFT DISCLOSURE DOCUMENT**  
**[As per SEBI (Issues & Listing of Debt securities) Regulations, 2008]**



**MUTHOOT FINCORP LIMITED**

**Registered Office:** Muthoot Center, Punnen Road, Trivandrum - 695 034

Tel: 0471 3911550/560; Fax: 0471-3911569

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**Disclosure Document for listing of Unsecured, Non-convertible Perpetual Debt Instruments aggregating up to Rs. 24.00 crores**

**GENERAL RISK:** For taking an investment decision, investors must rely on their own examination of the issue, the disclosure document and the risk involved. The Securities have not been recommended or approved by SEBI nor does SEBI guarantee the accuracy or adequacy of this disclosure document

**ISSUER'S ABSOLUTE RESPONSIBILITY:** The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Disclosure Document 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 Disclosure Document 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 document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

**CREDIT RATING:** Brickworks has assigned a rating of "BWR A/STABLE" to the Perpetual Debt instrument. Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such instruments carry moderate credit risk. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decision. These ratings are subject to revision or withdrawal at any time by the assigning rating agency and should be evaluated independently of any other ratings.

**LISTING:** The **Unsecured Perpetual Debt instruments** are proposed to be listed on the Whole Sale Debt Market Segment of the Bombay Stock Exchange (BSE).

TRUSTEE	REGISTRAR TO THE ISSUE
	
<b>Vistra ITCL (India) Limited.</b>	<b>Integrated Registry Management Services Private Limited</b>
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Bandra (E), Mumbai – 400051	1, Ramakrishna Street ,T. Nagar
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<b>Email:</b> <a href="mailto:itclcomplianceofficer@vista.com">itclcomplianceofficer@vista.com</a>	Website: <a href="http://www.iepindia.com">www.iepindia.com</a>
	<b>Email:</b> <a href="mailto:sureshbabu@iepindia.com">sureshbabu@iepindia.com</a>

This schedule prepared in conformity with SEBI (Issue & Listing of Debt Securities) Regulations, 2008 as amended from time to time (referred in this document "SEBI guidelines") for private placement and is neither a prospectus nor a statement in lieu of prospectus and does not constitute an offer to the public generally to subscribe for or otherwise acquire the debentures to be issued by the Issue.

## DEFINITIONS/ ABBREVIATIONS

Board/ Board of Directors	The Board of Directors of the Company, including any duly constituted committee thereof.
Book Closure/Record Date	The date of closure of register of Debt instruments for payment of interest and repayment of principal (in case of exercise of Call Option)
BSE	Bombay Stock Exchange Ltd.
CAGR	Compounded Annual Growth Rate
CAR	Capital Adequacy Ratio
CEO	Chief Executive Officer
CRAR	Capital to Risk Asset Ratio
BRICKWORKS	BRICKWORKS Ltd.
DCA	Department of Company Affairs, Government of India
Debt Securities	Non-Convertible debt securities which create or acknowledge indebtedness and include Debt instruments and such other securities of the Issuer, whether constituting a charge on the assets of the Issuer or not, but excludes security receipts and securitized debt instruments.
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository	A Depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time
Depository Participant	A depository participant as defined under Depositories Act, 1996.
Director(s)	Director(s) of Muthoot Fincorp Ltd. unless otherwise mentioned
Disclosure Document	Disclosure Document dated 27-10-2017 for listing of <b>Unsecured, Non-convertible Perpetual Debt Instruments aggregating up to Rs. 24 Crore.</b>
DP	Depository Participant
EFT	Electronic Fund Transfer
EMI	Equal Monthly Installment
Financial Year/ FY	Financial Year ending March 31, as amended.
FIs	Financial Institutions
HUF	Hindu Undivided Family
I.T. Act	The Income Tax Act, 1961, as amended from time to time
IRR	Internal Rate of Return
Issuer	Muthoot Fincorp Ltd.
LOA	Letter of Allotment
M&A	Merger & Acquisition
N.A	Not Applicable
NAV	Net Asset Value
NBFCs-ND-SI	Systemically Important Non-Deposit taking Non-Banking Financial Companies
NCD	Non-Convertible Debt instruments
PDI	Perpetual Debt Instrument
NCPS	Non Convertible Preference Shares
NPAs	Non Performing Assets
NRIs	Non Resident Indians
NSDL	National Securities Depository Ltd.
OCBs	Overseas Corporate Bodies
PAN	Permanent Account Number
Para	Paragraph
RBI	Reserve Bank of India
Registrar	Registrar to the Issue, in this case being Integrated Enterprises India Ltd.
RRBs	Regional Rural Banks
Rs.	Indian National Rupee
RTGS	Real Time Gross Settlement
SBU	Strategic Business Unit
SEBI	The Securities and Exchange Board of India, constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI Regulations	Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended from time to time.
SOA	Scheme of Amalgamation
TDS	Tax Deducted at Source
The Companies Act/ the Act	The Companies Act, 1956/Companies Act 2013 as amended from time to time

The Company/ the Issuer	Muthoot Fincorp Ltd
The Issue/ The Offer/ Private Placement	Private Placement of <b>Unsecured, Non-convertible Perpetual Debt Instrument aggregating up to Rs 24 crores.</b>
Trustee	Vistra ITCL (India) Limited.
V.P.	Vice President
WDM	Wholesale Debt Market
Working Days	All days excluding the second and fourth Saturday of every month, Sundays or a public holiday in India or at any other payment center notified in terms of the Negotiable Instruments Act, 1881, except with reference to Issue Period, Interest Payment Date and Record Date, where working days shall mean all days, excluding Saturdays, Sundays and public holidays in India or at any other payment center notified in terms of the Negotiable Instruments Act, 1881. Day on which Commercial Banks are open for Business in the cities of Trivandrum, Kerala and Mumbai, Maharashtra.)

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**DISCLAIMER****GENERAL DISCLAIMER**

This document is neither a “Prospectus” nor a “Statement in Lieu of Prospectus” but a “Disclosure Document” prepared in accordance with Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended from time to time. This document does not constitute an offer to the public generally to subscribe for or otherwise acquire the Debt instruments to be issued by Muthoot Fincorp Ltd. (the “Issuer”/ the “Company”/ the “Issuer Company”). The document is for the exclusive use of the Institutions to whom it is delivered and it should not be circulated or distributed to third party(ies). The Issuer Company certifies that the disclosures made in this document are generally adequate and are in conformity with the captioned SEBI Regulations. This requirement is to facilitate investors to take an informed decision for making investment in the proposed Issue.

**DISCLAIMER OF THE RESERVE BANK OF INDIA**

The Securities have not been recommended or approved by the Reserve Bank of India nor does RBI guarantee the accuracy or adequacy of this document. It is to be distinctly understood that this document should not, in any way, be deemed or construed that the securities have been recommended for investment by the RBI. RBI does not take any responsibility either for the financial soundness of the Issuer Company, or the securities being issued by the Issuer Company or for the correctness of the statements made or opinions expressed in this document. Potential investors may make investment decision in the securities offered in terms of this Disclosure Document solely on the basis of their own analysis and RBI does not accept any responsibility about servicing/ repayment of such investment.

**DISCLAIMER OF THE SECURITIES & EXCHANGE BOARD OF INDIA**

This Disclosure Document has not been filed with Securities & Exchange Board of India (SEBI). The Securities have not been recommended or approved by SEBI nor does SEBI guarantee the accuracy or adequacy of this document. It is to be distinctly understood that this document should not, in any way, be deemed or construed that the same has been cleared or vetted by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or the project for which the Issue is proposed to be made, or for the correctness of the statements made or opinions expressed in this document. The issue of Debt instruments being made on private placement basis, filing of this document is not required with SEBI, however SEBI reserves the right to take up at any point of time, with the Issuer Company, any irregularities or lapses in this document.

**DISCLAIMER OF THE ISSUER**

The Issuer confirms that the information contained in this Disclosure Document is true and correct in all material respects and is not misleading in any material respect. All information considered adequate and relevant about the Issue and the Issuer Company has made available in this Disclosure Document for the use and perusal of the potential investors and no selective or additional information would be available for a section of investors in any manner whatsoever. The Issuer Company accepts no responsibility for statements made otherwise than in this Disclosure Document or any other material issued by or at the instance of the Issuer Company and anyone placing reliance on any other source of information would be doing so at his/her/their own risk.

**DISCLAIMER OF THE STOCK EXCHANGE**

As required, a copy of this Disclosure Document has been submitted to the Bombay Stock Exchange Ltd. (hereinafter referred to as “BSE”) for hosting the same on its website. It is to be distinctly understood that such submission of the document with BSE or hosting the same on its website should not in any way be deemed or construed that the document has been cleared or approved by BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this document; nor does it warrant that this Issuer’s securities will be listed or continue to be listed on the Exchange; nor does it take responsibility for the financial or other soundness of the Issuer, its promoters, its management or any scheme or project of the Issuer Company. Every person who desires to apply for or otherwise acquire any securities of this Issuer 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 any other reason whatsoever.

**I. NAME AND ADDRESS OF THE REGISTERED OFFICE OF THE COMPANY**

<b>Name</b>	<b>Muthoot Fincorp Ltd.</b>
<b>Registered Office</b>	Muthoot Centre Punnen Road, Trivandrum - 695 034
<b>Corporate Office</b>	Muthoot Centre Spencer Junction, Trivandrum - 695 001
Tel:	0471 3911550/560
Fax:	0471-3911569
Website	<a href="http://www.muthootfincorp.com">www.muthootfincorp.com</a>
Date of Incorporation	10-06-1997

**Compliance Officer to the Issuer****Mr. T. D Mathai****Vice President, Corporate Affairs & Company Secretary**

Muthoot Fincorp Ltd.

Registered Office: Muthoot Centre, Punnen Road, Trivandrum - 695 034

Tel: 0471 3911532/533

Fax :0471-3911569



Email: [ncd@muthootfincorp.com](mailto:ncd@muthootfincorp.com)**Chief Financial Officer to the Issuer****Mr. Thomas Muthoot**

Muthoot Towers, 6th Floor, M.G. Road,

Opp. Abad Plaza, Ernakulam 682035,

Kerala, India

**Details of Arrangers, if any - Not Applicable**

<b>TRUSTEE</b>	<b>REGISTRAR TO THE ISSUE</b>
	
<b>Vistra ITCL (India) Limited.</b>	<b>Integrated Registry Management Services Private Limited</b>
Plot C-22, G Block, BandraKurla Complex	2 <sup>nd</sup> Floor, Kences Towers,
Bandra (E), Mumbai – 400051	1, Ramakrishna Street ,T. Nagar
Cell :9892626500   DID + 91 22 2659 3927	Chennai : 600 017,
Fax + 91 22 2653 3297	Tel No:28143045 - 46 / 24345193
Website:www.vistraitcl.com	Fax: 28144826 /28140652
<b>Email :itclcomplianceofficer@vista.com</b>	Website: www.iepindia.com
	<b>Email :sureshbabu@iepindia.com</b>

**Credit Rating Agency of the issue - BRICKWORKS****Statutory Auditor of the Issuer****Up to 25<sup>th</sup> September 2017 (Date of conclusion of the 20<sup>th</sup> Annual General Meeting)****A. Cherian & Associates**

Chartered Accountants

"Puthuparambil"

Manganam PO

Kottayam – 686 018  
Kerala.  
M.No. 202759

**From 25-09-2017(From the Date of conclusion of the 20<sup>th</sup> Annual General Meeting)**

**M/s. Rangamani & Co**

Chartered Accountants

17/598, II Floor, Card Bank Buildings, West of YMCA Bridge

Alleppey-688001

M.No. 003050S

## II. RISK FACTORS

### INTERNAL RISK FACTORS

#### Risks relating to the Company and its Business

1. ***Any instructions by RBI or other regulatory authority in India directing the Company to stop the use of its premises/ branches or officials for the operations of its Group entities could materially and adversely affect our business and impact our future financial performance.***

Pursuant to various agreements entered into between the Company and some of its Group entities, the Company's branches/ premises and officials are utilized in connection with the business operations of the Group entities. The RBI had noted in its inspection report dated March 31, 2010 that an arm's length relationship was to be maintained by the Company with other entities of the Group operating in the Company's premises. In the event the RBI or other regulatory authority in India directs the Company to stop such usage of the Company's branches/ premises and officials, this may have an adverse effect on the business and financial conditions of the Company.

2. ***The Company is involved in certain legal proceedings for non-registration under certain State legislations in India relating to "money lending" activities. Any unfavorable outcome in such proceedings and the imposition of any additional restrictive statutory and/or regulatory requirements may adversely affect our goodwill, business prospects and results of operations.***

The Commissioner of Commercial Taxes, Kerala, has directed our Company to register under the provisions of the Kerala Money Lenders Act, 1946, as amended ("KMLA"). The Company has filed an appeal before the Supreme Court of India and has been granted an interim stay. In the event of an adverse ruling in these proceedings, our Company may be required to register as a money lending entity under the provisions of the KMLA in order to carry on its financing business and will be required to comply with provisions of such legislation like a ceiling on the maximum interest rate that can be charged. If we are required to comply with such a ceiling on interest rate or other restrictive provisions specified under such legislation, our interest income and net interest margin may be adversely impacted.

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

The results of our operations are substantially dependent upon the level of our net interest margins. Interest rates are sensitive to many factors beyond our control, including RBI's monetary policies, domestic and international economic and political conditions and other factors. 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. We borrow funds on both fixed and floating rates. Volatility in interest rates can materially and adversely affect our financial performance.

4. ***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. Our ability to raise funds on acceptable terms and at competitive rates continues to depend on various factors including our credit ratings, the regulatory environment and policy initiatives in India, developments in the international markets affecting the Indian economy, investors' and/or lenders' perception of demand for debt and equity securities of NBFCs, and our current and future results of operations and financial condition. Our ability to raise funds from alternative sources through private placements will depend upon RBI guidelines on the private placement of debentures by NBFCs. We also face significant maturities of our debt each year.

5. ***If we are unable to manage the level of NPAs in our Gold Loans and other loans, our financial position and results of***



***operations may suffer.***

Gross NPAs were 2.09%, 1.85 % and 1.58% of total loan assets of the Company as of March 31, 2015, 2016, and 2017 respectively. The Prudential Norms prescribe the provisioning required in respect of our outstanding loan portfolio. We cannot be sure that we will be able to improve our collections and recoveries in relation to our NPAs or otherwise adequately control our level of NPAs in future. Moreover, there also can be no assurance that there will be no further deterioration in our provisioning coverage as a percentage of gross NPAs or otherwise, or that the percentage of NPAs that we will be able to recover will be similar to our past experience of recoveries of NPAs. In the event of any further deterioration in our NPA portfolio, there could be an even greater, adverse impact on our results of operations.

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

We have been assigned a “CARE A” rating by CARE for our Bank Facilities, “CRISIL A/Stable” rating by CRISIL for our various non-convertible debt instruments including subordinated debt, and a “CRISIL A1” rating for our short term debt programme. Brickworks has assigned a “BWR A” rating for our perpetual debt instruments. Any downgrade of our credit ratings would increase borrowing costs and constrain our access to capital and debt markets and, as a result, would negatively affect our net interest margin and our business. In addition, downgrades of our credit ratings could increase the possibility of additional terms and conditions being added to any additional financing or refinancing arrangements in the future.

**7. *High levels of customer defaults could adversely affect our business, financial condition and results of operations.***

Our primary business involves lending money and accordingly we are subject to customer default risks including default or delay in repayment of principal or interest on our loans. Customers may default on their obligations to us as a result of various factors including bankruptcy, lack of liquidity, lack of business and operational failure. If borrowers fail to repay loans in a timely manner or at all, our financial condition and results of operations will be adversely impacted. Although we believe that our risk management controls are sufficient as on date, we cannot be certain whether this will continue. It is uncertain that any other additional risk management policies for individual borrowers may or may not be required to be implemented.

Failure to continuously monitor the loan contracts, 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 and/or cash flows.

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

Our significant 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 working capital, capital expenditures, acquisitions and other general corporate requirements;
- Some of our financial arrangements contain restrictive covenants that may adversely affect our business and operations, some which we are currently in breach of or have breached in the past.
- 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;
- fluctuations in market interest rates may affect the cost of our borrowings as some of our indebtedness are at variable interest rates;
- There could be a material adverse effect on our business, financial condition and results of operations if we are unable to service our indebtedness or otherwise comply with financial and other covenants specified in the financing agreements; and
- We may be more vulnerable to economic downturns, we may be limited in our ability to withstand competitive pressures and we may have reduced flexibility in responding to changing business, regulatory and economic conditions.

Moreover, certain loans may be recalled by our lenders at any time. If any of these lenders affect our business and operations, some of which we are currently in breach of or have breached in the past.

9. ***Since we handle high volumes 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, 2017, we held cash balance of ₹ 40,788 lakhs and gold jewellery of 50.29 tons. Our Gold Loan transactions involve handling significant volumes of cash and gold jewellery at our branch offices. Large cash and gold jewellery transactions expose us to the risk of fraud by employees, agents, customers or third parties, theft, burglary and misappropriation or unauthorized 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 deter such activities in all cases, which may adversely affect our operations and profitability. Our employees may also become targets of the theft, burglary and other crimes 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.

10. ***We may not be able to successfully sustain our growth strategy. Inability to effectively manage any of our growth and related issues could materially and adversely affect our business and impact our future financial performance.***

Our rapid growth exposes us to a wide range of increased risks, including business risks, such as the possibility that a number of our impaired loans may grow faster than anticipated, as well as 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 clients, developing managerial experience to address emerging challenges and ensuring a high standard of client service. We will need to recruit new employees, who will have to be trained and integrated into our operations. We will also have to train existing employees to adhere properly to internal controls and risk management procedures. Failure to train our employees properly may result in an increase in 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.

11. ***Inability to successfully tackle increasing Competition could impact profitability and market share and thereby result in difficulties in expanding our business into new regions/existing regions.***

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. 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 business may be exposed to various additional challenges including obtaining necessary governmental approvals, identifying and collaborating with local businesses and 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 different languages are spoken. Our inability to expand our current operations may adversely affect our business prospects, financial conditions and results of operations.

12. ***New product/services offered by us may not be successful.***

We introduce new products/services to explore new business opportunities from time to time. We cannot assure you that all our new products/services and/or business ventures will gain customer acceptance and this may result in our inability to recover incurred pre-operative expenses and launch costs. Further, our inability to grow in new business areas could adversely affect our business and financial performance.

13. ***A majority of our branches are located in southern India, and any disruption or downturn in the economy in the states in India where we operate, or any change in consumer preferences in that region could adversely affect our results of operations and financial condition***

We have a strong concentration of our business in south India with 2,821 out of our 3,483 branches as on March 31, 2017, located in the southern states of India. Further, approximately 73 % of our Gold Loan portfolio as on March 31, 2017, is concentrated in the aforementioned states. Any adverse change in the political and/or economic environment or any unfavourable changes in the regulatory and policy regime in the said region could adversely affect our business operations, financial condition and/or profitability. Further, any changes in customer preferences in the said region

could also affect our operations and profitability. If there is sustained downturn in the economy of southern India, our financial position may be adversely affected.

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

Our portfolios sold under bilateral assignments in the past to banks were categorized as priority sector advances for the years ended March 31, 2009 and 2010. A February 2011 notification issued by the RBI, has changed the norms in connection with “priority sector” advances requiring that loans sanctioned to NBFCs for on-lending to individuals or other entities against gold jewellery would not be eligible for classification as agriculture sector advances in the context of priority sector lending guidelines issued by RBI. Further, pursuant to another notification issued in July 2012, RBI stipulated that loans provided by NBFCs against gold jewellery cannot be treated as for priority sector for banks if transferred through assignment/outright purchase/investment under securitisation route. Accordingly, our ability to raise capital by selling down our gold loan portfolio under bilateral assignments has been hampered which may impact our ability to raise funds through loans from banks, which may adversely affect our financial condition and results of operations.

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

If we continue to grow our loan portfolio and asset base, we will be required to raise additional Tier I and Tier II capital in order to continue to meet applicable capital adequacy ratios with respect to our business. There can be no assurance that we will be able to raise adequate additional capital in the future on terms favorable to us or at all and this may adversely affect the growth of our business. Further, any regulatory change in capital adequacy requirements imposed by the RBI may have an adverse effect on our results of operation.

**16. *A significant proportion of the Gold Loans we offer are due within six to nine months 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 relatively short-term nature of Gold Loans (i) may lead to a mismatch in the asset liability position of our Company, since a portion of our borrowings are typically for longer durations, and/or (ii) affect ability to ascertain steady long terms revenues. In addition, our existing customers may not obtain new Gold Loans from us upon maturity of their existing Gold Loans, particularly if competition increases. The potential instability of our interest income could materially and adversely affect our results of operations and financial position.

**17. *System failures or inadequacies and security breaches in computer systems may adversely affect our business operations and result in financial loss, disruption of our business, regulatory intervention or damage to our reputation.***

Our ability to operate and remain competitive will depend in part on our ability to maintain and upgrade our information technology systems on a timely and cost-effective basis. 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, this may cause due to the difficulties in upgrading, developing and expanding our systems quickly enough to accommodate our growing customer base and range of products. Any failure to effectively maintain or improve or upgrade our management information systems in a timely manner could materially and adversely affect our competitiveness, financial position and results of operations.

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.

**18. *We face asset-liability mismatches which could affect our liquidity and consequently may adversely affect our operations and profitability.***

We face potential liquidity risks due to varying periods over which our assets and liabilities mature. As is typical for NBFCs, a portion of our funding requirements is met through short-term funding sources such as bank loans, working capital demand loans, cash credit, short term loans and commercial papers. However, each of our products differs in terms of the average tenor, average yield, average interest rates and average size of loan. The average tenor of our products may not match with the average tenor of our liabilities. Typically, the average maturity profile of our Company’s lending portfolio is 4-5 months to 1 year whereas the liabilities are of a longer term. Consequently, our inability to obtain additional credit facilities or renew our existing credit facilities, in a timely and cost-effective manner

or at all, may lead to mismatches between our assets and liabilities, which in turn may adversely affect our operations and financial performance. Further, mismatches between our assets and liabilities are compounded in case of pre-payments of the financing facilities we grant to our customers.

**19. Any disassociation of our Company from “Muthoot Pappachan Group” could adversely affect our operations and profitability.**

Our Promoters along with their immediate relatives collectively hold our entire paid-up Equity Share capital as on the date of the Information memorandum. If our Promoters cease to exercise control over our Company as a result of any transfer of shares or otherwise, our ability to derive any benefit from the brand name “Muthoot Fincorp” and “Muthoot Pappachan” brand names and our goodwill as a part of the “Muthoot Pappachan” Group may be adversely affected, which in turn could adversely affect our business and results of operations. Any such change of control could also significantly influence our business policies and operations.

We benefit in several ways from other entities under the “Muthoot Pappachan” Group. Our customer base over the years has comprised of customers of other entities in the Muthoot Pappachan Group, such as customers of Muthoot Capital Services Limited and MHFCL. Accordingly, any disassociation of our Company from the Muthoot Pappachan Group could adversely affect our ability to attract customers and to expand our business, which in turn could adversely affect our goodwill, operations and profitability.

**20. We do not own most of our branch offices and our registered office. Any failure on our part to execute and/or renew leave and license agreements and/or lease deeds in connection with such offices or failure to locate alternative offices in case of termination of the leases and/or leave and license arrangements in connection with any branch could adversely affect our operations and profitability.**

Our Registered Office and most of our branches are located on leased and/or licensed premises. If any of the owners of these premises does not renew an agreement under which we occupy the premises, attempt to evict us or seek 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.

**21. We have certain contingent liabilities which may adversely affect our financial condition if they materialize.**

As on March 31, 2017, our financial statements disclosed and reflected the following contingent liabilities:

- (1) Counter guarantees aggregating to ₹ 71.3 lakhs provided to certain banks in connection with bank guarantees issued in favour of various statutory authorities. The Company has received Order-In-Appeal No.592/2014, dated October 30, 2014, demanding tax on income received from foreign inward remittances amounting to ₹ 17.17 lakhs. The Company has filed an appeal with the CESTAT, Bangalore against the Order. The Company has received a show cause notice from the Service Tax department during 2012-13 on the taxability of certain transactions of the Company. The liability estimated by the department and mentioned in the show cause notice amounts to ₹ 1,263.21 lakhs of which the Company has paid ₹ 384.69 lakhs. In relation to this, the Company has filed appeals against these orders.
- (2) The Company has received orders from the Income Tax department demanding an amount of ₹ 550.17 lakhs, ₹ 465.30 lakhs, ₹ 1,728.50 lakhs and ₹ 2,065.21 lakhs relating to the Assessment Years 2006-07, 2007-08, 2010-11 and 2013-14 respectively. The Company has accepted the demand for Assessment Year 2007-08, and has filed appeals against other orders. With regards to the assessment year 2010-11, the Company has paid ₹ 265 lakhs out of the outstanding amount of ₹ 1,728.50 lakhs. The Company has been granted a stay for the payment of the balance amount until the disposal of the appeal filed by the Company against the demand of ₹ 1,728.50 lakhs. Post adjustments of the demands against refunds due to the Company, the contingent liability totals to ₹ 2205.2 lakhs. The Company has been served with various show cause notices from the Service Tax department totaling to ₹ 427.36 lakhs for the periods ranging from October 1, 2007 to March 31, 2015 on the taxability of commission received on foreign inward remittance services. The Company has filed replies to the said notices and has been exempted from remittance of ₹ 225.69 lakhs vide Notification No.19/2015-ST, resulting in a contingent liability of ₹ 201.67 lakhs.
- (3) The Company has received show cause notice no.145/2014-15 from the office of the Additional Director General of Central Excise Intelligence, Bangalore Zonal Unit. The liability as mentioned in the show cause notice amounts to ₹ 1,315.43 lakhs.
- (4) Some of the branches of the Company had received notices for registration under the Kerala Money Lenders Act,

1958. An appeal is currently pending before the Supreme Court in connection with the same. The Supreme Court has granted an interim stay till the disposal of the appeal

- (5) The Company had received a notice from RBI to show cause as to why an arm's length policy was not maintained with certain group concerns. The Company has responded to the notice in writing.
- (6) The Company has sold Microfinance Portfolio to Banks & an NBFC. The Company is contingently liable for 5% of the amount outstanding, being MRR totaling to ₹195.87 lakhs.
- (7) The estimated amount of contracts remaining to be executed on capital account and not provided for amounts to nil.

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

As of March 31, 2017, we employed 15,342 employees including 717 contracted experts in our operations. Currently, none of our employees are members of any labor union. 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.

**23. *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.***

We require certain statutory and/or 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 a timely manner or at all, and/or on favorable terms and conditions. Failure by us to comply with the terms and conditions to which such permits or approvals are subject, and/or 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.

**24. *Our insurance coverage may not adequately protect us against potential losses. Any liability in excess of our insurance claim could have a material adverse effect on our results of operations and financial position.***

We maintain such insurance coverage that we believe is adequate for our operations. Our insurance policies, however, may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage.

A successful assertion of one or more large claims against us that exceeds our available insurance coverage or changes in our insurance policies including premium increases or the imposition of a larger deductible or co-insurance requirement could adversely affect our business, financial condition and results of operations.

**25. *We may not be able to detect money-laundering and other illegal or improper activities fully or on a timely basis, which could expose us to additional liability and harm our business or reputation.***

In our pursuit of business, we run the risk of inadvertently offering our financial products and services ignoring customer suitability and appropriateness despite having a Board approved customer suitability policy and associated processes in place. To the extent the Company fails to fully comply with applicable laws and regulations, the relevant government agencies to which the Company reports have the power and authority to impose fines and other penalties. In addition, the Company's business and reputation could suffer if customers use the Company for money-laundering or illegal or improper purposes. Any potential penalties or liabilities imposed by the relevant regulators on such matters may adversely affect the Company's financial condition and results of operations.

**26. *The Company has been subject to RBI inspections and any adverse action taken could affect the business and operations of the Company.***

Pursuant to Section 45N of the RBI Act, RBI conducts periodic inspections of our business and operations, and makes observations and issues directions for us to comply with. If the Company fails to comply with any of these conditions, its certificate of registration may be suspended or cancelled and the Company shall not be able to carry on such activities.

**EXTERNAL RISK FACTORS****Risks Relating to the Indian Economy****1. *A slowdown in economic growth in India could cause our business to be adversely affected.***

Our results of operations are significantly affected by factors influencing the Indian economy and the global economy in general. Any slowdown in economic growth in India could adversely affect us, including our ability to grow our loan portfolio, the quality of our assets, and our ability to implement our strategy.

Any slowdown in the growth or negative growth of sectors where we have a relatively higher exposure could adversely impact our performance. Any such slowdown, and in particular the financing requirement of our customers could adversely affect our business, prospects, results of operations and financial condition.

**2. *Political instability or changes in Govt could adversely affect economic conditions in India generally, and consequently, our business in particular.***

Govt has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. Since 1991, successive governments have pursued policies of economic and financial sector liberalisation and deregulation and encouraged infrastructure projects. Although there is no expectation of a significant change in the Govt's policies under the current government, current macro-economic situations and global conditions might lead to a gradual departure from an accommodative fiscal and monetary policy, which would affect exchange rates and interest rates. A significant change in Govt's policies in the future, particularly in respect of the Gold Loan NBFCs and the Gold Loan industry, could affect business and economic conditions in India. This could also adversely affect our business, prospects, results of operations and financial condition.

**3. *We may be adversely affected by increase in taxes and duties.***

Taxes and duties, including those taxes and duties on certain types of trade transactions and industries affecting the movement and transportation of goods in India, may affect our business, financial condition and results of operations. There can be no assurance that the current levels of taxes, tariffs and duties will not increase in the future, or that State Governments will not introduce additional levies, each of which may result in increased operating costs and lower income. To the extent additional levies are imposed, there can be no assurance that we will be able to pass such cost increases on to our customers.

**4. *Significant fluctuations in exchange rates between the Rupee and foreign currencies may have an adverse effect on our results of operations.***

Our results of operations may be adversely affected if the Indian rupee fluctuates significantly against foreign currencies or if our hedging strategy is unsuccessful. To the extent that our income and expenditures are not denominated in Indian rupees, despite us entering into foreign exchange hedging contracts from time to time, exchange rate fluctuations could affect the amount of income and expenditure we recognise. In addition, the policies of RBI may also change from time to time, which may limit our ability to hedge our foreign currency exposures adequately.

**5. *Natural calamities could have a negative impact on the Indian economy and could cause our business to be adversely affected.***

India has experienced natural calamities such as earthquakes, tsunami, floods and drought in the recent past. The extent and severity of these natural disasters determine their impact on the Indian economy. In previous years, many parts of India received significantly less than normal rainfall. As a result, the agricultural sector recorded minimal growth. Prolonged spells of below normal rainfall in the country or other natural calamities could have a negative impact on the Indian economy, thereby affecting our business, prospects, results of operations and financial condition.

**6. *If regional hostilities, terrorist attacks or social unrest in India increases, our business could be adversely affected.***

India has from time to time experienced social and civil unrest and hostilities within itself and with neighboring countries. India has also experienced terrorist attacks in some parts of the country. India has experienced terrorist attacks in some parts of the country, including in July 2011 in Mumbai, India's financial capital, which resulted in the loss of life, property and business. These hostilities and tensions and/or the occurrence of terrorist attacks have the potential to cause political or economic instability in India and adversely affect our business and future financial performance. Further, India has also experienced social unrest in some parts of the country. If such tensions occur in other parts of the country, leading to overall political and economic instability, it could have an adverse effect on our



business, prospects, results of operations and financial condition. These hostilities and tensions could lead to political or economic instability in India and possible adverse effects on the Issuer's business, its future financial performance and the trading price of the PDIs. Furthermore, India has also experienced social unrest in some parts of the country. If such tensions occur in other parts of the country, leading to overall political and economic instability, it could have an adverse effect on the Issuer's business, future financial performance and the trading price of the PDIs.

7. ***If more stringent labour laws or other industry standards in the jurisdictions in which we operate become applicable to us, our profitability may be adversely affected.***

We are subject to a number of stringent labour laws and restrictive contractual covenants related to levels of employment. India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal, payment of overtime to employees and legislation that imposes financial obligations on employers upon retrenchment. In the future, if we are also required to supply manpower as part of our services, we shall incur additional cost in addition to be exposed to other labour legislation. If labour laws become more stringent or are more strictly enforced, it may become difficult for us to maintain flexible human resource policies, discharge employees or downsize, any of which could adversely affect our business, results of operations, financial condition and cash flows.

8. ***Any downgrading of India's sovereign rating by an international rating agency (ies) may affect our business and our liquidity to a great extent.***

Any adverse revision to India's credit rating for domestic and international debt by international rating agencies may adversely impact our ability to raise additional finances at favorable interest rates and other commercial terms. This could have an adverse effect on our growth, financial performance and our operations.

9. ***The proposed new taxation system in India could adversely affect our business.***

The Indian Government has proposed two major reforms in Indian tax laws, namely the goods and services tax and provisions relating to GAAR. Goods and service tax was notified September 08, 2017, and the same has come into effect from July 01, 2017. As regards GAAR, the provisions will come into effect from the Assessment Year 2018-19 onwards, i.e. Financial Year 2017-18 onwards. If GAAR provisions are invoked, then the tax authorities have wide powers, including denial of tax benefit or a benefit under a tax treaty. As the taxation system is intended to undergo significant overhaul, its consequent effects on us cannot be determined at present and there can be no assurance that such effects would not adversely affect our business, future financial performance and the trading price of the PDIs.

#### RISKS RELATING TO THE PDIs

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

While facts and other statistics in this Information memorandum 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.

2. ***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 PDIs.***

Our ability to pay interest accrued on the PDIs and/or the principal amount outstanding from time to time in connection therewith would be subject to various factors, 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 PDIs and/or the interest accrued thereon in a timely manner, or at all.

3. ***Payments made on the PDIs will be subordinated to certain tax and other liabilities preferred by law.***

4. The Unsecured PDIs will be subordinated to certain liabilities preferred by law such as claims of Gol on account of taxes, and certain liabilities incurred in the ordinary course of our transactions. In particular, in the event of bankruptcy, liquidation or winding-up, to pay obligations on the Unsecured PDIs only after all of those liabilities that

rank senior to these Unsecured PDIs have been paid in accordance with the provisions of the Companies Act. In the event of bankruptcy, liquidation or winding-up, there will not be any sufficient assets remaining, after paying amounts relating to these proceedings, to pay amounts due on the Unsecured PDIs.

**5. *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.



### III. NAMES AND ADDRESSES OF THE DIRECTORS OF THE COMPANY

The general superintendence, direction and management of the affairs and business of the Company are vested in the Board of Directors. Currently, the Company has seven Directors on its Board. The following table sets out details regarding the Board of Directors, as on the date of the information memorandum:

Sr. No.	Name, Designation, DIN, Age, Nationality and Director of the Company Since	Date of Birth	Qualification	Address	Other Directorships
1	<b>Mr. Thomas John Muthoot</b> <b>Designation:</b> Chairman and Managing Director <b>Director of the Company Since:</b> June 10, 1997 <b>DIN:</b> 00011618 <b>Nationality:</b> Indian <b>Age:</b> 55 years	07.06.1962	Bachelor of Commerce – Kerala University	TC 4/1008, (1), Kawdiar, PO, Trivandrum 695 003, Kerala, India	1. EMMEL Realtors and Developers Private Limited 2. LM Realtors Private Limited 3. Mariposa Agri Ventures and Hospitalities Private Limited 4. MPG Hotels and Infrastructure Ventures Private Limited 5. Muthoot APT Ceramics Limited 6. Muthoot Automobile Solutions Private Limited 7. Muthoot Automotive (India) Private Limited 8. Muthoot Buildtech (India) Private Limited 9. Muthoot Capital Services Limited 10. Muthoot Equities Limited 11. Muthoot Hotels Private Limited 12. Muthoot Housing Finance Company Limited 13. Muthoot Land and Estates Private Limited 14. Muthoot Motors Private Limited 15. Muthoot Pappachan Medicare Private Limited. 16. Muthoot Pappachan Technologies Limited 17. Muthoot Risk Insurance and Broking Services Private Limited 18. Muthoot Microfin Limited 19. Trivandrum Centre for Performing Arts
2	<b>Mr. Thomas George Muthoot</b> <b>Designation:</b> Director <b>Director of the Company Since:</b> June 10, 1997 <b>DIN:</b> 00011552 <b>Nationality:</b> Indian <b>Age:</b> 55 years	07.06.1962	Bachelor of Commerce – Kerala University	Muthoot Towers, College Road, P.O.M G Road, Ernakulam-682035, Kerala, India	1. Buttercup Agri Projects and Hospitalities Private Limited 2. Fox Bush Agri Development and Hospitalities Private Limited 3. Jungle Cat Agri Development and Hospitalities Private Limited 4. Mandarin Agri Ventures and Hospitalities Private Limited 5. MPG Hotels and Infrastructure Ventures Private Limited 6. Muthoot APT Ceramics Limited 7. Muthoot Automobile Solutions Private Limited 8. Muthoot Automotive (India) Private Limited 9. Muthoot Capital Services Limited 10. Muthoot Hotels Private Limited 11. Muthoot Housing Finance Company Limited 12. Muthoot Pappachan Medicare Private

					<p>Limited</p> <p>13. Muthoot Pappachan Technologies Limited</p> <p>14. Muthoot Properties (India) Private Limited</p> <p>15. Muthoot Risk Insurance and Broking Services Private Limited</p> <p>16. The Thinking Machine Media Private Limited</p> <p>17. Muthoot Microfin Limited</p> <p>18. Finance Companies' Association (India).</p>
3	<p><b>Mr. Thomas Muthoot</b>  <b>Designation:</b> Executive Director and Chief Financial Officer.  <b>Director of the Company Since:</b> June 10, 1997  <b>DIN:</b> 00082099  <b>Nationality:</b> Indian  <b>Age:</b> 50</p>	15.07.1966	LLB - University of Kerala	Muthoot 7/59 A, Near Kanyampuzha Bridge, cherukod, Eroor PO, Ernakulam 682306	<p>1. Flame Agri Projects and Hospitalities Private Limited</p> <p>2. Goblin Agri Projects and Hospitalities Private Limited</p> <p>3. LM Realtors Private Limited</p> <p>4. MPG Hotels and Infrastructure Ventures Private Limited</p> <p>5. Muthoot Agri Development and Hospitalities Private Limited</p> <p>6. Muthoot Agri Projects and Hospitalities Private Limited</p> <p>7. Muthoot APT Ceramics Limited</p> <p>8. Muthoot Automobile Solutions Private Limited</p> <p>9. Muthoot Automotive (India) Private Limited</p> <p>10. Muthoot Capital Services Limited</p> <p>11. Muthoot Dairies and Agri Ventures Private Limited</p> <p>12. Muthoot Hotels Private Limited</p> <p>13. Muthoot Housing Finance Company Limited</p> <p>14. Muthoot Infrastructure Private Limited</p> <p>15. Muthoot Motors Private Limited</p> <p>16. Muthoot Pappachan Technologies Limited</p> <p>17. Muthoot Risk Insurance and Broking Services Private Limited</p> <p>18. The Right Ambient Resorts Private Limited</p>
4	<p><b>Ms. Janamma Thomas</b>  <b>Designation:</b> Director  <b>Director of the Company Since:</b> June 10, 1997  <b>DIN:</b> 00483693  <b>Nationality:</b> Indian  <b>Age:</b> 83 years</p>	09.03.1933	Matriculation	Muthoottu House, Kozhencherry P.O., Pathanamthita 689 641, Kerala, India	Nil
5	<p><b>Mr. Arrattukkulam Peter Kurian</b>  <b>Designation:</b> Director*  <b>Director of the Company Since:</b> January 30, 2007  <b>DIN:</b> 00008022  <b>Nationality:</b> Indian  <b>Age:</b> 83 years</p>	26.06.1933	M.A. Economics & Statistics	9, Friendship, 23rd Road, TPS III, Bandra (W), Mumbai 400 050, Maharashtra, India	<p>1. Geojit Financial Services Limited</p> <p>2. Muthoot Capital Services Limited</p> <p>3. Granules India Limited</p> <p>4. Geojit Credits Private Limited</p> <p>5. Union Trustee Company Private Limited</p>
6	<p><b>Mr. Ramakrishnapillai Kamalasanan Nair</b></p>	18.01.1939	M Com - Kerala	25-167/ Sivanevash,	<p>1. Muthoot Capital Services Limited</p> <p>2. Muthoot Housing Finance Company</p>

	<b>Designation:</b> Director** <b>Director of the Company Since:</b> June 11, 2001 <b>DIN:</b> 00631889 <b>Nationality:</b> Indian <b>Age:</b> 77 years		University, CA, LLB – Mumbai University	Karekadu, Suchindaram 629704, Tamil Nadu, India	Limited
7	<b>Mr. Vikraman Ampalakkat</b> <b>Designation:</b> Director** <b>Director of the Company Since:</b> October 21, 2007 <b>DIN:</b> 01978341 <b>Nationality:</b> Indian <b>Age:</b> 68 years	08.08.1947	B.Sc Physics	G-3 V B Royal Apartments, Elamakkara Road, Edappally, Kochi, 682 024, Kerala, India	1. ESAF Microfinance & Investments (P) Ltd 2. Samastha Microfinance Limited

\*\* He is an independent Director and does not hold any equity shares in the Company or any Group entity.

None of the Directors are on the RBI defaulter list and/or the Export Credit Guarantee Corporation defaulter list.

**DETAILS OF CHANGE IN DIRECTORS SINCE LAST THREE YEARS: - No change**

**Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of –**

- (i) statutory dues; - Not applicable
- (ii) debentures and interest thereon; - Not applicable
- (iii) deposits and interest thereon; - Not applicable
- (iv) loan from any bank or financial institution and interest thereon. - Not applicable]<sup>1</sup>

**DETAILS OF THE AUDITOR OF THE COMPANY: -**

Name	Address	Auditor Since
<b>M/s. Rangamani &amp; Co</b> Chartered Accountants	Chartered Accountants 17/598, II Floor, Card Bank Buildings, West of YMCA Bridge Alleppey-688001 M.No. 003050S	25-09-2017(From the Date of conclusion of the 20 <sup>th</sup> Annual General Meeting)

**DETAILS OF CHANGE IN AUDITOR SINCE LAST THREE YEARS: -**

Name	Address	Period
<b>A. Cherian &amp; Associates</b> Chartered Accountants	"Puthuparambil" Manganam PO Kottayam – 686 018 Kerala. M.No. 202759	2006 to 25-09-2017 (Date of conclusion of the 20 <sup>th</sup> Annual General Meeting)

<sup>1</sup> Company to confirm.



#### IV. BRIEF SUMMARY OF THE BUSINESS/ ACTIVITIES OF THE ISSUER AND ITS LINE OF BUSINESS

##### HISTORY & BACKGROUND OF THE COMPANY

**Muthoot Fincorp Limited (MFL)**, is a non-deposit accepting, systemically important NBFC registered with the RBI, engaged primarily in the business of providing personal and business loans secured by gold jewellery and ornaments (“**Gold Loans**”). The Gold Loan products of the Company are structured to serve the business and personal purposes of individuals who possess gold but do not have ready or timely access to formal credit or to whom credit may not be available at all, to meet unanticipated or other short term liquidity requirements. The Gold Loan portfolio of the Company as of March 31, 2017 comprised approximately 30.85 lakh loan accounts that were serviced through 3483 branches located across 16 states, union territory of Andaman and Nicobar Islands and the national capital territory of Delhi.

The Company has been engaged in the Gold Loans business for over a decade and is headquartered in Kerala, India. The Company provides retail loan products, primarily comprising of Gold Loans. For the financial year ended March 31, 2017, our Gold Loan business constituted 76% of our total income. For the year ended March 31, 2017, the gold loan portfolio of the Company earned an interest of Rs.1595.00 Crores.

In addition to the Gold Loan business, the Company provides foreign exchange conversion and money transfer services as sub-agents of various registered money transfer agencies. The Company is also engaged in following business:

- (1) generation and sale of wind energy through its wind farms located in Tamil Nadu;
- (2) real estate business;

The Company is also authorized to act as a depository participant and authorized dealer - category II.

The Company is a part of the “Muthoot Pappachan Group” which has diversified business interests ranging from hospitality, financial services, catering, infrastructure for information technology, automobile sales and services and real estate.

The Company predominantly accesses capital by means of term loans from banks, issuances of redeemable non-convertible Debt instruments on a private placement basis, issuances of commercial paper and cash credit facilities from banks including working capital loans. The Company has in the past issued secured redeemable non-convertible debentures to retail investors on a private placement basis as a means to access capital for its Gold Loan business. The Company accesses funds from a number of credit providers, including nationalized banks and private Indian banks, and its track record of prompt debt servicing has allowed it to establish and maintain strong relationships with these financial institutions. The Company has also issued subordinated debt which is considered as Tier II capital of the Company. As of March 31, 2017, the total secured borrowings utilized by the Company aggregated to Rs.8526.58 crores and unsecured borrowings utilized by the Company aggregated to Rs.2427.80 crores.

As of March 31, 2017, the portfolio of outstanding gross Loans under management was Rs. 10347.28 crores. As of March 31, 2017, the Company held 50.29 tons of gold jewellery, as security for all Gold Loans. The capital adequacy ratio of the Company as of March 31, 2017 computed on the basis of applicable RBI requirements was 21.42%, compared to the RBI stipulated minimum requirement of 15%, with Tier I capital comprising 14.10%. Gross NPA was at 1.58% of total loan assets of the Company as of March 31, 2017 while Net NPA was at 1.14% of total loan assets of the Company as of March 31, 2017.

Whilst the total income of the Company increased from Rs.2038.86 crores in Fiscal 2015 to Rs.2104.60 crores in Fiscal 2017 at a CAGR of 1.06%, the net profit of the Company after tax has increased from Rs.83.77 crores in Fiscal 2015 to Rs.116.07 crores Fiscal 2017.

##### MAIN OBJECTS OF THE COMPANY (as per the Memorandum of Association)

1. To carry on the business of a loan company as per RBI guidelines and to carry on and undertake financing by way of giving loans and/or advances and financing otherwise of the activities of others and to receive money on deposits at interest or otherwise for fixed periods as prescribed from time to time by RBI.
2. To carry on the business of money lending in accordance with the RBI guidelines and other applicable laws in force and also giving loans and advances to the weaker sections of society at preferential rate of interest subject to the ceiling fixed from time to time as prescribed by RBI, but the company shall not carry on the business of banking as defined in the Banking Regulations Act, 1949
3. To carry on the business as Authorized Dealer, Money Changer, Offshore Banker or any other person for the time being authorized to deal in foreign exchange or foreign securities or such other activities and to undertake Cross Border Inward Money Transfer Activities subject to the rules and regulations of the Reserve Bank of India
4. To take over as going concern, the business of the Partnership firms, Muthoot Bankers with their assets and liabilities,

manage their affairs and dissolve the firms after the takeover.

## DETAILS OF THE BUSINESS SEGMENTS

### **I Gold Loans**

Our core business is disbursement of Gold Loans, which are typically small ticket loans secured by the pledge of gold jewellery. As of March 31, 2017, we had approximately 30.85 lakh Gold Loan accounts, aggregating to Rs.9052.30 crores, which comprised 87.48% of our total loan portfolio. For the financial year ended March 31, 2017, revenues from our Gold Loan business constituted 76% of our total income.

### **II Neighborhood loans**

These are short term business loans and non-gold collateral loans, which target individuals engaged in micro business sector (micro & small sectors) of trade, service and manufacturing sectors. Suvidha and SME loans offer a maximum loan amount of ₹15,000 and ₹100,000 respectively for various fund requirements of the customers like working capital requirements, expansion of business etc. at nominal rates of interest and with facility of daily collection provided at the doorstep of the customer. Currently such customers would be availing their financial requirements from local money lenders or others in the unorganized sector at exorbitant rates of interest and these loans will provide the right solution to them. These loans, again has been designed in line with the company's vision to help the common man and would contribute to the larger cause of financial inclusion.

### **III. Other Business Initiatives**

#### **a) Money Transfer and Foreign Exchange Conversion Services**

We provide fee based services including money transfer and foreign exchange services. For the financial year ended March 31, 2017, our money transfer services business generated Rs.11.36 crores, or 0.54% 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.

#### **b) Wind Energy**

Our Company is also engaged in the generation and sale of wind energy through our wind farms located in Tamil Nadu. We operate 19 wind turbine generators in the state of Tamil Nadu with a total installed capacity of 23 mega watts. For the financial year ended March 31, 2017 income from our wind mills business was Rs.11.73 crores or 0.56% of our total income.

#### **c) Other loans**

Our Company has in the past disbursed loans secured against non-convertible Debt instruments of the Company held by customers (issued on a private placement basis). However, pursuant to the guidelines on private placement introduced by the RBI, we will no longer be able to disburse such loans. As on March 31, 2017, Rs.1.63 crores remained outstanding. Further, our Company has also disbursed certain loans secured by a charge over immovable property. As on March 31, 2017, Rs. 160.8 crores remained outstanding.

#### **d) Treasury and Corporate Investment**

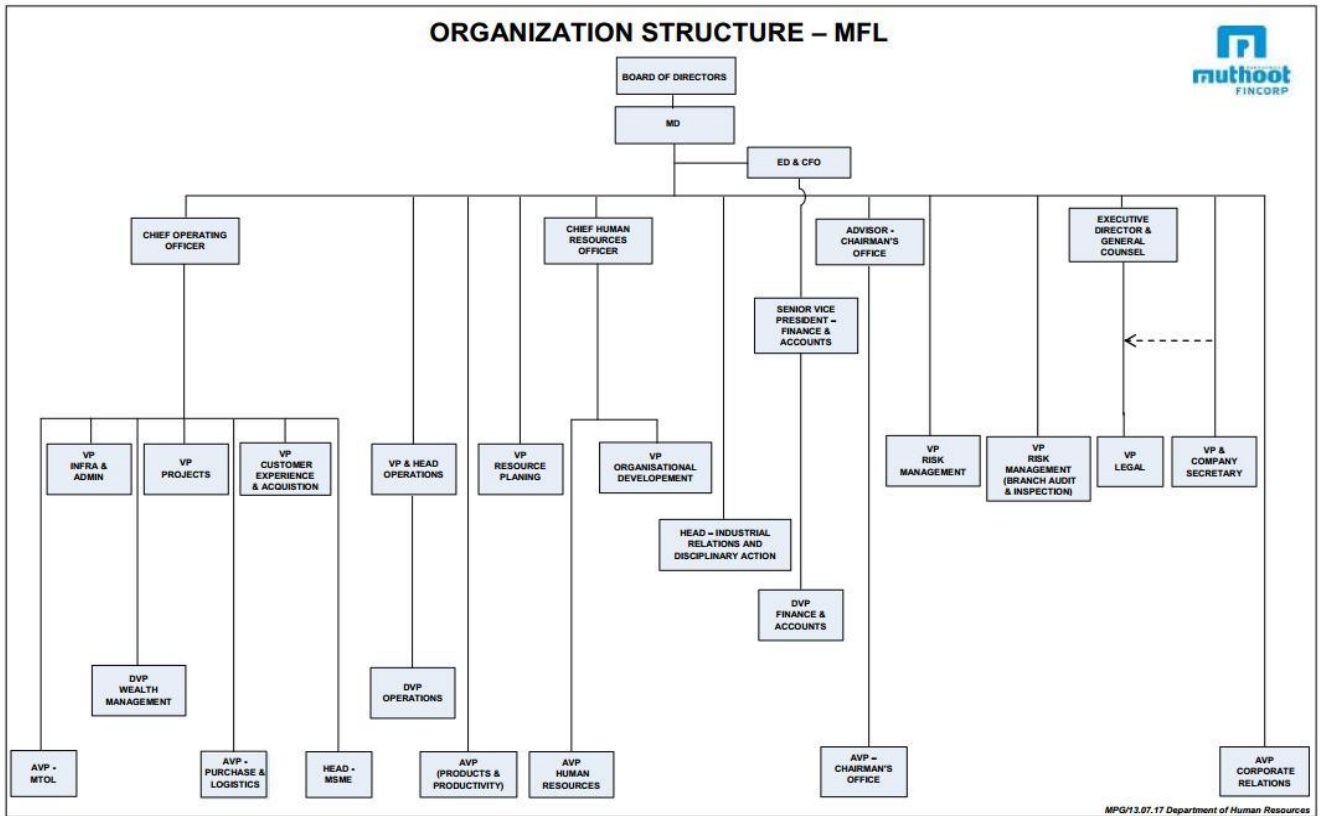
Our Company is into investments in Treasury and Corporate securities, which is guided by the principles of security, liquidity and prudence with a view to maximizing income, while maintaining the optimum balance of yield, liquidity, safety and risks. It is pursuant to relevant statutes and guidelines as prescribed by the Reserve Bank of India (RBI) and other applicable regulatory authorities from time to time. Both short term and long term investments shall be made and each investment will be scrutinized based on the Risk reward matrix and will also be subjected to category wise limit.

#### **e) Third party businesses**

Pursuant to agreements entered into between the Company and some of its Group entities, the Company's branches/ premises and officials are utilised in connection with the business operations of the Group entities such as booking of train/ rail tickets, collection and disbursal of loans and sale of jewellery etc. The Company is entitled to a specific fee/ commission pursuant to these agreements.

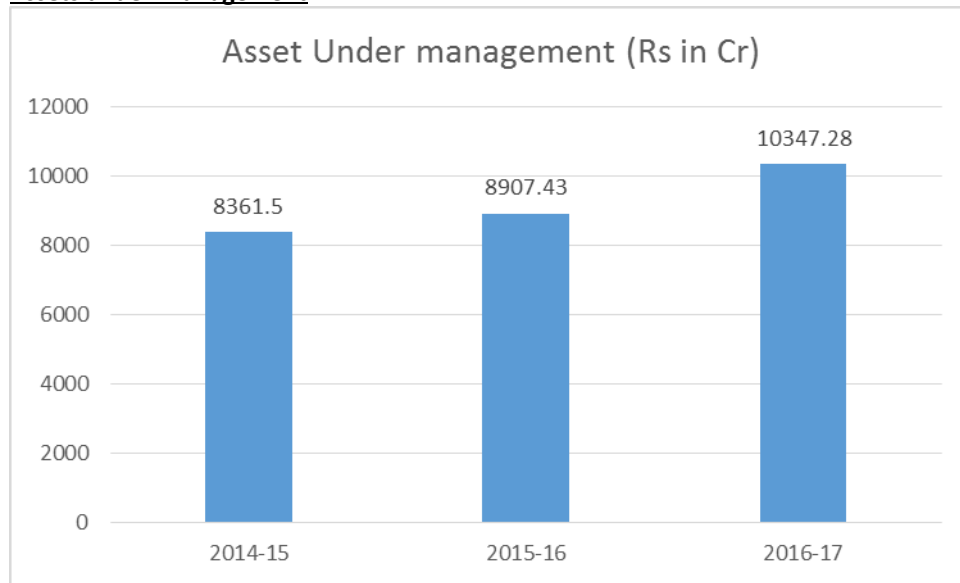
## Organization Structure

The Company's senior management organization structure is set forth below:

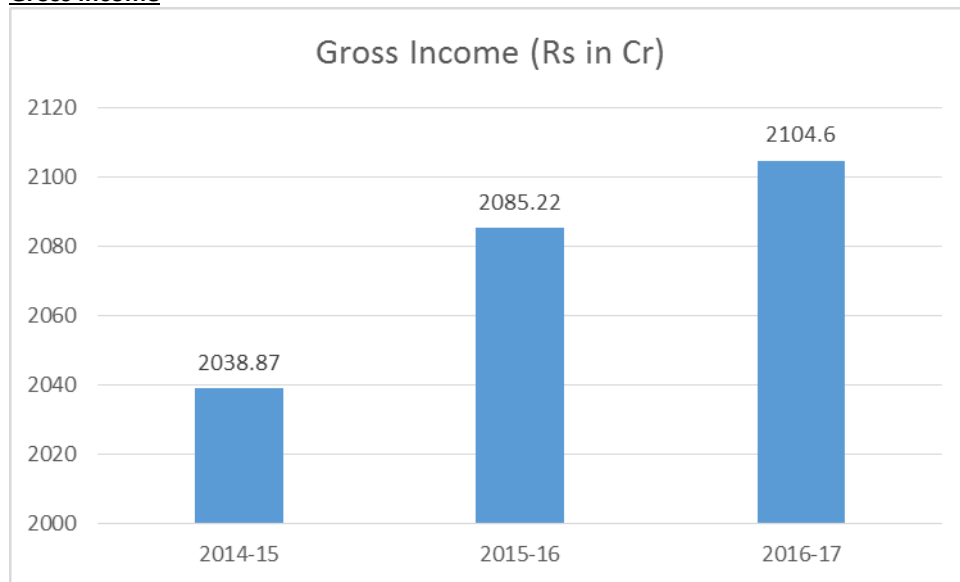


**GROWTH STORY**

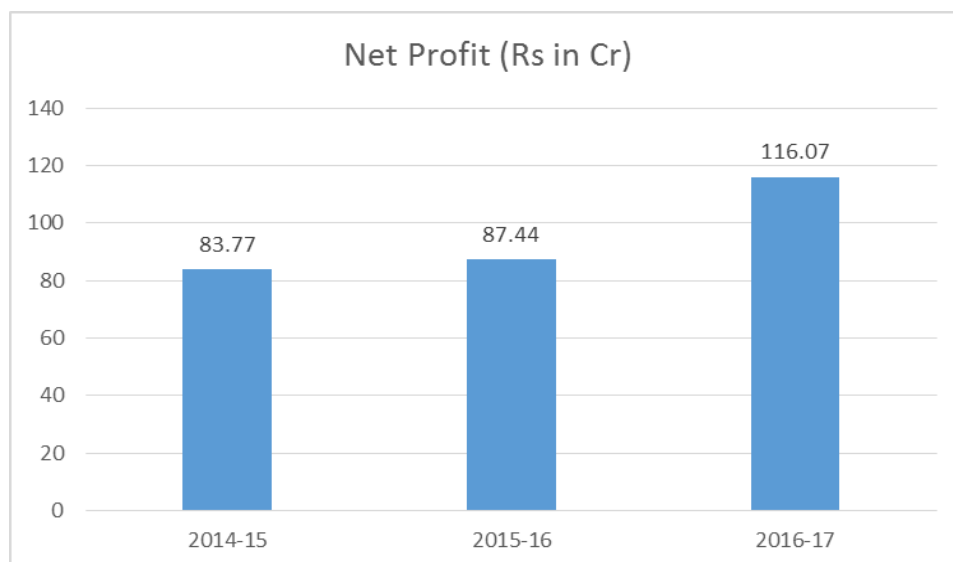
**Assets under Management**



**Gross Income**



**Net Profit**





**PROJECT COST AND MEANS OF FUNDING, IN CASE OF FUNDING NEW PROJECTS**

Not applicable

**V. Abridged version of latest audited Consolidated and standalone financial statements of the Issuer****FINANCIALS – Consolidated**

Consolidated Balance Sheet for the year ended March 31 2015, 2016 and 2017 ( Rs in Crs)

Particulars	March 31, 2017	March 31, 2016	March 31, 2015
<b>LIABILITIES</b>			
<b>Equity and Liabilities</b>			
<b>Share Holder's Funds</b>			
Share Capital	193.71	186.56	186.56
Minority Interest	43.36	19.20	16.22
Reserves & Surplus	1,566.30	1,226.85	1,136.11
Money received against share warrants	-	-	-
<b>Share Application Money Pending Allotment</b>			
<b>Non-Current Liabilities</b>			
Long Term Borrowings	4,556.73	4,205.21	3,143.37
Deferred Tax Liability (net)	-	-	14.34
Other Long Term Liabilities	1.58	1.23	-
Long Term Provisions	11.47	8.19	3.09
<b>Current Liabilities</b>			
Short Term Borrowings	6,577.41	4,800.16	5,278.91
Trade Payables	12.45	25.91	6.85
Other Current Liabilities	2,199.25	1,639.45	1,078.87
Short Term Provisions	206.18	216.03	119.11
<b>TOTAL</b>	<b>15,368.44</b>	<b>12,328.78</b>	<b>10,983.42</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	575.29	516.13	554.07
Intangible Assets	9.06	2.35	0.89
Capital Work in Progress	0.59	-	-
Intangible Assets under Development	6.29	7.58	6.81
Non-Current Investments	91.35	14.32	7.73
Deferred Tax Assets	6.04	7.46	-
Long Term Loans & Advances	1,064.49	949.78	786.01
Inventories	300.13	215.89	-
<b>Other Non-Current Assets</b>	<b>155.20</b>	<b>115.68</b>	<b>91.70</b>
<b>Total Non-Current Assets</b>	<b>2,208.43</b>	<b>1,829.19</b>	<b>1,447.22</b>
<b>Current Assets:</b>			
Current Investments	14.33	15.85	0.73
Trade Receivables	21.93	20.48	12.96
Cash & Cash Equivalents	758.27	548.27	452.94
Short Term Loans & Advances	11,604.17	9,263.45	7,989.43
Other Current Assets	761.31	651.54	1,080.14
<b>Total Current Assets</b>	<b>13,160.01</b>	<b>10,499.59</b>	<b>9,536.21</b>
<b>TOTAL</b>	<b>15,368.44</b>	<b>12,328.78</b>	<b>10,983.42</b>

**Consolidated Statement of Profit & Loss for the year ended March 31, 2015, 2016 and 2017( Rs in Crs)**

Particulars	March 31, 2017	March 31, 2016	March 31, 2015
Revenue from Operations	2,238.62	2,115.51	1,963.21
Other Income	168.30	76.92	119.16
<b>II. Total Revenue</b>	<b>2,406.91</b>	<b>2,192.43</b>	<b>2,082.37</b>
<b>III. EXPENSES</b>			
Employee Benefit Expenses	458.18	386.91	353.72
Finance Cost	1,220.27	1,163.01	1,161.91
Depreciation and Amortization	80.15	79.36	82.28
Other Expenses	412.91	416.57	354.24
<b>IV. Total Expenses</b>	<b>2,171.51</b>	<b>2,045.84</b>	<b>1,952.15</b>
<b>V. Profit before Exceptional and Extra Ordinary Items and Tax (II-IV)</b>	<b>235.40</b>	<b>146.58</b>	<b>130.22</b>
<b>VI. Exceptional Items</b>	-	-	-
<b>VII. Profit before Extra-Ordinary Items (V-VI)</b>	<b>235.40</b>	<b>146.58</b>	<b>130.22</b>
VIII. Extra-Ordinary Items	-	-	-
IX. Profit Before Tax (VII-VIII)	235.40	146.58	130.22
<b>X. Tax Expenses:</b>			
(i) Current Tax	76.02	75.19	27.05
(ii) Deferred Tax	1.43	-21.78	22.75
<b>XI. Profit for the Period from Continuing Operations (IX-X)</b>	<b>157.96</b>	<b>93.18</b>	<b>80.43</b>
XII. Profit/(Loss) from Discontinuing Operations	-	-	-
<b>XIII Tax Expense of Discontinuing Operations</b>	-	-	-
<b>XIV. Profit/(Loss) from Discontinuing Operations (after tax) (XII-XIII)</b>	-	-	-
XV. Profit after Tax before Minority Interests (XI+XIV)	157.96	93.18	80.43
XVI. Less: Minority Interests	-6.86	-2.44	-1.16
XVII. Profit for the year (XV-XVI)	151.09	90.74	79.27
XVIII. Earnings per Equity Share			
Basic	8.10	4.86	4.25
Diluted	8.10	4.86	4.25

**Consolidated Statement of Cash Flow for the year ended March 31 2015, 2016 and 2017( Rs in Crs)**

Particulars	March 31, 2017	March 31, 2016	March 31, 2015
<b>Cash Flow from operating activities</b>			
<b>Net profit after taxation and extraordinary items</b>	<b>157.96</b>	<b>93.18</b>	<b>80.43</b>
<b>Non cash adjustments to reconcile profit before tax to net cash flows:</b>			
Depreciation & amortization	80.15	79.36	1.76
(Profit)/loss on sale of fixed assets	0.01	-	-0.48
Assets Written Off	-	2.59	-
Provisions and write offs	172.19	104.02	68.52
Bad debts written off	19.74	7.84	-
Net gain on sale of current investments	-15.04	-3.33	-8.15
Dividend income	-0.16	-0.12	-0.09
<b>Operating profit before working capital changes</b>	<b>414.85</b>	<b>283.52</b>	<b>141.99</b>
<b>Movement in Working Capital</b>			
(Increase) / decrease in short term loans and assets	-2,360.46	-1,030.61	-336.02
(Increase) / decrease in long term loans and advances	-154.23	-149.83	-89.09
(Increase) / decrease in other current assets	-195.47	-83.98	231.40
(Increase) / decrease in provisions	-55.91	11.87	-
Increase / (decrease) in other current liabilities	546.35	526.40	144.47
<b>Cash generated from operation</b>	<b>-1,804.86</b>	<b>-442.63</b>	<b>92.75</b>

Direct taxes paid (net of refund)	-121.41	-35.67	-53.48
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>-1,926.27</b>	<b>-478.29</b>	<b>39.27</b>
<b>Cash Flow from investing activities</b>			
Purchase/ Sale of fixed and tangible assets	-145.34	-46.23	-24.68
Purchase / Sale of investments	-60.47	-18.37	17.31
Dividend received	0.16	0.12	0.09
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>-205.65</b>	<b>-64.47</b>	<b>-7.29</b>
<b>Cash flow from financing activities</b>			
(Increase) / decrease of short term borrowings	1,777.26	-100.52	-728.00
(Increase) / decrease of long term borrowings	351.87	738.07	800.58
Issue of shares to minority shareholders	17.30	0.55	-
Fresh issue of shares	195.50	-	-
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>2,341.92</b>	<b>638.10</b>	<b>72.57</b>
<b>Net increase / (decrease) in cash and cash equivalents (A + B + C)</b>	<b>210.00</b>	<b>95.33</b>	<b>104.55</b>
Cash and cash equivalents at the beginning of the year	548.27	452.94	348.40
<b>Cash and cash equivalents at the end of the year</b>	<b>758.27</b>	<b>548.27</b>	<b>452.94</b>

## FINANCIALS – Unconsolidated

### Summary Balance Sheet (Rs. In Crores unless otherwise stated)

Particulars	31.03.2017	31.03.2016	31.03.2015
<b>EQUITY AND LIABILITIES</b>			
<b>Share Holder's Funds:</b>			
Share Capital	193.71	186.56	186.56
Reserves And Surplus	1,493.43	1,234.50	1,147.06
<b>Share Application money pending allotment</b>	-	-	-
<b>Non Current Liabilities</b>			
Long Term Borrowings	3,426.13	3,678.26	2,864.50
Deferred Tax Liabilities(Net)	0.38	-	15.01
<b>Current Liabilities</b>			
Short Term Borrowings	6,573.40	4,800.16	5,278.91
Trade Payables	14.00	25.43	6.79
Other Current Liabilities	1,583.54	1,346.80	1,029.87
Short Term Provisions	196.88	212.88	119.01
<b>TOTAL</b>	<b>13,481.47</b>	<b>11,484.60</b>	<b>10,647.71</b>
<b>ASSETS</b>			
<b>Non Current assets</b>			
Fixed Assets			
Tangible Assets	565.70	510.83	550.13
Intangible Assets	3.19	0.65	0.67
Non Current Investments	243.44	146.41	55.87

Particulars	31.03.2017	31.03.2016	31.03.2015
Deferred Tax Assets (net)	-	3.60	-
Long Term Loans and Advances	221.33	398.85	491.31
Inventories	300.13	215.89	-
Other Non Current Assets	86.84	91.20	85.63
<b>Current Assets</b>			
Current Investments	14.33	15.85	0.73
Trade Receivables	21.03	19.76	12.96
Cash and Cash Equivalents	407.88	472.47	395.19
Short Term Loans and Advances	10,912.13	8,973.78	7,978.69
Other Current Assets	705.47	635.32	1,076.52
<b>TOTAL</b>	<b>13,481.47</b>	<b>11,484.60</b>	<b>10,647.71</b>

**Summary Profit and Loss Statement (Rs. In Crores unless otherwise stated)**

Particulars	31.03.2017	31.03.2016	31.03.2015
<b><u>INCOME</u></b>			
Revenue from Operations	1,962.73	2,023.23	1,923.02
Other Income	141.87	62.00	115.84
<b>Total Revenue</b>	<b>2,104.60</b>	<b>2,085.23</b>	<b>2,038.87</b>
<b><u>EXPENSES</u></b>			
Employee Benefits Expense	372.48	367.61	345.10
Finance Cost	1,090.93	1,100.74	1,129.81
Depreciation and Amortization Expense	77.62	77.84	81.31
Other Expenses	391.29	401.89	349.00
<b>Total Expenses</b>	<b>1,932.32</b>	<b>1,948.08</b>	<b>1,905.21</b>
<b>Profit Before Exceptional and Extra Ordinary Items and Tax</b>	<b>172.28</b>	<b>137.15</b>	<b>133.66</b>
Exceptional Items	-	-	-
<b>Profit Before Extra Ordinary Items and Tax</b>	<b>172.28</b>	<b>137.15</b>	<b>133.66</b>
Extra Ordinary Items	-	-	-
<b>Profit Before Tax</b>	<b>172.28</b>	<b>137.15</b>	<b>133.66</b>
Tax Expenses:			
Current Tax	52.23	68.31	27.05
Deferred Tax	3.98	-18.60	22.84
<b>Profit for the Period from Continuing Operations</b>	<b>116.07</b>	<b>87.44</b>	<b>83.77</b>

Particulars	31.03.2017	31.03.2016	31.03.2015
Profit/(Loss) from Discontinuing Operations	-	-	-
Tax Expense of Discontinuing Operation	-	-	-
Profit/(Loss) from Discontinuing Operations(after tax)	-	-	-
<b>Profit for the Period</b>	<b>116.07</b>	<b>87.44</b>	<b>83.77</b>
<b>Earnings per Equity Share (in Rs.)</b>			
<b>i. Basic</b>	6.22	4.69	4.49
<b>ii. Diluted</b>	6.22	4.69	4.49

**STATEMENT OF CASH FLOWS (UNCONSOLIDATED)**

Particulars	31.03.2017	31.03.2016	31.03.2015
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net profit after taxation and extraordinary items	116.07	87.44	83.77
Non cash adjustments to reconcile profit before tax to net cash flows:			
Depreciation & Amortization	77.62	77.84	0.79
Provisions & write-off's	39.34	97.69	116.88
Dividend income	(0.16)	(0.12)	(0.09)
Extraordinary income	-	-	-
Profit/(loss) on sale of fixed assets	(0.03)	(0.05)	(0.48)
Assets written off	-	2.59	-
Net gain on sale of current investments	(15.04)	(3.33)	(8.15)
Operating profit before working capital changes	217.80	262.06	192.73
<b>Movement in Working Capital</b>			
(Increase) / decrease in long term loans and advances	144.26	(360.99)	-
(Increase) / decrease in short term loans and advances	(1,852.56)	(252.60)	(410.25)
(Increase) / decrease in other current assets	(201.12)	(70.75)	238.64
Increase / (decrease) in other current liabilities	87.91	282.45	31.14
Cash generated from Operation	(1,603.70)	(139.84)	52.26
Direct taxes paid (net of refund)	(99.54)	(21.96)	(52.93)
Extraordinary income	-	-	-
<b>NET CASH FLOW FROM /(USED IN) OPERATING ACTIVITIES (A)</b>	<b>(1,703.24)</b>	<b>(161.79)</b>	<b>(0.67)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of fixed and tangible assets	(90.00)	(42.69)	(17.87)
Purchase / Sale of investments	(75.52)	(21.70)	7.01
Investment in subsidiary company	(20.00)	(83.95)	-
Sale of fixed assets	0.42	1.59	8.57
Interest received on investments & fixed deposits	-	(5.81)	-
Profit/Loss on sale of fixed assets/investments	15.07	3.38	-
Dividend received	0.16	0.12	0.09
<b>NET CASH FLOW FROM /(USED IN) INVESTING ACTIVITIES (B)</b>	<b>(169.86)</b>	<b>(149.06)</b>	<b>(2.20)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
(Increase) / decrease of short term borrowings	1,773.25	(100.52)	(728.00)
(Increase) / decrease of long term borrowings	(114.75)	488.65	807.43
Proceeds from Issue of Share Capital	150.00	-	-
<b>NET CASH FLOW FROM /(USED IN) FINANCING ACTIVITIES (C)</b>	<b>1,808.50</b>	<b>388.14</b>	<b>79.43</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)</b>	<b>(64.59)</b>	<b>77.29</b>	<b>76.55</b>
Cash and cash equivalents at the beginning of the year	472.47	395.19	318.64

Cash and cash equivalents at the end of the year	407.88	472.47	395.19
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**Dividends declared by company for last three financial years and the interest coverage ratio: (Rs. in Lakhs)**

Particulars	March31,2017	March 31, 2016	March 31, 2015
Dividends	NIL*	NIL	NIL
Interest Coverage ratio (EBIT / Interest)	As per SEBI circular No. SEBI/LAD-NRO/GN/2015-16/013, Regulation 52 (4) , the requirement of disclosures of debt service coverage ratio, asset cover and interest service coverage ratio shall not be applicable for banks or non-banking financial companies registered with the Reserve Bank of India.		

\* Dividend declared @ 7.5 % ( 0.75 per equity share of Rs 10 each) on 25-09-2017

**Business Outlet Network**

Over the years our Company has established a pan-India presence, with 3483 branches located across 16 states, union territory of Andaman & Nicobar and the national capital territory of Delhi (as of March 31, 2017), with a significant presence in south India. The distribution of branches across India by region as of March 31, 2017 is as set out in the following table:

State	2017	2016	2015
Union Territory of Andaman & Nicobar	2	-	-
Andhra Pradesh	325	339	346
Telangana	230	233	234
Delhi	93	95	95
Goa	10	11	11
Gujarat	107	117	117
Haryana	60	60	60
Karnataka	531	535	543
Kerala	881	959	992
Madhya Pradesh	29	31	31
Maharashtra	181	186	187
Orissa	17	11	11
Punjab	46	49	49
Rajasthan	49	52	52
Tamil Nadu	844	895	899
Uttar Pradesh	43	43	43
Uttarakhand	2	2	2
West Bengal	33	27	27
<b>Total</b>	<b>3483</b>	<b>3645</b>	<b>3699</b>

**VI. BRIEF HISTORY OF THE ISSUER SINCE ITS INCORPORATION:**

GIVING DETAILS OF ITS ACTIVITIES INCLUDING ANY REORGANIZATION, RECONSTRUCTION OR AMALGAMATION, CHANGES IN ITS CAPITAL STRUCTURE, (AUTHORIZED, ISSUED AND SUBSCRIBED) AND BORROWINGS, IF ANY.

**CAPITAL STRUCTURE** (as on June 30, 2017)

(Rs. in crores except per share data)

	Aggregate value
<b>Authorised share capital</b>	
20,00,00,000 Equity Shares of ₹ 10 each	200
Issued, subscribed and paid up share capital before and after the Issue	
Issued capital: 19,38,00,800 Equity Shares of ₹ 10 each, fully paid up	193.80
Subscribed capital: 19,37,05,560 Equity Shares of ₹ 10 each, fully paid up	193.70
Securities premium account (before and after the Issue)	381.29

**SHARE CAPITAL HISTORY**

### Changes in Capital Structure

Changes in authorized capital of the Company for the last seven years as on June 30, 2017 is set forth below:

Sr no	Date of Shareholder Resolution	AGM/EGM	Aggregate Value	Particular
1	8-Sep-10	EGM	Rs. 20 crores	Increase in authorised share capital from Rs. 55 crores divided into 5,50,00,000 Equity Shares of Rs.10 each to Rs. 75 crores divided into 7,50,00,000 Equity shares of Rs.10 each.
2	27-Jul-11	AGM	Rs. 125 crores	Increase in authorised share capital from Rs. 75 crores divided into 7,50,00,000 Equity Shares of Rs.10 each to Rs.200 crores divided into 20,00,00,000 Equity shares of Rs.10 each.

### Equity Share Capital History

The history of the equity share capital of the Company as on June 30, 2017 is set forth below:

Date of Allotment	No. of Equity Shares	Face Value (Rs)	Issue Price (Rs.)	Nature of Consideration (Rs.)	Nature of allotment	Cumulative No of Equity shares	Cumulative Paid up share Capital (Rs.)	Cumulative Share Premium
May 28, 1997	800	10	10	Cash	Subscription to the Memorandum Of Association	800	8000	-
September 11, 1997	299200	10	10	Cash	Allotment of Equity Shares on rights basis	300000	3000000	-
August 31, 2002	1950000	10	10	Cash	Allotment of Equity Shares on rights basis	2250000	22500000	-
February 01, 2004	7750000	10	10	Cash	Allotment of Equity Shares on rights basis	10000000	100000000	-
March 26, 2005	5000000	10	10	Cash	Allotment of Equity Shares on rights basis	15000000	150000000	-
March 31, 2005	10000000	10	10	Cash	Allotment of Equity Shares on rights basis	25000000	250000000	-
March 12, 2006	25000000	10	10	Cash	Allotment of Equity Shares on rights basis	50000000	500000000	-
September 4, 2007	5000000	10	50	Cash	Allotment of Equity Shares on rights basis	55000000	550000000	200000000
September 30, 2010	5000000	10	50	Cash	Allotment of Equity Shares on rights basis	60000000	600000000	400000000
March 31, 2011	2500000	10	100	Cash	Allotment of Equity Shares on rights basis	62500000	625000000	625000000
July 29, 2011*	93750000	10	Nil	N.A	Bonus issue of Equity Shares	156250000	1562500000	625000000

September 2, 2011	25000000	10	40	Cash	Preferential allotment of Equity Shares	181250000	1812500000	1375000000
February 29, 2012	5312700	10	200	Cash	Preferential allotment of Equity Shares	186562700	1865627000	2384413000
March 31, 2017	7142860	10	210	Cash	Rights Issue	193705560	1937055600	3812985000

Notes: \* The allotment was deemed to come into effect on July 28, 2011, pursuant to the board resolution dated July 29, 2011.

#### Issue of Equity Shares for consideration other than cash

Except for the bonus issue of Equity Shares of the Company as detailed under, there has not been any issue of Equity Shares for consideration other than cash:

Date of Allotment	No. of Equity Shares	Face Value (Rs)	Issue Price (Rs.)	Nature of Consideration (Rs.)	Nature of allotment	Cumulative No of Equity shares	Cumulative Paid up share Capital (Rs.)	Cumulative Share Premium
July 29, 2011*	93750000	10	Nil	Bonus**	Bonus issue of Equity Shares	156250000	1562500000	625000000

\*The allotment was deemed to come into effect on July 28, 2011, pursuant to the board resolution dated July 29, 2011.

\*\* Allotment of 9,37,50,000 Equity Shares as bonus shares to the existing equity shareholders of the Company in the ratio of three new Equity Shares for every two existing Equity Shares held as on July 21, 2011, by capitalisation of sum standing to the credit of the profit and loss account of the Company i.e. 2,08,33,347 Equity Shares to Thomas John Muthoot, 2,08,33,347 Equity Shares to Thomas George Muthoot, 2,08,33,344 Equity Shares to Thomas Muthoot, 78,12,491 Equity Shares to Janamma Thomas, 78,12,491 Equity Shares to Preethi Thomas, 78,12,490 Equity Shares to Nina George and 78,12,490 Equity Shares to Remmy Thomas.

#### Acquisition or Amalgamation or Reconstruction or Re-organisation

Except as mentioned below, there has been no acquisition, amalgamation, reconstruction or re-organization in the last one year:

The Company acquired 8,71,992 equity shares of Rs.10 each of MML, a subsidiary, amounting to Rs. 87.19 lakhs on December 21, 2016 with a premium of Rs. 91,280,122.56.

The Company acquired 100,00,000 equity shares of Rs. 10 each of MML, a subsidiary, amounting to Rs. 1000 lakhs on April 29, 2016.

The Company acquired 100,00,000 equity shares of Rs.10 each of MML, a subsidiary, amounting to Rs. 1000 lakhs on January 21, 2016.

The Company acquired 8,71,992 equity shares of ₹10 each at a premium of ₹104.68 of MML, a subsidiary, amounting to ₹ 1000 lakhs on December 21,2016



**SHAREHOLDING PATTERN** (as on June 30, 2017)

SL. No.	NAME OF SHAREHOLDERS	Status	TOTAL NO. OF SHARES ( All shares in DEMAT)	AMOUNT IN Rs	% of Holding
1.	Thomas John Muthoot	Promoter and Share Holder	5,08,43,764	50,84.37,640	26.25
2.	Thomas George Muthoot	Promoter and Share Holder	5,08,43,764	50,84.37,640	26.25
3.	Thomas Muthoot	Promoter and Share Holder	5,08,43,769	50,84,37,690	26.25
4.	Janamma Thomas	Share Holder	1,039	10,390	0.0005
5.	Preethi John Muthoot	Share Holder	1,35,25,989	13,52,59,890	6.98
6.	Nina George	Share Holder	1,35,25,961	13,52,59,610	6.98
7.	Remmy Thomas	Share Holder	1,35,25,988	13,52,59,880	6.98
8.	Muthoot Exim Private Ltd	Share Holder	4,76,200	47,62,000	0.25
9.	Muthoot Kuries Private Ltd	Share Holder	1,19,050	11,90,500	0.06
10.	Shiney Thomas	Share Holder	6	6	0.00
11.	A.V. Koshy	Share Holder	5	5	0.00
12.	Jayakrishnan P	Share Holder	5	5	0.00
13.	Amjad M	Share Holder	5	5	0.00
14.	Lathika Anand	Share Holder	5	5	0.00
15.	Parameswaran T.S	Share Holder	5	5	0.00
16.	Sangeetha Vijay	Share Holder	5	5	0.00
	<b>Total</b>		<b>19,37,05,560</b>	<b>1,93,70,55,600</b>	<b>100</b>

**VII. SECURITIES TO BE LISTED UNDER CURRENT DOCUMENT**

Under the purview of current document, the Company will raise an amount aggregating to Rs.24.00 Crores of **Unsecured, Non-Convertible Perpetual Debt instruments**. The company has a valid rating of 'BWR A' by BRICKWORKS for the perpetual debt instruments.

As per the details given below, the rating letter is enclosed at the end of this document.

Detailed term sheet the Debt instrument issue is given in below in this document.

CREDIT RATING: BRICKWORKS has assigned a rating of "BRICKWORKS BWR A/Stable" to the Perpetual Debt instrument. Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such instruments carry moderate credit risk. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decision. These ratings are subject to revision or withdrawal at any time by the assigning rating agency and should be evaluated independently of any other ratings.

**VIII. DETAILS OF ISSUE SIZE**

The Company proposes to mobilize through private placement of Non convertible Perpetual Debt Instruments aggregating up to Rs. 24.00 crores

**Summary Term Sheet**

Security Name	MUTHOOT FINCORP PERPETUAL NON- CONVERTIBLE DEBENTURE SERIES 6 WITH COUPON RATE 12%
Issuer	Muthoot Fincorp Limited
Type of Instrument	Perpetual Debt Instrument
Nature of Instrument	<b>Unsecured, Non-convertible Perpetual Debt Instrument</b>
Seniority	The claims of the investors in PDI shall be a) Superior to the claims of investors in equity shares; and b) Subordinated to the claims of all other creditors.
Mode of Issue	Private Placement – Dematerialized

Eligible Investors	Investors identified by the company												
Listing (Including name of stock exchange(s) where it will be listed and timeline for listing)	The PDIs are proposed to be listed on the WDM segment of the Bombay Stock Exchange Limited (BSE). The PDIs will be listed on the Bombay Stock Exchange within 90 days from the Date of Allotment												
Rating of the instrument	"BWRA A" by BRICKWORKS												
Issue Size	Rs.24.00 Crores												
Option to retain oversubscription(Amount)	NA												
Objects of the Issue	The current borrowing program will be used to augment the Tier 1 working capital of the Company& for General Corporate Purposes.												
Details of the utilization of the proceeds	The proceeds of Issue, after meeting the expenditures of and related to the Issue, will be utilised for various financing activities of the Company including lending and investments, subject to applicable statutory and/or regulatory requirements, to repay the Company's existing loans and its business operations including working capital requirements.												
Coupon Rate	12%												
Step Up/Step Down Coupon RATE	The company has a step up option for increasing the rate of interest payable on PDI's. Such options can be exercised only once during the whole life of instrument after the lapse of 10 years from the date of issue. The step up shall not be more than 100 bps in reference to the interest rate advertised as per offer document.												
Coupon payment frequency	Monthly												
Coupon Payment dates	Last Working day of every month <table border="1" data-bbox="614 920 869 1122"> <tr> <td>31-Oct</td> <td>30-Apr</td> </tr> <tr> <td>30-Nov</td> <td>31-May</td> </tr> <tr> <td>31-Dec</td> <td>30-Jun</td> </tr> <tr> <td>31-Jan</td> <td>31-Jul</td> </tr> <tr> <td>28/29-Feb</td> <td>31-Aug</td> </tr> <tr> <td>31-Mar</td> <td>30-Sep</td> </tr> </table>	31-Oct	30-Apr	30-Nov	31-May	31-Dec	30-Jun	31-Jan	31-Jul	28/29-Feb	31-Aug	31-Mar	30-Sep
31-Oct	30-Apr												
30-Nov	31-May												
31-Dec	30-Jun												
31-Jan	31-Jul												
28/29-Feb	31-Aug												
31-Mar	30-Sep												
Coupon Type	Simple												
Coupon Reset Process (including rates, spread, effective date ,interest rate cap and floor etc)	NA												
Interest on Application money	At the respective coupon rate (subject to deduction of tax of source, as applicable) from the date of realization of cheque(s) / demand draft(s) up to one day prior to the Date of Allotment. Where the entire or Part subscription amount has been refunded, the interest @ 12% pa on application money will be paid along with the Refund Orders.												
Tenor	Perpetual												
Redemption Date	NA												
Redemption Amount	On Face Value												
Redemption premium/Discount	NA												
Face Value	Rs 500000 per Unit												
Issue Price	Rs 500000 per Unit												
Minimum subscription	1 unit												
<b>Put Option</b>	NA												
<b>Call Option</b>	subject to strict compliance with each of the following conditions: (a) that the instrument has run for a minimum period of ten years from the date of issue; and (b) Call option shall be exercised only with the prior approval of RBI. While considering the proposals received for exercising the call option the RBI would, among other things, take into consideration the NBFC's CRAR position both at the time of exercise of the call option and after the exercise of the call option												
Put notification Time	NA												
Call Notification Time	1 month from the date of receiving RBI approval for the same												
Minimum Application and in	Minimum application of 1 unit and in multiples of 1 unit Debt instrument												

multiples of Debt securities thereafter	thereafter
Issue timing 1. Issue opening date 2. Issue closing date 3. Date of Allotment	31-10-2017 02-11-2017 02-11-2017
Issuance mode of the Instrument	Only in Dematerialized form
Trading mode of the Instrument	Only in Dematerialized form
Settlement mode of the Instrument	Payment of interest will be made by way of Cheques / DD's / Electronic mode.
Depository	National Securities Depository Ltd. and Central Depository Services (India) Ltd. (NSDL / CDSL)
Security	NA , unsecured
Business Day Convention	A 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, except with reference to Issue Period, Interest Payment Date and Record Date, where working days shall mean all days, excluding Saturdays, Sundays and public holiday in India or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881. If the date of payment of coupon/ interest rate specified does not fall on a Working Day, the coupon payment shall be made on the succeeding Working Day. However, the dates of future coupon/interest rate would be as per the original schedule prescribed herein.
Record Date	25th of every month or as may be prescribed by the Stock Exchange.
Working Day Convention/ Day Count/ Effect of holidays on payment	A Working Day shall mean all days excluding Sundays or a public holiday in India or at any other payment center notified in terms of the Negotiable Instruments Act, 1881, except with reference to Issue Period, Interest Payment Date and Record Date, where working days shall mean all days, excluding Saturdays, Sundays and public holiday in India or at any other payment center notified in terms of the Negotiable Instruments Act, 1881. Day Count Convention Actual/actual i.e., interest will be computed on a 365 days-a-year basis on the principal outstanding on the PDIs. Where the interest period (start date to end date) includes February 29, interest will be computed on 366 days-a-year basis, on the principal outstanding on the PDIs. Effect of holidays on payments If the date of payment of coupon/ interest rate specified does not fall on a Working Day, the coupon payment shall be made on the succeeding Working Day. However, the dates of future coupon/interest rate would be as per the original schedule prescribed herein.
Transaction Documents	Information Memorandum
Name and address of the valuer who performed valuation of the security offered	Not Applicable
Conditions Precedent to Disbursement	Not Applicable
Condition Subsequent to Disbursement	Not Applicable

All terms in compliance with RBI regulation RBI /2008-09 /253: DNBS (PD) CC. No.131 /03.05.002 / 2008-2009 are applicable

#### IX. DETAILS OF UTILISATION OF PROCEEDS, OBJECTS OF THE ISSUE

The company shall be raising up to Rs. 24 Crores through the issue of **Non-convertible Perpetual Debt Instruments**. This will be used to augment the Tier 1 capital of the Company & for General Corporate Purposes.

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

The proceeds of Issue, after meeting the expenditures of and related to the Issue, will be utilized for various financing activities of the Company including lending and investments, subject to applicable statutory and/or regulatory requirements, to repay the Company's existing loans and its business operations including working capital requirements.

## X. MATERIAL CONTRACTS INVOLVING FINANCIAL OBLIGATION OF THE COMPANY

By very nature of its business, the Issuer Company is involved in a large number of transactions involving financial obligations and therefore it may not be possible to furnish details of all material contracts and agreements involving financial obligations of the Issuer Company. However, the contracts referred to in Para A below (not being contracts entered into in the ordinary course of the business carried on by the Issuer Company) which are or may be deemed to be material have been entered into by the Issuer Company. Copies of these contracts together with the copies of documents referred to in Para B may be inspected at the Registered & Corporate Office of the Issuer Company between 10.00 a.m. and 2.00 p.m. on any working day until the issue closing date.

### A. MATERIAL CONTRACTS

- a. Copy of letter appointing Registrar and Transfer Agents (RTA) and copy of MOU entered into between the Issuer Company and the RTA
- b. Copy of letter appointing **Vistra ITCL (India) Limited** as Trustee to the Debt instrument holders.

### B. DOCUMENTS

- a. The Memorandum and Articles of Association of the Company, as amended from time to time.
- b. Certificate of Incorporation of the Company.
- c. Certificate of Commencement of Business.
- d. Board Resolution dated 24/08/2017 authorizing issue of Perpetual Debt instruments offered under terms of this Disclosure Document.
- e. EGM Resolution providing for the Borrowing Powers of the Company.
- f. Letter of consent from **Vistra ITCL (India) Limited** for acting as Trustee for and on behalf of the holder(s) of the Debt instruments.
- g. Copy of application made to the BSE for grant of in-principle approval for listing of PDIs.
- h. Annual Reports of the Issuer Company for the last three years.
- i. Letter from BRICKWORKS conveying the credit rating for the PDIs of the Issuer Company and the rating rationale pertaining thereto.

## DISCLOSURES

- a. Memorandum and Articles of Association and necessary resolution(s) for the allotment of the debt securities.
- b. Copy of last three years audited Annual Reports.
- c. Statement containing particulars of, dates of, and parties to all material contracts and agreements.
- d. Copy of the Board/Committee Resolution authorizing the borrowing and list of authorized signatories.

## XI. Contribution being made by the promoters or directors either as part of the Issue or separately in furtherance of such objects

NIL

## XII. Financial or interest of the directors, promoters or key managerial personnel in the Issue.

NIL

## XIII. Litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the Issuer during the last three years immediately preceding the year of circulation of this Disclosure Document.

On June 1, 2012 the Employees' Provident Fund Organization at Nagercoil issued provisional codes TN/79468 to TN/79532 to 65 branches of the Company in Kanyakumari district, thereby implying separate and individual compliance of all provisions of the Employees Provident Funds and Miscellaneous Provisions Act, 1952 ("EPF & MP Act") by each of the branches. Enforcement Officers (EOs) subsequently issued notices from June 21, 2012 onwards to the 65 branches calling for information under Section 13 of the EPF & MP Act. The EOs filed non-compliance reports in respect of the branches. The Company has asserted that the Company should be covered under a single code and compliance with the EPF & MP Act is to be ensured as a Company and not by each branch under a separate code. The Assistant PF Commissioner at Nagercoil has held otherwise in proceedings under Section 7A of the EPF & MP Act and on January 2, 2014 ordered "the employer of

the establishment to comply with the EPF & MP Act within seven days of receipt of this order failing which necessary steps shall be taken to determine the dues and recover the amount invoking the provisions as contemplated under Section 8B to 8G of the EPF & MP Act.” No further determination of dues or demand has been made. The Company has filed an appeal against the order in the National Provident Fund Tribunal.

### **Legal proceedings against the Directors**

#### **1. Criminal Proceedings**

- (1) Mr. K.P. Varghese, Managing Director of Welgate Cinema Folks Private Limited has filed a case (CMP No. 504/13) against Thomas John Muthoot, Thomas George Muthoot and Thomas Muthoot before the Chief Judicial Magistrate Court, Trivandrum, alleging that exorbitant interest is being charged on the loan, which is clearly in violation of the Kerala Prohibition of Charging Exorbitant Interest Act, 2012. The petitioner has prayed that the court directs the museum police station to investigate the alleged offences under Section 3 of the Kerala Prohibition of Charging Exorbitant Interest Act, 2012. The petitioner has further prayed that proceedings be initiated under Section 9(a) of the Kerala Prohibition of Charging Exorbitant Interest Act, 2012.
- (2) The Registrar of Companies, Hyderabad, Andhra Pradesh, had filed a complaint before the Special Judge for Economic Offences at Hyderabad against the erstwhile directors of Nagarjuna Finance Limited (“NFL”) including Mr. A.P. Kurian seeking conviction against the accused persons on the ground of violations of the order dated February 29, 2000, passed by the Company Law Board. The Registrar of Companies, Andhra Pradesh, Hyderabad, also prayed that the accused be directed to pay the amount due to the depositors of NFL. Mr. A.P. Kurian and others filed discharge petitions in the matter and the court discharged them from the case, pursuant to the order dated May 2, 2005. Aggrieved by the above order, the Registrar of Companies, Andhra Pradesh, Hyderabad, filed Criminal Revision Case 1305/2005 in the High Court of Andhra Pradesh. The matter is currently pending.

#### **2. Civil proceedings – Tax related disputes**

##### **1. Thomas John Muthoot**

Sl. No.	Assessment Year	Amount Involved (₹)	Nature of Demand	Status
1	2005-06	1,37,05,006	Penalty under Section 271 C of the Income Tax Act.	Penalty was dismissed by ITAT Kochi vide order September 24, 2014. The Income Tax Department had gone on appeal before the Honourable High Court of Kerala. The High Court of Kerala allowed the appeal filed by the department. In this regard, Special Leave Petition has been filed by the assessee and the same has been admitted by the Supreme Court of India.
2.	2005-06	7,43,50,423	Order under Section 143(3) and disallowance under Section 40(a)(ia) of the Income Tax Act.	The appeal was dismissed by the ITAT Kochi and the Honourable High Court of Kerala by orders dated August 28, 2014 and July 03, 2015 respectively. In this regard, the assessee has filed a special leave petition in the Supreme Court of India and the same has been admitted by the Supreme Court.
3.	2006-07	1,00,000	Penalty under Section 271B of the Income Tax Act.	Appeal pending before CIT (Appeals) - IV / Kochi.
4.	2006-07	70,49,302	Penalty under Section 271C of the Income Tax Act.	The Honourable High Court of Kerala by way of order dated July 03, 2015 allowed the appeal filed by the Revenue against order of the ITAT. In this regard, the assessee has filed a Special Leave Petition in the Supreme Court of India and the same has been admitted.
5.	2006-07	3,56,55,872	Order under Section 143(3) and disallowance under Section 40(a)(ia) of the Income Tax Act.	The appeal was dismissed by the ITAT Kochi and the Honourable High Court of Kerala by orders dated August 28, 2014 and July 03, 2015 respectively. Special Leave Petition has been filed by the assessee in this regard and the same has been admitted by Supreme Court of India.
6.	2007-08	69,09,500	Penalty under Section 271 C of the Income Tax	Penalty was dismissed by ITAT Kochi vide order dated September 24, 2014. The Income Tax Department had gone on appeal before the Honourable High Court of

Sl. No.	Assessment Year	Amount Involved (₹)	Nature of Demand	Status
			Act.	Kerala. The High Court of Kerala allowed the said appeal (order dated February 02, 2015). In this regard, the assessee has filed a Special Leave Petition and the same has been admitted by Supreme Court of India.
7.	2007-08	3,04,68,287	Order under Section 143(3) and disallowance under Section 40(a)(ia) of the Income Tax Act.	The appeal was dismissed by the ITAT Kochi and the Honourable High Court of Kerala by orders dated August 28, 2014 and July 03, 2015 respectively. Special Leave Petition has been filed by the assessee in this regard and the same has been admitted by Supreme Court of India.
8.	2008-09	8,37,750	Order under Section 143 (3) of the Income Tax Act.	Appeal pending before CIT (Appeals) / TVM
9.	2008-09	3,56,459	Penalty under Section 271 C of the Income Tax Act.	Appeal allowed by CIT (Appeals), Trivandrum.
10.	2008-09	7,43,260	Tax under Section 143(3) of the Income Tax Act.	Appeal allowed in favour of Thomas John Muthoot before the CIT (Appeals), Trivandrum by way of order dated May 25, 2015
11.	2009-10	16,97,280	Order under Section 143 (3) of the Income Tax Act and disallowance under Section 40(a)(ia) of the Income Tax Act.	ACIT /Circle -I /Tvla completed the Assessment making a disallowance of ₹ 46.78 lakhs u/s 40(a) (ia). Appeal against this order was dismissed by CIT(A)/, Kottayam, dated December 12, 2015. Appeal against this order was filed in the Income Tax, Appellate Tribunal, Cochin bench, Cochin. The same was dismissed by way of order dated April 28, 2016. Appeal against the said order was filed in the High Court of Kerala at Ernakulam. The said appeal has been dismissed by the High Court of Kerala vide its order dated July 13, 2016.
12.	2011 – 12	69,73,170	Tax under Section 143(3) of the Income Tax Act and penalty under Section 271(1)(c).	Appeal pending before CIT (A) / Tvm.
13	2012-13	1,63,72,070	Order u/s 143(3) - disallowance u/s 14 A	Appeal against order passed by deputy commissioner of income tax /Circle-1/Tvla. - pending before CIT (A).
14	2013-14	8,12,690	Order u/s 143(3) - disallowance u/s 14 A	Appeal against order passed by assistant commissioner of income tax /Circle-1, Thiruvalla, pending before CIT (A), Kottayam.

## 2. Thomas George Muthoot

Sl. No.	Assessment Year	Amount Involved (₹)	Nature of Demand	Status
1.	2003-04	1,28,93,540	Demand under Section 30 of the Wealth Tax Act, 1957 (“Wealth Tax Act”)	Appeal pending before CWT (Appeals)/ Kochi
2.	2004-05	1,20,88,299	Demand under Section 30 of the Wealth Tax Act.	Appeal pending before CWT (Appeals) / Kochi.
3.	2005-06	1,11,97,107	Demand under Section 30 of the Wealth Tax Act.	Appeal pending before CWT (Appeals) / Kochi.
4.	2005-06	9,53,71,446	Order under Section 143 (3) of the Income Tax Act and disallowance under Section 40(a)(ia) of the Income Tax Act.	Appeal dismissed by ITAT / Kochi Bench by order dated August 12, 2011 against which appeal was filed before the High Court of Kerala. The appeal was dismissed by the High Court of Kerala. Consequently, the assessee has filed a Special Leave

Sl. No.	Assessment Year	Amount Involved (₹)	Nature of Demand	Status
				Petition in this regard and the same has been admitted by Supreme Court of India.
5.	2006-07	1,00,000	Penalty under Section 271 B of the Income Tax Act.	Appeal pending before CIT (Appeals) - IV / Kochi
6.	2006-07	1,02,15,920	Demand under Section 30 of the Wealth Tax Act.	Appeal pending before CWT (Appeals) / Kochi
7.	2006-07	1,43,54,083	Penalty under Section 271 C of the Income Tax Act.	Penalty was dismissed by the ITAT Kochi vide its order dated September 24, 2014. The department appealed before the High Court of Kerala and the same was allowed. Special Leave Petition has been filed by Thomas George Muthoot in this regard and the same has been admitted by Supreme Court.
8.	2006-07	7,53,51,608	Order under Section 143(3) and 143(4) and disallowance under Section 40(a)(ia) of the Income Tax Act.	Appeal was dismissed by ITAT/ Kochi and the Honourable High Court of Kerala vide orders dated August 28, 2014 and July 03, 2014 respectively. Special Leave Petition has been filed by the assessee in this regard and the same has been admitted by Supreme Court of India.
9.	2007-08	91,86,170	Wealth tax	Appeal pending before CIT (Appeals) / Kochi.
10.	2007-08	2,69,12,085	Order under Section 143(3) and 143(4) and disallowance under Section 40(a)(ia) of the Income Tax Act.	Appeal was dismissed by ITAT/ Kochi and the Honourable High Court of Kerala vide orders dated August 28, 2014 and July 03, 2014 respectively. Special Leave Petition has been filed by the assessee in this regard and the same has been admitted by Supreme Court of India.
11.	2008-09	1,41,680	Demand under Section 154 of the Income Tax Act.	Appeal pending before CIT (A) / Tvm.
12.	2011-12	99,71,610	Order under Section 143(3) of the Income Tax Act.	Appeal pending before CIT (A) / Tvm.
13.	2012-13	26,168,000	Order u/s 143 (3) - Disallowance u/s 14 A	Appeal against order of the DCIT /Circle-1/Tvla. Pending before CIT (A).
14.	2013-14	60,02,360	Order u/s 143 (3) - Disallowance u/s 14 A	Appeal against order of the Assistant CIT /Circle-1, Thiruvalla, pending before CIT (A), Kottayam.

### 3. Thomas Muthoot

Sl. No.	Assessment Year	Amount Involved (₹)	Nature of Demand	Status
1.	2005-06	18,18,200	Penalty under Section 271 C of the Income Tax Act.	Penalty was dismissed by ITAT Kochi vide order dated August 24, 2014. The department had appealed before the Honourable High Court of Kerala and the same was admitted. In this regard, Special Leave Petition has been filed in Supreme Court of India and the same has been admitted.
2.	2005-06	1,06,17,873	Order under Section 143(3) of the Income Tax Act and disallowance under Section 40(a)(ia) of the Income Tax Act.	Appeal was dismissed by ITAT /Kochi and Honourable High Court of Kerala by orders dated August 28, 2014 and July 03, 2015 respectively. In this regard, Special Leave Petition has been filed in the Supreme Court of India and the same has been admitted.
3.	2006-07	71,101	Penalty under Section 271 B of the Income Tax Act.	Appeal pending before CIT (Appeals) / Tvm.



Sl. No.	Assessment Year	Amount Involved (₹)	Nature of Demand	Status
4.	2006-07	15,69,664	Penalty under Section 271 C of the Income Tax Act.	The Honourable High Court by order dated July 03, 2015 allowed the appeal filed by the Revenue against the order of the ITAT Kochi. In this regard Special Leave Petition has been filed by the assessee in the Supreme Court of India and the same has been admitted.
5.	2006-07	83,09,102	Order under Section 143(3) of the Income Tax Act.	Appeal was dismissed by ITAT /Kochi and Hon. High Court of Kerala by orders dated August 28, 2014 and July 03, 2015 respectively. In this regard, Special Leave Petition has been filed in the Supreme Court of India and the same has been admitted.
6.	2007-08	30,60,400	Penalty under Section 271 C of the Income Tax Act.	Penalty was dismissed by ITAT Kochi by order dated September 09, 2014. The department had gone on appeal before the Honourable High Court of Kerala and the same was allowed. In this regard, Special Leave Petition has been filed in the Supreme Court of India and the same has been admitted.
7.	2007-08	1,29,78,162	Order under Section 143(3) of the Income Tax Act.	Appeal was dismissed by ITAT /Kochi and Honourable High Court of Kerala by orders August 28, 2014 and July 03, 2015 respectively. In this regard, Special Leave Petition has been filed in the Supreme Court of India and the same has been admitted.
8.	2008-09	9,29,923	Order under Section 271(1) C of the Income Tax Act.	Appeal pending before CIT (A) / Tvm.
9.	2008-09	1,23,370	Order under Section 143(3) of the Income Tax Act.	Appeal pending before CIT (A) / Tvm.
10.	2011-12	92,99,010	Order under Section 143(3) of the Income Tax Act.	Appeal pending before CIT (A) / Tvm.
11.	2012-13	2,49,66,580	Order u/s 143(3) - Disallowance u/s.14 A of the Income Tax Act, 1961.	Appeal against order passed by DCIT, Circle-1, Thiruvalla, pending before CIT (A), Kottayam.
12.	2013-14	1,65,83,600	Order u/s 143(3) - Disallowance u/s.14 A of Income Tax Act, 1961.	Appeal against order passed by Assistant CIT /Circle-1, Thiruvalla, pending before CIT (A), Kottayam.

**XIV. Remuneration of Director (during the last three financial years):**

Particulars ( Rs in Crs)	FY 2017-2018	FY 2016-2017	FY2015-2016
Thomas John Muthoot	9.00	7.20	3.00
Thomas Muthoot	7.20	7.20	1.80

**XV. Related party transactions entered during the last three financial years immediately preceding the year of circulation of this Disclosure Document including with regard to loans made, or guarantees given or securities provided: (Rs in Lakhs)**
**As on 31.03.2017**
**(Rs. In Lakhs)**



Particulars	Thomas John Muthoot	Thomas George Muthoot	Thomas Muthoot	Other Directors & relatives
<b>TRANSACTIONS DURING THE YEAR</b>				
Revenue/(Expenses)				
Rent paid*	(17.94)	(43.26)	(81.68)	(0.00)
Remuneration paid	(900.00)	(166.00)	(720.00)	0.00
Interest on debt	(11.01)	0.00	0.00	(7.44)
Sitting Fee	0.00	(2.50)	0.00	(8.00)
Assets				
Payments towards Purchase of Property, Advance for Property	3,818.77	4,653.11	3,908.16	1,583.30
Liabilities				
Investment in Share Capital	3,522.44	3,522.44	3,522.44	3,182.66
<b>OUTSTANDING AS ON 31.03.2017</b>				
Assets				
Advance for Property	2,313.69	2,370.69	2,342.66	133.87
Liabilities				
Debt Instrument Outstanding	100.00	0.00	0.00	39.55
Remuneration payable	197.52	39.65	103.99	0.00
Interest payable to debt outstanding	0.00	0.00	0.00	24.08

\* Exclusive of Service Tax

**Transactions with Group companies and Subsidiaries**

(Rs. in Lakhs)

Transaction	Amount
Revenue	
Income from services rendered*	2,350.69
Income from renting of premises*	336.09
Interest on loans and other finances	513.55
Expenditure	
Rent paid towards premises taken on lease*	20.42
Fees towards services rendered*	3,080.60
Interest on deposits and other debt instruments	375.26
Interest paid on Collection	0.04
Reimbursement of Expenditure*	(159.17)
Assets	
Advance for CSR activities	295.37
Payments towards Purchase / Advance for Property , Shares	55,682.73
Investment made	2,000.00
Loans advanced	200.00
Repayments against loans advanced	(100.00)
Value of Assets Sold	(56.06)
Liabilities	
Investment in Share Capital	1,250.03
Rent Security Deposits accepted	15.60
Rent Security Deposits repaid	(2.69)

\* Exclusive of Service Tax

**Outstanding with Group companies and Subsidiaries**

(Rs. in Lakhs)

Transaction	Amount
Assets (Receivables)	
Against Services rendered	244.16
Against Renting of premises	15.98
Against Interest from loans, deposits and other finances	48.47
Against Advance for CSR activities	8.71
Against Term loan	3,862.00
Against Advance for Property / Shares	54,752.73

Liabilities (Payables)	
Against Rent	1.79
Against Services rendered	771.25
Against Rent Security Deposits	77.11
Against Debt Outstanding	200.00

As on 31.03.2016

(Rs. In Lakhs)

Particulars	Thomas John Muthoot	Thomas George Muthoot	Thomas Muthoot	Relatives of Directors
<b>TRANSACTIONS DURING THE YEAR</b>				
Revenue/(Expenses)				
Interest accrued on loan	417.66	417.69	417.66	-
Ticket Booking income*	7.23	6.84	4.25	-
Rent paid*	(17.73)	(23.73)	(78.43)	-
Remuneration paid	(720.00)	(144.00)	(720.00)	-
Interest on debt	(13.96)	-	-	-
Assets				
Loans repaid during the year	(7,500.00)	(7,500.00)	(7,500.00)	-
Advance for Property	1,326.51	1,316.23	1,302.95	673.02
<b>OUTSTANDING AS ON 31.03.2016</b>				
Assets				
Ticket Booking charges receivable	1.84	1.62	2.06	-
Advance for Property	1,326.51	1,316.23	1,302.95	673.02
Liabilities				
Debt Outstanding	41.50	-	-	-
Interest payable to debt outstanding	10.30	-	-	-
Rent Payable	0.49	0.49	1.31	-

\* Exclusive of Service Tax

**Transactions with Group companies and Subsidiaries**

(Rs. in Lakhs)

Transaction	Amount
<b>Revenue</b>	
Income from services rendered*	972.41
Income from renting of premises*	269.93
Interest on loans and other finances	742.54
Profit on Sale of Assets	5.33
<b>Expenditure</b>	
Rent paid towards premises taken on lease*	17.33
Fees towards services rendered*	977.86
Interest on deposits and other debt instruments	35.80
Interest paid on Collection	1.03
Reimbursement of Expenditure*	40.24
<b>Assets</b>	
Loans repayments received during the year	(4,050.00)
Advance for CSR activities	141.50
Advance for property / property purchase	22,842.56
Investment made during the year	8,395.46
Assignment / Buyout	
Value of Assets Sold	(158.76)
<b>Liabilities</b>	
Rent Security Deposits accepted	42.67
Rent Security Deposits repaid	(0.60)

\* Exclusive of Service Tax

**Outstanding with Group companies and Subsidiaries**

(Rs. in Lakhs)

Transaction	Amount
Assets (Receivables)	
Against Services rendered	182.19
Against Renting of premises	21.80
Against Interest from loans, deposits and other finances	68.79
Against Advance for CSR activities	6.27
Against Term loan	3,762.00
Against Advance for Property	2,720.00
Against Sale of Assets	158.76
Liabilities (Payables)	
Against Rent	1.87
Against Services rendered	380.32
Against Rent Security Deposits	74.99

**As on 31.03.2015****(Rs. In Lakhs)**

Particulars	Thomas John Muthoot	Thomas George Muthoot	Thomas Muthoot
Revenue/(Expenses)			
Interest accrued	287.47	287.88	287.47
Interest paid	(108.02)	(1.81)	(1.81)
Remuneration paid	(300.00)	-	(180.00)
Rent paid	(19.19)	(25.29)	(18.85)
Loans Advanced			
Loans advanced during the year	7,500.00	7,500.00	7,500.00
Outstanding			
Subordinate Debt	8,70.00	-	-
Secured Loans outstanding	7,500.00	7,500.00	7,500.00
Interest Receivable	287.47	287.88	287.47

**Transactions with Group companies and Subsidiaries****(Rs. in Lakhs)**

Transaction	Amount
Revenue	
Income from services rendered	851.93
Income from renting of premises	231.55
Income from loans, deposits and other finances	910.26
Expenditure	
Rent paid towards premises taken on lease	11.62
Fees towards services rendered	245.40
Interest on deposits and other debt instruments	2,124.65
Donations made	21.00
Assets	
Loans / Security Deposits advanced	3,116.85
Loans repaid	(1,685.64)
Advance for CSR activities	187.46
Advance for property / property sale	1,670.85
Assignment / Buyout	(2,999.97)
Liabilities	
Loans / ICD's accepted	700.00
Loans / ICD's repaid	700.00

**Outstanding with Group companies and Subsidiaries****(Rs. in Lakhs)**

Transaction	Amount
Assets (Receivables)	
Against Services rendered	36.47

Against Renting of premises	18.33
Against Interest from loans, deposits and other finances	69.20
Against Advance for CSR activities	52.56
Against Term loan	7,812.00
Liabilities (Payables)	
Against Services rendered	263.38
Against Security Deposits	29.49
Against Subordinate Debt	3,630.00

**XVI. Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of offer letter and of their impact on the financial statements and financial position of the company and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remark.**

NIL

**XVII. Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last three years immediately preceding the year of circulation of offer letter in the case of company and all of its subsidiaries. Also if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of the offer letter and if so, section-wise details thereof for the company and all of its subsidiaries.**

The file No: 2/K – 11387/12(621A) was forwarded to the Regional Director, Southern Region, Ministry of Corporate Affairs, Chennai (“**Regional Director**”) by the Registrar of Companies, Kerala and Lakshadweep, Kochi for compounding of the offence committed under Section 70(1) of the Companies Act, 1956. The Registrar had submitted that MHFCL had allotted aggregate of ₹ 20,00,000 equity shares of ₹ 10 each to the Company and seven persons including the Promoters much before filing the Statement in lieu of prospectus on March 28, 2011. MHFCL sought the compounding of the offence citing that the shares and been allotted to maintain the minimum net owned fund under the National Housing Bank Act, 1987, to obtain a certificate of registration to carry on the business of housing finance. The Regional Director, by way of his order dated September 21, 2012, imposed the compounding fees of ₹ 2,500 each. He took into account the chalans dated September 13, 2012 as proof that the compounding fees had been remitted, and thus compounded the offence.

**XVIII. Details of acts of material frauds committed against the company in the last three years, if any, and if so, the action taken by the company.**

The Gold Loan transactions of the Company involve handling of significant volumes of cash and gold jewellery at its branches. Large cash and gold jewellery transactions expose the Company to the risk of fraud by employees, agents, customers or third parties, theft, burglary and misappropriation or unauthorised transactions by the employees. The total amount involved in all acts of fraud committed against the Company in the last five years is set forth below:

Instances of fraud such as loans against stolen or spurious gold and misappropriation committed by the personnel of the Company aggregating to ₹ 520 lakhs occurred in Fiscal 2017, which were fully provided for in the accounts of the Company. Instances of fraud such as loans against stolen or spurious gold and misappropriation committed by the personnel of the Company aggregating to ₹ 881.09 lakhs occurred in Fiscal 2016, which were fully provided for in the accounts of the Company. Instances of fraud such as loans against stolen or spurious gold and misappropriation committed by the personnel of the Company aggregating to ₹ 541.32 lakhs occurred in Fiscal 2015, which were fully provided for in the accounts of the Company. In light of the frauds committed against the Company, the recruitment policy and related systems of the Company have been reviewed and a series of checks and balances such as panel evaluation before recruitment, antecedent/ back ground verification of a candidate and police verification have also been introduced. The Company has also strengthened its internal audit system to minimise the instances of internal frauds. Further, the Company has taken several steps to increase the security at its branches, including installation of burglar alarms, surveillance systems and deployment of security guards round the clock.

**XIX. An undertaking to the effect that the Issuer would, till the redemption of the debt securities, submit details in the point above to the trustee within the timelines as mentioned in the Simplified Listing Agreement issued by the SEBI**

We shall submit details to the trustee within the timelines as mentioned in the Simplified Listing Agreement issued by the SEBI .

## XX. DETAILS OF TERM BORROWINGS IN THE PAST

## I. Secured Loan/ Credit Facilities

S. No.	Category of Borrowing	Outstanding Amount (₹ in Crores)
<b>I. Secured Borrowings</b>		
A.	Loans	
(i)	Domestic	7,219.48
(ii)	Foreign Currency	Nil
B.	Non-convertible debentures	
(i)	Domestic	1,307.09
(ii)	Foreign Currency	Nil
<b>II. Unsecured Borrowings</b>		
A.	Loans	
(i)	Domestic	Nil
(ii)	Foreign Currency	Nil
B.	Non-convertible debentures	
(i)	Domestic	2,283.80
(ii)	Foreign Currency	Nil
<b>III. Others (PDI)</b>		
(i)	Domestic	144.00
(ii)	Foreign Currency	Nil
<b>Total</b>		<b>10,954.38</b>

## A. Loan/Credit Facilities

## (i) Domestic

Our Company's secured borrowings from banks and financial institutions as on June 30, 2017 amount to Rs. 7212.55 crores. The details of the secured borrowings are set out below.

(₹ in crores)						
Sr. No.	Name of Lender(s)	Type of Facility	Amount Sanctioned (Crores)	Principal Amount Outstanding (Crores)	Repayment Schedule	Security*
	Allahabad Bank	Cash credit (with working capital demand loan as sublimit)	200.00	195.94	The cash credit facility is repayable by way of bullet payment at the end of the tenor of each tranche.	First <i>pari passu</i> charge on hypothecation on Gold Loans receivables and entire other current assets of the company with other lenders i.e. 15% margin.
					The working capital demand loan is repayable by way of bullet payment on the maturity date.	
	Andhra Bank	Open cash credit – renewal cum enhancement (Rs 300 crore) with working capital demand loan of as sub-limit (Rs. 290 crores)	300.00	290.62	Tenor of facility is 1 (one) year.	First <i>pari passu</i> charge by way of hypothecation on the receivables relating to finance against gold ornaments and business loans with minimum asset cover of 110% of the loan amount.
					Short Term loan	

(₹ in crores)						
Sr. No.	Name of Lender(s)	Type of Facility	Amount Sanctioned (Crores)	Principal Amount Outstanding (Crores)	Repayment Schedule	Security*
		Short Term loan	100.00	0.00	Tenor of facility is 9 (nine) months from the date of disbursement.	
3	Axis Bank Limited	Cash credit (with working capital demand loan of Rs. 125 crores as a sublimit of cash credit and foreign currency term loan / FCNR B facility of Rs. 100 crores as a sublimit of cash credit); Working capital demand loan of Rs. 50 crore (fresh sanction)	175.00	149.33	Cash credit is repayable on demand, renewable annually and Working capital demand loan is payable on maturity date. Maximum tenor of working capital demand loan is 6 months, minimum tenor of working capital demand loan is 1 month with an option of roll over. Tenor of FCTL / FCNR B is 1 year. Repayment of FCTL / FCNR B on due date.	First <i>pari passu</i> charge by way of hypothecation on gold loan receivables of the Company, with a margin of 20% for gold loan receivables.
4	Bank of Baroda	Cash credit with working capital demand loan as sub-limit (Rs 90 crore)	100.00	80.38	Tenor of the cash credit facility is 12 (twelve) months. Tenor of the working capital demand loan is 1 (one) month to 6 (six) months. Repayment of the working capital demand loan shall be in the form of bullet payment.	<i>Pari passu</i> charge on book debts, loan receivables/ current assets of the company (both present and future) to the extent of 1.18 times of loan amount with other bank/ financial institution; <i>pari passu</i> charge with lenders on secured public / privately places non-convertible debentures (present and prospective).
5	Bank of India	Cash credit against book debts (with working capital demand loan as a sub-limit of Rs. 195 crores)	200.00	195.00	Tenor of one year.	First charge on <i>pari passu</i> basis on book debts and other current assets of the company, with a margin of 15% i.e. minimum asset coverage ratio of 1.20 times. The company is required to create charge before disbursement or demand loan.
6	Canara Bank	Overdraft bill discounting / working capital demand loan (Rs 200 crore) with working capital demand loan as sub-limit (Rs. 200 crore)	250.00	195.94	Tenor for the facility is one year from the date of sanction, i.e. September 28, 2017 WCDL tenable till actual tenability of the ODBD limit with 3 months- roll over, subject to clearance of liability 3 months roll over option.	First <i>pari passu</i> charge on the entire current assets of the Company (including assets receivables) with other working capital lenders and the debenture holders.

(₹ in crores)						
Sr. No.	Name of Lender(s)	Type of Facility	Amount Sanctioned (Crores)	Principal Amount Outstanding (Crores)	Repayment Schedule	Security*
	Catholic Syrian Bank	Cash credit	20.00	0.00	Tenor of one year.	First pari passu charge by way of hypothecation on the current assets of the Company, with a margin of 25%.
	Central Bank of India	Fund based working capital , i.e. overdraft facility with working capital demand loan as sub-limit (Rs.290 crore)	300.00	287.91	Tenor of one year and repayable on demand. Tenor of working capital demand loan is 91 days to 1 year.	First <i>Pari passu</i> charge by way of hypothecation on Gold Loan Receivables of the Company along with the other working capital /short term lenders with margin of 20% on gold loans receivables.
	City Union Bank Limited.	Secured overdraft with drawing power.	25.00	24.31	Repayable on demand.	Book debts, with 15% margin
	Corporation Bank	Cash credit with working capital demand loan (Rs. 190 crores)	200.00	190.00	Cash credit to be on running account basis, repayable on demand. Working capital demand loan will have a maximum tenor of 3 (three) months / 6 (six) months, to be decided at the time of each drawdown.	First <i>pari passu</i> charge by way of hypothecation on the present and future book debts and chargeable current assets including gold loan receivables of the Company, with a margin of 15%.
		Working Capital Demand Loan (WCDL – Sanction)	100.00	25.00	Repayment in four equal quarterly instalments of Rs 25 crore each after moratorium period of 12 months from the date of first draw down.	First charge on <i>pari passu</i> basis on gold loan receivables covered under financing activity, present and future to be shared with other lenders under multiple banking arrangement with a margin of 15%.
	Dena Bank	Cash credit (including working capital demand loan as a sub-limit Rs 145 crore)	150.00	145.00	Tenor of one year and repayable on demand subject to annual review. Maximum tenor of working capital demand loan is 90 days.	Hypothecation and first charge on a <i>pari passu</i> basis on the current assets, major portion of which is gold loan receivables with other lenders. Primary security is at 1.11 times for the facility.
	The Federal Bank Limited	Cash credit (with working capital demand loan as sub-limit of Rs. 95 crores)	100.00	96.28	The facility is valid for a period of 12 (twelve) months. Repayable in lump sum.	First charge on a <i>pari passu</i> basis by way of hypothecation on loan receivables of the Company along with secured debenture holders and other banks, with a margin of 15%.
	HDFC Bank Limited	Cash credit / Working capital demand loan	10.00	0.78	The cash credit facility is repayable on demand. Working capital demand loan – upto one year	First charge on a <i>pari passu</i> basis on all the current assets of the Company both present and future, with a margin of 25%.

(₹ in crores)						
Sr. No.	Name of Lender(s)	Type of Facility	Amount Sanctioned (Crores)	Principal Amount Outstanding (Crores)	Repayment Schedule	Security*
	Housing Development Finance Corporation Limited	Term loan	0.65	0.11	Repayable in 60 equated monthly equated instalments of Rs. 1,33,490 commencing from the month in which final disbursement is made.	Mortgage of Apartment No. 4, on the 20 <sup>th</sup> floor, Tower No. 34 in DLF Garden City, Chennai, admeasuring 2012 square feet.
	ICICI Bank Limited	Working Capital Demand Loan (including Cash Credit as a sub-limit of Rs. 250 million.)	50.00	2.59	Maximum tenor of each tranche is 180 days. The minimum tenor of each tranche is 7 days. Principal amount of each tranche is repayable by way of bullet payment on the maturity date or in instalments as agreed upon, but repayable on demand at the discretion of the bank.	<i>Pari-passu</i> floating charge on all current assets with other participating banks and debenture trustees, with a margin of 15% on the entire receivables, by way of hypothecation.
		Term Loan.	0.46	0.21	Repayable in 26 monthly instalments.	Secured against vehicle - Jaguar XF F2.2.
	IDBI Bank Limited	Cash credit (with an option to avail a working capital demand loan as a sub limit to the extent of Rs 600 crore)	750.00	486.53	Tenor of one year and repayable on demand. Maximum tenor of working capital demand loans is 90 days.	First charge on a <i>pari passu</i> basis on the present and future current assets of the Company, with a margin of 15%, by way of hypothecation.
	Indian Overseas Bank	Cash credit against gold loan receivables (with an option to avail working capital demand loan of Rs 200 crore)	225.00	214.30	Tenor of One year however, repayable on demand. Maximum tenor of working capital demand loans is 3 months.	First charge on a <i>pari passu</i> basis on the present and future gold loan receivables and current assets of the Company along with secured debenture holders and other working capital lenders, with a margin of 20% on receivables not older than 4 months for FY2016-2017, by way of hypothecation.
	IndusInd Bank Limited	cash credit / working capital demand loan (with foreign currency demand loan as a sub-limit of Rs. 250 crores)	250.00	245.00	Cash credit is repayable on demand and renewable annually at the discretion of the bank. The minimum tenor of working capital demand loan is 7 (seven) days and maximum tenor is 180 (one hundred eighty)	First charge on <i>pari passu</i> basis on the current assets, book debts, loans and advances and receivables including gold loan receivables with a margin of 15% gold loan receivables, by way of hypothecation.
		Working capital (demand Loan)	150.00	0.00		



(₹ in crores)						
Sr. No.	Name of Lender(s)	Type of Facility	Amount Sanctioned (Crores)	Principal Amount Outstanding (Crores)	Repayment Schedule	Security*
		Forward cover limit / derivative structures (to cover the FCNR loan disbursed in foreign currency)			days. The tenor of foreign currency demand loan is up to 1 year. The minimum tenor of working capital demand loan is 7 (seven) days and maximum tenor is 85 (eighty five) days. The tenor of the forward cover limit is 12 (twelve) months.	
	Karnataka Bank Limited	Overdraft	35.00	34.50	Repayable on demand or in accordance with the rules of the bank.	First charge on a <i>pari passu</i> basis by way of hypothecation on the present and future current assets and gold loan receivables and other current assets of the Company, with a margin of 15.00% on current assets.
	Kotak Mahindra Bank Limited	Cash Credit (Rs. 15 crores)	15.00	0.79	Maximum Tenor 1 year, repayable on demand.	First charge on a <i>pari passu</i> basis by way of hypothecation on all existing and future current assets including gold loan receivables of the Company, with an asset cover of 1.17x.
	Oriental Bank of Commerce	Cash credit (hypothecation) (with a sub-limit of working capital demand loan of Rs 390 crore)	400.00	366.92	Tenor of one year. WCDL shall be allowed for a maximum period of 180 with further rollover upto maximum of 180 days.	First charge on a <i>pari passu</i> basis on hypothecation of gold loan receivables under multiple banking arrangements with minimum security coverage of 1.18 times, with a margin of 15%, by way of hypothecation.
	Punjab National Bank	Cash credit with sub-limit of working capital demand loan of Rs 575 crores.	600.00	593.91	Working capital demand can be availed with a tenor of minimum 90 days to maximum 180 days, repayable in bullet payment subject to servicing of monthly interest as and when charged. However, the loan is also repayable on demand at the discretion of the bank.	First charge on a <i>pari passu</i> basis on the entire current assets, book debt receivables both present and future including gold loan receivables of the Company, with a margin of 20%, by way of hypothecation.
	Punjab and Sind Bank	Term loan	100.00	100.00	4 equal quarterly repayment after moratorium of 2 years.	First charge on <i>pari passu</i> basis on entire current assets of the company including gold loan receivables with all banks / financial institutions (including debenture trustee) with minimum security cover

(₹ in crores)						
Sr. No.	Name of Lender(s)	Type of Facility	Amount Sanctioned (Crores)	Principal Amount Outstanding (Crores)	Repayment Schedule	Security*
						of 1.10 times the loan amount.
2	The South Indian Bank Limited	Cash credit overdraft limit/ short term loans (as a sub-limit to the extent of Rs. 165 crores)	175.00	174.73	Repayable on demand. The tenor for sub-limit can be from minimum 3 months to maximum 6 months.	<i>Pari passu</i> charge on gold loan receivables both the present and future along with other working capital lenders and debenture holders, with a margin of 15% on gold loan receivables, by way of hypothecation.
		Term loan	4.25	3.15	Repayable in 91 instalments of Rs. 3.55 lakhs and last instalment of Rs. 2.55 lakhs.	Charge by way of hypothecation of future rent receivables of unit No 1404 (6560 Sq. feet leased premises) 14th Floor, World trade Centre, Bangalore. Margin is nil.
2	State Bank of India	Cash credit / working capital demand loan	750.00	733.07	Repayable on demand.	Primary security for cash credit: First charge on a <i>pari passu</i> basis on the present and future current assets including receivables created out of bank finance, with a margin of 20%, by way of hypothecation. Mortgage by way of deposit of title deeds over four properties owned by the Promoters and Janamma Thomas and situated in the (a) Vizinjam village, Thiruvananthapuram; (b) Vattiyurkavu village, Thiruvananthapuram; and (c) Sasthamangalam village, Thiruvananthapuram.
		Term loan I	0.12	0.1171	Tenure of 84 months; repayment by way of 84 (eighty four) equated monthly instalments amounting to Rs. 19,460.	Exclusive charge by way of hypothecation over the vehicle purchased by way of this loan
		Term loan II	0.32	0.29	Tenure of 84 months; repayment by way of 84 (eighty four) equated monthly instalments amounting to Rs. 52383.	Exclusive charge by way of hypothecation over the vehicle purchased by way of this loan.

(₹ in crores)						
Sr. No.	Name of Lender(s)	Type of Facility	Amount Sanctioned (Crores)	Principal Amount Outstanding (Crores)	Repayment Schedule	Security*
2	State Bank of Mysore	Cash credit (along with working capital demand loan as sublimit)	100.00	90.04	Tenor of 12 months from the date of sanction. Repayable on demand.	First charge on a <i>pari passu</i> basis on gold loan receivables and other current assets of the Company, with a margin of 20%, by way of hypothecation.
2	State Bank of Patiala	Working capital facility (CC/WCDL)	200.00	191.39	Tenor of one year. Maximum tenor of working capital demand loans is 180 days.	Hypothecation of the assets covered under gold loans and the resultant receivables, book debts with a margin of 1.15 times of their sanctioned limits and first charge on a <i>pari passu</i> basis on all current assets of the Company, with other lenders.
2	State Bank of Travancore	Cash credit / WCDL (hypothecation)	250.00	250.00	Tenor of 12 months but repayable on demand at the discretion of the bank.	First charge on a <i>pari passu</i> basis on the present and future current assets including loan receivables of the Company, with a margin of 15% on the receivables.
2	Syndicate Bank	Secured Term Loan	250.00	208.33	Tenor is 3 years. Repayment to be made in 6 quarterly instalments after moratorium of 18 months.	First charge on <i>pari passu</i> basis on book debts, loan receivables/ current standard assets (excluding restructured or stressed assets) to the extent of 1.18 time of the loan amount availed from the bank. The charge shall be shared <i>pari passu</i> with lenders and secured public /privately placed NCDs (present and prospective).
3	Tamilnad Mercantile bank Ltd	Working capital demand loan (with a sub-limit of cash credit of Rs. 25 crore)	50.00	49.58	WCDL to be availed in tranches with a tenure of 1 to 3 months from the date of availment and repaid in bullet payment. For cash credit the period is 1 year.	First charge on <i>pari passu</i> basis over entire chargeable current assets of the Company including loan receivables and future receivables arising out of onward lending; with minimum security coverage is 15% margin / 1.10 times.
3	Union Bank of India	Cash credit with a sub-limit of working capital demand loan (Rs. 490 crores)	500.00	392.40	The facility is valid for a period of one year. The working capital demand loan is available for a period of 6 (six) months.	The first charge on a <i>pari passu</i> basis on the present and future gold loan receivables and entire current assets of the Company, with a margin of 10%, by way of hypothecation.
3	Vijaya Bank Limited	Cash credit with working capital demand loan as sub-limit (₹140 crores)	150.00	149.96	The cash credit facility is valid for a period of one year but repayable on demand at the discretion of the bank. The working capital demand loan has been given for a period of 180 days	First charge by way of hypothecation on a <i>pari passu</i> basis on all chargeable current assets of the Company, with a margin of 15%, by way of hypothecation. Cash margin: Nil

(₹ in crores)						
Sr. No.	Name of Lender(s)	Type of Facility	Amount Sanctioned (Crores)	Principal Amount Outstanding (Crores)	Repayment Schedule	Security*
3	State Bank Of Hyderabad	Cash credit / working capital demand loan facility	125.00	100.11	The facility is valid for a period of 1 (one) year from date of effectiveness of sanction letter (i.e. December 20, 2016).	First <i>pari passu</i> charge on chargeable current assets of the company (both present and future) with other members by way of hypothecation with minimum margin of 15% on receivables.
3	Bank Of Maharashtra	Cash credit with working capital demand loan as sub-limit (Rs. 144 crore)	150.00	144.58	The cash credit facility is valid for a period of 1 (one) year. Tenure of working capital demand loan varies from 1 (one) month to 6 (six) months. Bullet repayment on maturity date.	First <i>Pari passu</i> hypothecation charge on receivables and entire chargeable current assets of the company (both present and future) with other member banks by way of hypothecation with minimum security coverage of 1.15 times of the loan amount.
3	Karur Vysya Bank	Cash credit bill discounting facility with sub-limit of working capital demand loan (Rs. 200 crore)	200.00	198.05	Period of sanction 1 year. The minimum tenor of working capital demand loan is 30 days and maximum tenor is 150 days.	First <i>pari passu</i> charge on current assets, book debts, loans and advances and receivables including gold loan receivables with a margin of 15% (i.e. 1.18 times).
3	Lakshmi Vilas Bank	Cash credit with sub limit of working capital demand loan (Rs 50 crore)	60.00	55.39	Tenure of one year. Working capital demand loan is provided on a revolving basis for a period of 31 (thirty one) days to 180 (one hundred and eighty days)	Assignment/ hypothecation of the receivables arising out of gold loans extended by the Company with other lenders under multiple banking arrangement, with a minimum coverage of 1.10 times of the outstanding amount under the cash credit facility.
3	YES Bank	Short term loan.	100.00	100.00	Tenor is maximum 6 (six) months from the date of disbursement of respective tranche. A rollover after a gap of 3 working days with internal approval of the bank. Principal amount to be repaid in bullet, interest to be serviced monthly.	First <i>pari-passu</i> charge on current assets, book debts and receivables including gold loan receivable with 20% margin.
3	United Bank of India	Term loan I Term loan II	100.00 100.00	100.00 100.00	Repayment of Term Loan I and Term Loan II in 4 equal quarterly instalments after a moratorium of 24 Months. Total door to door tenor of Term Loan I and Term Loan II is 36 months.	First ranking <i>pari-passu</i> charge by way of hypothecation on loan receivables and entire chargeable current assets of the Company with minimum security coverage of 1.10 times of the loan amount.

(₹ in crores)						
Sr. No.	Name of Lender(s)	Type of Facility	Amount Sanctioned (Crores)	Principal Amount Outstanding (Crores)	Repayment Schedule	Security*
	Jammu & Kashmir Bank	Short term loan	100.00	100.00	Tenor of the short term loan is 15 months. The term loan to be repaid by way of one bullet repayment of Rs.100 crores at the end of 15 months from the date of first disbursement. Interest to be serviced by the Company as and when charged in the account at monthly intervals.	First ranking <i>pari passu</i> charge on current assets, book debts and receivables including gold loan receivables, both present and future of the Company with cover of 115% of the loan amount.

\* Such facilities are also usually backed by demand promissory notes executed by the Company in favour of the lenders and/ or personal guarantees issued by one or more of the Promoters of the Company.

#### Matters relating to terms and conditions of the term loans including re-scheduling, prepayment, penalty and default

The terms and conditions of the term loans utilised by the Company in relation to re-scheduling, prepayment, penalty and default have been described in brief below. Some of these may be common across all term loans, and some of them may be specific to particular term loan(s).

**Re-scheduling/ Prepayment:** Lenders typically enjoy sole discretion to approve requests of the Company for prepayment on such terms as to pre-payment charges etc as they may prescribe. The Company is required to give prior notice of 7 days to the lenders, requesting prepayment under certain loan agreements. The Company is usually required to pay prepayment penalty/ charges of 1% to 2% per annum to the lender.

**Penalty:** Penal or default interest in the range of 1% to 4% is payable in instances of, *inter alia*, failure to submit stock statements; failure in creating security and or obtaining letter ceding *pari passu* charge from other lenders; diversion of funds; default; non-compliance with terms and conditions, covenants; non-submission/delay in submission of quarterly information systems; non-payment/non-acceptance of demand for payment; non-submission of renewal data; classification of account as a NPA.

**Events of Default:** Specified events are set forth as events of default including, default in payment of principal and/ or interest; breach of covenants, terms and conditions; supply of misleading information; sale, disposal, impairment or depreciation of security; commencement of insolvency proceedings or winding up of the Company; cross default; illegality; change in control; diversion of funds; the Company entering into any arrangement or composition with its creditors; inability to repay the loans when due; execution /distress being enforced or levied against the whole or any part of the property; cessation of business; appointment of receiver or liquidator; attachment or distraint on property or security; downgrade of rating below the minimum stipulated rating; non-compliance with RBI norms; change in ownership/ management control; material adverse effect on the Company; non-submission/ delay in submitting network statement of guarantors.

#### B. Non-convertible Debt instruments

##### (i) Listed Debt instruments

- a. The Company has issued and allotted 30,00,000 secured, redeemable bonds in the nature of non-convertible debentures on November 05, 2015 aggregating Rs. 300,00,00,000 by way of public issue pursuant to the prospectus dated September 21, 2015, the details of which are set out below:

Sr. No.	Series	Tenor/ Period of Maturity	Coupon Rate	Amount raised	Deemed Date of Allotment	Redemption Date/ Schedule	Credit Rating	Security	Redemption Amount Outstanding as on June 30, 2017
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1.	Series I	400 days	9.50%	300.00	05-11-2015	December 09, 2016	CRISIL A/Stable	Mortgage of the immovable property of the Company admeasuring 54 cents situated at Survey No. 764/6A, Arulvaimozhy village, Thovala taluk, Kanyakumari district, Tamil Nadu, and a first ranking <i>pari passu</i> charge.admeasuring 54 cents situated at Survey No. 764/6A, Arulvaimozhy village, Thovala taluk, Kanyakumari district, Tamil Nadu, and a first ranking <i>pari passu</i> charge.	250.79
2.	Series II	24 months	10.25%			November 05, 2017			
3.	Series III	36 months	10.50%			November 05, 2018			
4.	Series IV	60 months	10.00%			November 05, 2020			
5.	Series V	24 months	10.50%			November 05, 2017			
6.	Series VI	36 months	10.75%			November 05, 2018			
7.	Series VII	60 months	10.25%			November 05, 2020			
8.	Series VIII	400 days	9.75%			December 09, 2016			
9.	Series IX	24 months	10.50%			November 05, 2017			
10.	Series X	36 months	10.75%			November 05, 2018			
11.	Series XI	60 months	10.25%			November 05, 2020			

- b. The Company has issued and allotted 21,158.09 lakhs secured and 3,558.84 lakhs unsecured, redeemable bonds in the nature of non-convertible debentures on October 30, 2014 aggregating Rs. 247.1693 crores by way of public issue pursuant to the prospectus dated September 04, 2014, the details of which are set out below:

Sr. No.	Series	Tenor/ Period of Maturity	Coupon Rate	Amount raised	Deemed Date of Allotment	Redemption Date/ Schedule	Credit Rating	Security	Redemption Amount Outstanding as on June 30, 2017
1.	Series I	400 days	10.25%	247.17	30-10-2014	December 04, 2015	CRISIL A/Stable	Mortgage of the immovable property of the Company admeasuring 54 cents situated at Survey No. 764/6A, Arulvaimozhy village, Thovala taluk, Kanyakumari district, Tamil Nadu, and a first ranking <i>pari passu</i> charge.	126.90
2.	Series II	24 months	11.00%			October 30, 2016			
3.	Series III	36 months	11.50%			October 30, 2016			
4.	Series IV	72 months	12.00%			October 30, 2020			
5.	Series V	24 months	11.50%			October 30, 2016			
6.	Series VI	36 months	11.75%			October 30, 2017			
7.	Series VII	60 months	11.50%			October 30, 2019			
8.	Series VIII	400 days	10.50%			December 04, 2015			
9.	Series IX	24 months	11.50%			October 30, 2016			
10.	Series X	36 months	11.75%			October 30, 2017			
11.	Series XI	72 months	12.25%			October 30, 2010			

- c. The Company has issued and allotted 19,39,872 secured, redeemable bonds in the nature of non-convertible debentures on August 02, 2014 aggregating Rs. 193,98,72,000 by way of public issue pursuant to the prospectus dated June 25, 2014, the details of which are set out below:

Sr. No.	Series	Tenor/ Period of Maturity	Coupon Rate	Amount raised	Deemed Date of Allotment	Redemption Date/ Schedule	Credit Rating	Security	Redemption Amount Outstanding as on June 30, 2017
1.	Series I	24 months	11.25%	193.99	August 2, 2014	August 02, 2016	CRISIL A-	Mortgage of the immovable property of the Company admeasuring 54 cents situated at Survey No. 764/6A, Arulvaimozhy village, Thovala taluk, Kanyakumari district, Tamil Nadu, and a first ranking <i>pari passu</i> charge in favour of the bond trustee, on current assets, book debts and receivables (both present and future) of the Company.	98.66
2.	Series II	36 months	11.75%			August 02, 2017			
3.	Series III	60 months	11.25%			August 02, 2019			
4.	Series IV	24 months	11.75%			August 02, 2016			
5.	Series V	36 months	12.00%			August 02, 2017			
6.	Series VI	60 months	11.75%			August 02, 2019			
7.	Series VII	400 days	10.75%			September 06, 2019			
8.	Series VIII	24 months	11.75%			August 02, 2016			
9.	Series IX	36 months	12.00%			August 02, 2017			
10.	Series X	60 months	11.75%			August 02, 2019			

- d. The Company has issued secured, redeemable, listed non-convertible debentures on a private placement basis of which Rs. 30 crores is currently outstanding as on June 30, 2017, the details of which are set out below:

Sr. No	Series	Tenor/ Period of Maturity	Coupon Rate	Amount raised	Deemed Date of Allotment	Redemption Date/ Schedule	Credit Rating	Security	Redemption Amount Outstanding
1.	R10	3 years 1 day	11.50%	30.00	26/08/2015	27/08/2018	CRISIL A/Stable	1. First <i>pari passu</i> charge and hypothecation on all the present and future receivables of the Company with a minimum asset cover ratio of 1.0 times to be maintained during the tenure of the debentures; and 2. First charge by way of mortgage on the immovable property of the Company located at Samugarengapuram village, Radhapuram, Tirunelveli District, Tamil Nadu having survey no. 537.	30.00



(ii) **Unlisted privately placed Debt instruments**

The Company has issued secured, redeemable, unlisted non-convertible Debt instruments on a private placement basis under various series of which Rs.763.59 crores is currently outstanding as on June 30, 2017, the details of which are set out below:

(in crores)

Sr. No	Series	Tenor/ Period of Maturity	Coupon Rate**	Amount raised (Rs. Crores)	Deemed Date of Allotment	Redemption Date/ Schedule	Redemption Amount Outstanding as on June 30, 2017 (Rs. Crores)
1	Series 62	5.5 years	Ranges from 11% to 12.5%	30.00	24-05-2011 to 18-08-2011	66 months from date of allotment of each batch of debentures.	1.75
2	Series 63	5.5 years	Ranges from 11% to 12.5%	50.00	23-04-2011 to 18-10-2011	66 months from date of allotment of each batch of debentures.	0.90
3	Series 64	5.5 years	Ranges from 11% to 12.5%	49.57	03-09-2011 to 07-01-2012	66 months from date of allotment of each batch of debentures.	1.73
4	Series 65	5.5 years	Ranges from 11% to 12.5%	36.17	12-11-2011 to 20-01-2012	66 months from date of allotment of each batch of debentures.	1.98
5	Series 66	5.5 years	Ranges from 11.5% to 13.5%	17.00	20-12-2011 to 07-02-2012	66 months from date of allotment of each batch of debentures.	2.89
6	Series 67	5.5 years	Ranges from 11.5% to 14%	25.00	21-01-2012 to 21-02-2012	66 months from date of allotment of each batch of debentures.	2.83
7	Series 68	5.5 years	Ranges from 11.5% to 14%	25.00	02-02-2012 to 05-03-2012	66 months from date of allotment of each batch of debentures.	2.67
8	Series 69	5.5 years	Ranges from 11.5% to 14%	250.00	30-12-2011 to 19-04-2012	66 months from date of allotment of each batch of debentures.	46.56
9	Series 70	5.5 years	Ranges from 11.5% to 14%	150.00	03-02-2012 to 09-05-2012	66 months from date of allotment of each batch of debentures.	29.95
10	Series 71	5.5 years	Ranges from 11.5% to 14%	150.00	31-01-2012 to 16-05-2012	66 months from date of allotment of each batch of debentures.	27.40
11	Series 72	5.5 years	Ranges from 11.5% to 14%	92.54	12-03-2012 to 19-06-2012	66 months from date of allotment of each batch of debentures.	13.10
12	Series 73	5.5 years	Ranges from 11.5% to 14 %	95.99	15-03-2012 to 03-08-2012	66 months from date of allotment of each batch of debentures.	16.22
13	Series 74	5.5 years	Ranges from 11.5% to 14%	100.00	14-06-2012 to 16-07-2012	66 months from date of allotment of each batch of debentures.	20.99
14	Series 75	5 years	Ranges from 11.5% to 14%	100.00	13-04-2012 to 03-08-2012	60 months from date of allotment of each batch of debentures.	24.25
15	Series 76	5 years	Ranges from 11.5% to 14%	50.00	18-06-2012 to 04-09-2012	60 months from date of allotment of each batch of debentures.	10.52
16	Series 77	5 years	Ranges from 11.5% to 14%	99.99	30-05-2012 to 10-09-2012	60 months from date of allotment of each batch of debentures.	25.29



Sr. No	Series	Tenor/ Period of Maturity	Coupon Rate**	Amount raised (Rs. Crores)	Deemed Date of Allotment	Redemption Date/ Schedule	Redemption Amount Outstanding as on June 30, 2017 (Rs. Crores)
17	Series 78	5 years	Ranges from 11.5% to 13.06%	80.84	10-04-2012 to 17-11-2012	60 months from date of allotment of each batch of debentures.	19.27
18	Series 79	5 years	Ranges from 11% to 13.06 %	99.46	10-09-2012 to 21-11-2012	60 months from date of allotment of each batch of debentures.	29.44
19	Series 80	5 years	Ranges from 11% to 13.06%	99.01	28-09-2012 to 06-12-2012	60 months from date of allotment of each batch of debentures.	28.87
20	Series 81	5 years	Ranges from 11% to 13%	49.66	21-11-2012 to 24-12-2012	60 months from date of allotment of each batch of debentures.	13.74
21	Series 82	5 years	Ranges from 10.5% to 12.5%	100.00	07-12-2012 to 19-01-2013	60 months from date of allotment of each batch of debentures.	24.41
22	Series 83	5 years	Ranges from 10.5% to 12.5%	396.00	10-12-2012 to 23-03-2013	60 months from date of allotment of each batch of debentures.	106.67
23	Series 84	5 years	Ranges from 10.5% to 12.5%	400.00	14-11-2012 to 20-05-2013	60 months from date of allotment of each batch of debentures.	109.45
24	Series 85	5 years	Ranges from 10.5% to 12.5%	199.96	25-03-2013 to 06-07-2013	60 months from date of allotment of each batch of debentures.	66.13
25	Series 86	5 years	Ranges from 10.5% to 12.5%	300.00	24-04-2013 to 06-07-2013	60 months from date of allotment of each batch of debentures.	97.25
26	Series 87	5 years	Ranges from 10.5% to 12%	39.20	24-05-2013 to 08-07-2013	60 months from date of allotment of each batch of debentures.	12.86
27	MFL 1	5 years	Ranges from 11% to 13%	2.65	16-07-2013 to 14-08-2013	60 months from date of allotment of each batch of debentures.	0.25
28	MFL 5	5 years	Ranges from 11% to 13%	2.75	15-11-2013 to 14-12-2013	60 months from date of allotment of each batch of debentures.	0.25
29	MFL 6	5 years	Ranges from 11% to 13%	5.79	15-12-2013 to 14-01-2014	60 months from date of allotment of each batch of debentures.	0.30
30	MFL 7	5 years	Ranges from 11% to 13%	5.08	15-01-2014 to 14-02-2014	60 months from date of allotment of each batch of debentures.	0.25
31	MFL 11	5 years	Ranges from 11% to 12.25%	0.76	19/08/2014	60 months from date of allotment of each batch of debentures.	0.26
32	MFL 12	5 years	Ranges from 11% to 12.25%	32.50	22/11/2014	60 months from date of allotment of each batch of debentures.	0.50
33	MFL 13	5 years	Ranges from 11% to 12.25%	36.00	30/12/2014	60 months from date of allotment of each batch of debentures.	0.75
34	MFL 14	5 years	Ranges from 10.75% to 12.00%	47.70	12/02/2015	60 months from date of allotment of each batch of debentures.	2.22
35	MFL 15	5 years	Ranges from 10.75% to 12.00%	0.87	03/03/2015	60 months from date of allotment of each batch of debentures.	0.50

Sr. No	Series	Tenor/ Period of Maturity	Coupon Rate**	Amount raised (Rs. Crores)	Deemed Date of Allotment	Redemption Date/ Schedule	Redemption Amount Outstanding as on June 30, 2017 (Rs. Crores)
36	MFL 16	5 years	Ranges from 10.50% to 12.00%	8.80	10/04/2015	60 months from date of allotment of each batch of debentures.	2.58
37	MFL 17	5 years	Ranges from 10.00% to 11.25%	11.33	21/08/2015	60 months from date of allotment of each batch of debentures.	8.26
38	MFL 18	5 years	Ranges from 10.00% to 11.25%	3.91	14/09/2015	60 months from date of allotment of each batch of debentures.	1.87
39	MFL 19	5 years	Ranges from 9.50% to 10.50%	7.50	11/12/2015	60 months from date of allotment of each batch of debentures.	6.70
40	MFL 20	5 years	Ranges from 9.25% to 10.25%	2.80	14/03/2016	60 months from date of allotment of each batch of debentures.	1.79

**\*\*** Customers typically have an option to avail the following three schemes under all the above series of Debt instruments: (i) monthly interest scheme; (ii) annual interest scheme; and (iii) maturity scheme.

All the above Debt instruments are unrated. The Debt instruments are secured by a subservient charge on the outstanding gold loan receivables of the Company, both present and future.

Of the total secured Debt instruments issued by the Company, Rs. 763.59 crores is outstanding as on June 30, 2017.

**II. Unsecured Loans****2. Loans**

Nil

**3. Non-convertible Debt instruments****(i) Listed subordinated debt**

Nil

**(ii) Unlisted subordinated debt**

The Company has issued unsecured, unlisted, unrated subordinated debts on a private placement basis of which Rs. 2291.34 crores is currently outstanding as on June 30,, 2017, the details of which are set out below:

Sr. No.	Series	Tenor/ Period of Maturity	Coupon Rate	Amount raised	Deemed Date of Allotment	Redemption Date/ Schedule	Redemption Amount Outstanding
1.	Series 1	66 months	14.20% per annum compounded annually payable under the maturity scheme	44.36	07/05/2012 to 01/06/2012	66 months from date of allotment	44.36
2.	Series 2	66 months	14.2% per annum compounded annually payable under the maturity scheme, 14.2% p.a under annual scheme and 13.5% p.a. under monthly scheme	219.83	30/05/2012 to 30/11/2012	66 months from date of allotment	219.83
3.	Series 3	66 months	13.4% per annum compounded annually payable under the maturity scheme, 13.4%p.a under annual scheme and 12.75% p.a. under monthly scheme	299.08	01/12/2012 to 04/09/2013	66 months from date of allotment	299.08
4.	Series 4	66 months	13.4% per annum compounded annually payable under the maturity scheme, 13.4%p.a under annual scheme and 12.75% p.a. under monthly scheme	199.90	05/09/2013 to 20/01/2014	66 months from date of allotment	199.90
5.	Series 5	66 months	13.4% per annum compounded annually payable under the maturity scheme, 13.4%p.a under annual scheme and 12.75% p.a. under monthly scheme	199.37	21/01/2014 to 17/04/2014	66 months from date of allotment	199.37
6.	Series 6	66 months	13.4% per annum compounded annually payable under the maturity scheme, 13.4%p.a under annual scheme and 12.75% p.a. under monthly scheme	10.84	19/04/2014 to 23/04/2014	66 months from date of allotment	10.84
7.	Series 7	72 months	12.25% per annum compounded annually payable under the maturity scheme, 12.25% under annual scheme and 11.60% under monthly scheme	158.48	24/04/2014 to 13/09/2014	72 months from date of allotment	158.48
8.	Series 8	72 months	12.25% per annum compounded annually payable under the maturity scheme, 12.25% under annual scheme and 11.60% under monthly scheme.	109.82	21/10/2014 to 02/02/2015	72 months from date of allotment	109.82
9.	Series 9	75 months	11.75% per annum compounded annually payable under the maturity scheme, 11.75% under annual scheme and 11.10% under monthly scheme.	143.85	03/02/2015 to 02/08/2015	75 months from date of allotment	143.85
10.	Series 10	75 months	11.75% per annum compounded	104.57	03/08/2015 to	75 months from date of allotment	104.57

Sr. No.	Series	Tenor/ Period of Maturity	Coupon Rate	Amount raised	Deemed Date of Allotment	Redemption Date/ Schedule	Redemption Amount Outstanding
			annually payable under the maturity scheme, 11.75% under annual scheme and 11.10% under monthly scheme.		24/09/2015		
11.	Series 11	84 months	10.41% per annum compounded annually payable under the maturity scheme for 84 months and 10% under monthly scheme for 63 months.	29.89	09/11/2015 to 15/12/2015	84 months from date of allotment	29.89
12.	Series 12	80 months	11% per annum compounded annually payable under the maturity scheme for 84 months and 10.25% under monthly scheme for 63 months.	153.40	16/12/2015 to 15/03/2016	80 months from date of allotment	153.40
13.	Series 13	80 months	10.94% per annum compounded annually payable under the maturity scheme for 84 months and 10.25% under monthly scheme for 63 months.	293.98	16/03/2016 to 15/09/2016	80 months from date of allotment	293.98
14.	Series 14	84 months	10.94% per annum compounded annually payable under the maturity scheme for 84 months, 10.25% per annum compounded annually payable under the maturity scheme for 63 months and 9.75% under monthly scheme for 63 months.	152.16	30/09/2016 to 14/02/2017	84 months from date of allotment	152.16
15.	Series 15	96 months	9.06% per annum compounded annually payable under the maturity scheme for 96 months and 9% under monthly scheme for 63 months.	71.81	18/02/2017	96 months from date of allotment	71.81
16.	NA	84 months	11.00% per annum paid monthly	100.00	09/03/2016	84 months from date of allotment	100.00
	<b>Total</b>			<b>2291.34</b>			<b>2291.34</b>

\* The Company has an option to redeem the subordinated debt before maturity with a 30 day notice, subject to applicable laws. Simple interest ranging from 11.5% to 12.5%, depending on the period elapsed before the exercise of the call option, is payable in such cases.

(iii) **Unlisted perpetual debt instruments**

The Company has issued unsecured, unrated, non-convertible, unlisted perpetual debt instruments on a private placement basis of which Rs.144 crores is currently outstanding as on June 30 2017, the details of which are set out below:

(in crores)

Sr. No.	Series	Tenor/ Period of Maturity	Coupon Rate	Amount raised	Deemed Date of Allotment	Redemption Date/ Schedule	Redemption Amount Outstanding
1.	Series I	Perpetual	12% payable annually and on redemption.	50.00	November 30, 2008	Perpetual	50.00
2.	Series II	Perpetual	12% payable annually and on redemption.	26.00	August 10, 2009	Perpetual	26.00
3.	Series III	Perpetual	12% payable annually and on redemption.	54.00	December 21, 2009	Perpetual	54.00
4.	Series IV	Perpetual	12% payable annually and on redemption.	14.00	September 30, 2010	Perpetual	14.00
	<b>Total</b>						<b>144.00</b>

\* The above perpetual debt instruments were listed on BSE with effect from July 15, 2015.

**4. Commercial Paper**

None of the commercial papers issued by the Company are outstanding as on June 30,, 2017.

## 5. Hybrid Debt

The Company has not availed/ issued any hybrid debt as on date of the Prospectus.

## XXI. Details of all defaults and/or delay in payment of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Company in the past 5 years:

No defaults in interest payment

As on March 31, 2017, the Company has issued eleven counter guarantees aggregating to ₹ 71.3 lakhs to the following banks in connection with bank guarantees issued in favour of various statutory authorities. The details are summarised below:

(₹ in lakhs)

Sr. No.	Name of counterparty	Date given	Date till which obligation exists	Guarantee Amount
1.	The South Indian Bank Limited	07-01-2015	06-01-2018	1.0
2.	The South Indian Bank Limited	07-01-2015	06-01-2018	1.0
3.	The South Indian Bank Limited	08-01-2013	07-01-2018	0.5
4.	The South Indian Bank Limited	08-01-2013	07-01-2018	0.5
5.	The South Indian Bank Limited	04-02-2016	04-05-2017	3.0
6.	The South Indian Bank Limited	21-02-2017	21-02-2018	3.5
7.	The South Indian Bank Limited	20-09- 2011	19-09-2017	1.0
8.	The South Indian Bank Limited	08-09-2013	07-09-2023	0.2
9.	The South Indian Bank Limited	01-07-2016	30-06-2017	55.6
10.	The South Indian Bank Limited	25-01-2016	24-01-2017	5.0
	<b>Total</b>			<b>71.3</b>

**XXII. MATERIAL DEVELOPMENT**

The Issuer Company hereby declares that there has been no material event, development or change at the time of issue which may affect the issue or the investor's decision to invest/ continue to invest in the debt securities of the Issuer Company.

**XXIII. DEBT SECURITIES ISSUED FOR CONSIDERATION OTHER THAN CASH, AT PREMIUM OR AT DISCOUNT, IN PURSUANCE OF AN OPTION.**

The Issuer Company hereby confirms that it has not issued any debt securities or agreed to issue any debt securities for consideration other than cash, whether in whole or in part, at a premium or discount or in pursuance of an option since inception.

**XXIV. TOP 10 HOLDERS OF EACH CLASS AND KIND OF SECURITIES**

(as on June 30, 2017)

**EQUITY**

SL. No.	NAME OF SHAREHOLDERS	NO. OF SHARES HELD [All shares are held in demat form] <sup>2</sup>	AMOUNT IN Rs	% of Holding
1.	Thomas John Muthoot	5,08,43,764	50,84.37,640	26.25
2.	Thomas George Muthoot	5,08,43,764	50,84.37,640	26.25
3.	Thomas Muthoot	5,08,43,769	50,84,37,690	26.25
4.	Preethi John Muthoot	1,35,25,989	13,52,59,890	6.98
5.	Nina George	1,35,25,961	13,52,59,610	6.98
6.	Remmy Thomas	1,35,25,988	13,52,59,880	6.98
7.	Muthoot Exim Private Ltd	4,76,200	47,62,000	0.25
8.	Muthoot Kuries Private Ltd	1,19,050	11,90,500	0.06
9.	Janamma Thomas	1,039	10,390	0.0005
10.	Shiney Thomas	6	6	0.00
	<b>Total:</b>	<b>19,37,05,524</b>	<b>1,93,70,55,240</b>	<b>99.99</b>

**DEBT SECURITIES****Top 10 Holders of Non-Convertible Debt instruments**

- List of top 10 holders of secured listed non-convertible Debt instruments issued by way of public issue pursuant to the prospectus dated June 25, 2014 ( Public Issue – 1 ) as on 30<sup>th</sup> June, 2017

Sr. No.	Name	Address	Aggregate Amount(Rs)	Number of Instruments
1.	Molly Kurien	House No:15 Mummy's Colony, Sran Villa, Kowdiar P.O.Trivandrum 695 003	50,00,000	5,000
2.	Sreeram Krishnan	21/133 Palace Ward, Sivan Kovil Street, Kuzhithurai P.O., Kanyakumari District 629 163	37,20,000	3,720
3.	Ani Joseph	Pallissery House, Chottanikara P.O., Ernakulam District 682 312	30,00,000	3,000
4.	Pachat Premanadhan	Krishna Nivas, Kadalundi (PO), Kozhikode 673302	25,00,000	2,500
5.	Peter Thomas	Changarathil House, Poozhikkad, Kudassand P.O., Pandalam 689 512	25,00,000	2,500
6.	Iype Varghese	House No. 212, 2 <sup>nd</sup> Lane, Akg Nagar, Peroorkkada Trivandrum 695 005	25,00,000	2,500
7.	Pandarathil Sethumadhavan	Plot No 187, Sector 17, Atomika Co Hsg Society, Nerul East, Navi Mumbai, Maharashtra 400706	20,00,000	2,000
8.	Kunjamma Mathew	Assariathu House, Nathoor P.O, Omalloor, Pathanamthitta - 689647	16,00,000	1,600
9.	George Varghese	402 A E Wing Eternity Teenhath, Naka Lbs Marg, Thane (W), Mumbai –	15,00,000	1,500

<sup>2</sup> Company to confirm.

Sr. No.	Name	Address	Aggregate Amount(Rs)	Number of Instruments
	Lamannil	400604		
10.	George Paul	Embasseril House, Banerji Road, Ernakulam North P O, Ernakulam – 682018	15,00,000	1,500

2. List of top 10 holders of secured listed non-convertible Debt instruments issued by way of public issue pursuant to the prospectus dated September 4, 2014 ( Public Issue - 2 as on 30<sup>th</sup> June, 2017)

Sr. No	Name	Address	Aggregate Amount (Rs.)	Number of Instruments
1.	Vivek Mahajan	A-1/348, Block A1, Paschim Vihar, Delhi 110063	40,00,000	4,000
2.	Joseph Kunjukutty	Joseph Bhavan, Kudassanad P.O., Pandalam, Pathanamthitta District, 689512	35,00,000	3,500
3.	Kirankumar Chhaganbhai Vachhani	Shreenathji Tower, Block No 10-A, Panchwati Main Road, Rajkot – 360001	30,00,000	3,000
4.	Sabu Thomas	Plathottathil, Tra-83 Thittamangalam Jn, Vattiyoorkavu, Trivandrum – 695013	30,00,000	3,000
5.	Oppath Gopalakrishnan	102, 20, C3, Builtech, Green Appartment, Manapullikavu, Palakkad – 678013	30,00,000	3,000
6.	Annamma Easow	Munnottiputhen Purayil, Valanjavattom Po, Tiruvalla - 689104	30,00,000	3,000
7.	Easow John	Mannukuttiputhen Purackal, Valanjavattom Po, Tiruvalla, Tiruvalla – 689104	30,00,000	3,000
8.	Jehangir Rutton Mehta	703/704 Natasha Towers, Juhu Versova Link Road, Andheri W, Mumbai – 400061	25,00,000	2,500
9.	Nanik Chand	B 139, 2nd Floor, Duggal Colony Devli Road, Khanpur, New Delhi – 110062	25,00,000	2,500
10.	Shining Engineers and Founders Private Limited	Near Archer Metal Industries, Survey No 81/82, at Shapar, Veraval Kotda Sangani, Rajkot – 360002	25,00,000	2,500

3. List of top 10 holders of secured listed non-convertible Debt instruments issued by way of public issue pursuant to the prospectus dated September 21, 2015 ( Public Issue - 3 as on 30<sup>th</sup> June, 2017)

Sr. No	Name	Address	Aggregate Amount(Rs)	Number of Instruments
1.	Muthoot forex Limited	Muthoot chamber, opposite Saritha Theatre complex, Banerji road, Kochin, Ernakulam – 682018	3,00,00,000	30,000
2.	Showket Karim Asif	A/10 Blue Sea apartment, Juhutara road, Santacruz West, Mumbai - 400052.	1,00,00,000	10,000
3.	Ann George	#1383C (60/785), Judges Avenue, Kaloor, Ernakulam - 682017.	50,00,000	5,000
4.	Somanathan Pillai Raghavan.	Kochu thottakkattu, Thalavady, Kuttanad, Alappuzha - 689572.	49,00,000	4,900
5.	Tribhuvanadas Krishnadas	Punthalavil Puthenveedu, Pandalam PO, Pandalam – 689501.	40,00,000	4,000
6.	Madhu Balakrishnan	Krishna Punnathala, Thirumullavaram P.O, Kollam - 691012	40,00,000	4,000
7.	Darshan Kaur	W/o Beant Singh, H.No. 1570 Sector - 39, Urban Estate Chandigarh Road, Ludhiana – 141010	40,00,000	4,000
8.	Gagandeep Kaur	H.No. 1570 Sector-39, Ward No.15, Chandigarh Road, Ludhiana – 141010	40,00,000	4,000
9.	Radhakrishna Varma	Varma Beach Resort, Calangute, Bardez Goa - 403516	38,00,000	3,800
10.	Nimmy Franklin	Flat No. 1f, Kattikaran Towers, Antony Kattikaran Road, Kacheripady Kochi, Kerala – 682018	35,00,000	3,500

4. List of top 10 holders of secured unlisted non-convertible Debt instruments issued by way of private placement as on 30 June 2017:

Sr. No	Series	Name	Address	Aggregate Amount(Rs)	Number of Instruments
1.	86	Neelam Varghese	Nechupadam House, Kadayiruppu P.O., Kolenchery	1,00,00,000	10,000
2.	79	R. Joye	Kozhipore Villai, Kuzhikodu P.O, K.K. Dist. Tamil Nadu, India 629167	75,00,000	7,500
3.	83	Shireen Jacob	A1, Sobha, Turquoise 3, Haudin Road, Bangalore 560043	50,00,000	5,000
4.	84	Vimala Padmakumar	Sansar, Jawahar Nagar, Kowdiar P.O., Trivandrum 695003	50,00,000	5,000
5.	MFL19	Namitha T J	Thaananth house, Club Junction, unichira, Edappally P.O, Cochin - 682024	4,200,000	42
6.	85	Sreedharan Pillai. K	Kaithara Puthen Veedu, Chenkottukonam, Chempazhanthy Thundathil, Pin-695581	40,00,000	4,000
7.	84	Joseph Franklin	Xl11/966, Tata Pipe Line Rd, Ernakulam, Cochin 18	3,500,000	3,500
8.	MFL19	John Bosewell	Jebes, Kilikolloor P.O, Quilon, Kerala - 691004	3,500,000	35
9.	75	CRAFTERS	6/141 Jew Town, Mattanchery, Cochin 682002	31,80,000	3,180
10.	MFL 14	Sam V Kurian	Vilanguparackal house, champakara p o karukachal	31,00,000	31

5. List of top 10 holders of unlisted subordinate debt in the nature of non-convertible Debt instruments issued by way of private placement as on 30 June 2017:

Sr. No	Series	Name	Address	Aggregate Amount(Rs)	No of Instruments
1	5	Mrs. Priya Prakash	Nani Nivas, Kochupilammoodkollam- 691001	2,07,00,000.00	20,700
2	2	Mrs. Lathika Vijayaraghavan	Kollara House, Kokkalairailway Station (Po), Thrissur	1,04,00,000.00	10,400
3	13	Mr. Venugopal M	Padmasree, Panampally Nagar, Ernakulam.	1,00,00,000.00	10,000
4	2	Mrs. Meena Prathap	Thumbikkalil, BLRA 15, Bridge Lane, Ulloor, Trivandrum - 695011.	1,00,00,000.00	10,000
5	2	Mrs. Molly Kurien	Iran Villa, Mummys colonykowdiar, Trivandrum. 695003	1,00,00,000.00	10,000
6	5	Ms. PJD Properties & Investments Private Limited	Pullockaran Buildingirinjalkuda - 680121	1,00,00,000.00	10,000
7	5	Ms. PJD Properties & Investments Private Limited	Pullockaran Buildingirinjalkuda - 680121	1,00,00,000.00	10,000
8	12	Mr Vinod V Nair	Kailas Cram 16 Panickers Lane, Mannamoola Peroorkada Tvm 5	97,00,000.00	9,700
9	2	Ms. Valsala C.K	Chandrika Bhavanernakulam H Po, Ernakulam	89,00,000.00	8,900
10	13	Mr Vinod V Nair	Kailas Cram 16 Panickers Lane, Mannamoola Peroorkada Tvm 5	8,200,000	8,200

6. List of top 10 holders of perpetual debt instruments issued by the Company as on June 30, 2017

Sr. No	Name	Address	Aggregate Amount (Rs.)	Number of Instruments
1	Religare Credit Investments Trust	D-3 P3B, District Centre, Saket, New Delhi, 110017	54,00,00,000	5,400
2	Mpg Hotels And Infrastructure Ventures Private Limited	Muthoot Centre, Punnen Road, Thiruvananthapuram, Kerala - 695034	41,12,00,000	4,112
3	M Venugopal	Padmasree, South Bridge Avenue Road, Panampilly Nagar, Kochi - 682016	1,00,00,000	100
4	Bakya Rachnaa Rnarayan	Smv Gardens, Main Road, Kollam, Kollam - 691001	1,00,00,000	100
5	Thomas John Muthoot	Tc 4/1008 (1) Kawdiar, Kawdiar Po, , Thiruvananthapuram - 695003	1,00,00,000	100



6	Riad Joseph	Forbes Ewart And Figgis (P) Ltd, Sebrof House, P B No 545, Willingdon Island, Kochi, Kerala - 682003	79,00,000	79
7	Vinod Vikraman Nair	Kailas, Vp 2/1211 Cram 16, Panikers Lane Mannamoola, Peroorkada P O - 695005	66,00,000	66
8	Reena Rubans	Reena Cottage, Valiyaveli P O, , Trivandrum - 695021	60,00,000	60
9	Raihan Abbas	Abbasil House No 657, Darsan Nagar, Peroorkada P O, Thiruvananthapuram - 695005	60,00,000	60
10	A K Abbas	Abbasil House No 656, Darsan Nagar, Peroorkada, Trivandrum - 695005	50,00,000	50

#### 7. Details of promoters of the Issuer

The following are the details of the promoter shareholding in the Issuer as at September 30, 2017, being the last quarter end:

Sr. No.	Name of Shareholder	Total No of Equity Shares	No of Shares in demat form	Total Shareholding as % of total no of Equity Shares	No of Shares pledged	% of Shares pledged with respect to Equity Shares owned] <sup>3</sup>
1.	Thomas John Muthoot	5,08,43,764	5,08,43,764	26.25	NIL	
2.	Thomas George Muthoot	5,08,43,764	5,08,43,764	26.25	NIL	
3.	Thomas Muthoot	5,08,43,769	5,08,43,769	26.25	NIL	

#### XXV. UNDERTAKING TO USE A COMMON FORM OF TRANSFER

The normal procedure for transfer of securities held in dematerialized form shall be followed for transfer of these Debt instruments held in electronic form. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant. The Issuer undertakes that there will be a common transfer form / procedure for transfer of Debt instruments.

#### XXVI. REDEMPTION AMOUNT, PERIOD OF MATURITY, YIELD ON REDEMPTION

<b>Tenor</b>	<b>Perpetual</b>
<b>Coupon Rate</b>	<b>12.00%</b>
<b>Redemption Date</b>	Perpetual
<b>Depository</b>	NSDL /CDSL
<b>Settlement</b>	Payment of interest and principal will be made by way of Cheque(s)/interest warrant (s)/demand draft(s)/ RTGS.

#### XXVII. TERMS OF OFFER

Private placement of **Unsecured, Non-Convertible Perpetual Debt Instruments of Rs.5,00,000/-** each aggregating to Rs. 24.00 crores issued by MFL.

Security Name	MUTHOOT FINCORP PERPETUAL NON- CONVERTIBLE DEBENTURE SERIES 6 WITH COUPON RATE 12%
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<sup>3</sup> Company to insert details.

Issuer	Muthoot Fincorp Limited												
Type of Instrument	Perpetual Debt Instrument												
Nature of Instrument	<b>Unsecured, Non-convertible Perpetual Debt Instrument</b>												
Seniority	The claims of the investors in PDI shall be a) Superior to the claims of investors in equity shares; and b) Subordinated to the claims of all other creditors.												
Mode of Issue	Private Placement – Dematerialized												
Eligible Investors	Investors identified by the company												
Listing (Including name of stock exchange(s) where it will be listed and timeline for listing)	The PDIs are proposed to be listed on the WDM segment of the Bombay Stock Exchange Limited (BSE). The PDIs will be listed on the Bombay Stock Exchange within 90 days from the Date of Allotment												
Rating of the instrument	“BWRA A” by BRICKWORKS												
Issue Size	Rs.24.00 Crores												
Option to retain oversubscription(Amount)	NA												
Objects of the Issue	The current borrowing program will be used to augment the Tier 1 capital of the Company& for General Corporate Purposes.												
Details of the utilization of the proceeds	The proceeds of Issue, after meeting the expenditures related to the Issue, will be utilised for various financing activities of the Company including lending and investments, subject to applicable statutory and/or regulatory requirements, to repay the Company’s existing loans and its business operations including working capital requirements.												
Coupon Rate	12%												
Step Up/Step Down Coupon RATE	The company has a step up option for increasing the rate of interest payable on PDI’s. Such options can be exercised only once during the whole life of instrument after the lapse of 10 years from the date of issue. The step up shall not be more than 100 bps in reference to the interest rate advertised as per offer document.												
Coupon payment frequency	Monthly												
Coupon Payment dates	Last Working day of every month <table border="1" data-bbox="619 1153 874 1355"> <tr> <td>31-Oct</td> <td>30-Apr</td> </tr> <tr> <td>30-Nov</td> <td>31-May</td> </tr> <tr> <td>31-Dec</td> <td>30-Jun</td> </tr> <tr> <td>31-Jan</td> <td>31-Jul</td> </tr> <tr> <td>28/29-Feb</td> <td>31-Aug</td> </tr> <tr> <td>31-Mar</td> <td>30-Sep</td> </tr> </table>	31-Oct	30-Apr	30-Nov	31-May	31-Dec	30-Jun	31-Jan	31-Jul	28/29-Feb	31-Aug	31-Mar	30-Sep
31-Oct	30-Apr												
30-Nov	31-May												
31-Dec	30-Jun												
31-Jan	31-Jul												
28/29-Feb	31-Aug												
31-Mar	30-Sep												
Coupon Type	Simple												
Coupon Reset Process (including rates, spread, effective date ,interest rate cap and floor etc)	NA												
Interest on Application money	At the respective coupon rate (subject to deduction of tax of source, as applicable) from the date of realization of cheque(s) / demand draft(s) up to one day prior to the Date of Allotment. Where the entire or Part subscription amount has been refunded, the interest @ 12% pa on application money will be paid along with the Refund Orders.												
Tenor	Perpetual												
Redemption Date	NA												
Redemption Amount	On Face Value												
Redemption premium/Discount	NA												
Face Value	Rs 500000 per Unit												
Issue Price	Rs 500000 per Unit												
Minimum subscription	1 unit												
<b>Put Option</b>	NA												
<b>Call Option</b>	subject to strict compliance with each of the following conditions: (a) that the instrument has run for a minimum period of ten years from the date of issue; and (b) Call option shall be exercised only with the prior approval of RBI. While												

	considering the proposals received for exercising the call option the RBI would, among other things, take into consideration the NBFC's CRAR position both at the time of exercise of the call option and after the exercise of the call option
Put notification Time	NA
Call Notification Time	1 month from the date of receiving RBI approval for the same
Minimum Application and in multiples of Debt securities thereafter	Minimum application of 1 unit and in multiples of 1 unit of PDI thereafter
Issue timing 1.Issue opening date 2.Issue closing date 3.Date of Allotment	31-10-2017 02-11-2017 02-11-2017
Issuance mode of the Instrument	Only in Dematerialized form
Trading mode of the Instrument	Only in Dematerialized form
Settlement mode of the Instrument	Payment of interest will be made by way of Cheques / DD's / Electronic mode.
Depository	National Securities Depository Ltd. and Central Depository Services (India) Ltd. (NSDL / CDSL)
Security	NA , unsecured
Business Day Convention	A 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, except with reference to Issue Period, Interest Payment Date and Record Date, where working days shall mean all days, excluding Saturdays, Sundays and public holiday in India or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881. If the date of payment of coupon/ interest rate specified does not fall on a Working Day, the coupon payment shall be made on the succeeding Working Day. However, the dates of future coupon/interest rate would be as per the original schedule prescribed herein.
Record Date	25th of every month or as may be prescribed by the Stock Exchange.
Working Day Convention/ Day Count/ Effect of holidays on payment	A Working Day shall mean all days excluding Sundays or a public holiday in India or at any other payment center notified in terms of the Negotiable Instruments Act, 1881, except with reference to Issue Period, Interest Payment Date and Record Date, where working days shall mean all days, excluding Saturdays, Sundays and public holiday in India or at any other payment center notified in terms of the Negotiable Instruments Act, 1881. Day Count Convention Actual/actual i.e., interest will be computed on a 365 days-a-year basis on the principal outstanding on the PDIs. Where the interest period (start date to end date) includes February 29, interest will be computed on 366 days-a-year basis, on the principal outstanding on the PDIs. Effect of holidays on payments If the date of payment of coupon/ interest rate specified does not fall on a Working Day, the coupon payment shall be made on the succeeding Working Day. However, the dates of future coupon/interest rate would be as per the original schedule prescribed herein.
Transaction Documents	Information Memorandum
Name and address of the valuer who performed valuation of the security offered	Not Applicable
Conditions Precedent to Disbursement	Not Applicable
Condition Subsequent to Disbursement	Not Applicable

dated September 01, 2016 are applicable

### **Governing Law & Provisions**

The Perpetual Debt instruments offered are subject to provisions of the Companies Act, 1956/ Companies Act 2013, Securities Contract Regulation Act, 1956, Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (Master Direction DNBR. PD. 008/03.10.119/201 6-17), dated September 01, 2016, terms of this Disclosure Document, Instructions contained in the Application Form and other terms and conditions as may be incorporated in the Trustee Agreement and the Trust Deed. Over and above such terms and conditions, the Debt instruments shall also be subject to the applicable provisions of the Depositories Act 1996 and the laws as applicable, guidelines, notifications and regulations relating to the allotment & issue of capital and listing of securities issued from time to time by the Government of India (GoI), Reserve Bank of India (RBI), Securities & Exchange Board of India (SEBI), concerned Stock Exchange or any other authorities and other documents that may be executed in respect of the Debt instruments. Any disputes arising out of this issue will be subject to the exclusive jurisdiction of the Court at Trivandrum, Kerala.

The proceeds of this issue has been used by the corporation for its regular business purpose.

### **Authority for the Placement**

This private placement of **Non-Convertible Perpetual Debt Instruments** is being made pursuant to the resolution of the Board of Directors passed at its meeting held on 24/08/2017 which has approved the placement of **Non-Convertible Perpetual Debt Instruments** Up to Rs 125.00 Crores. The present issue of Rs.24.00 Crores is within the general borrowing limits in terms of the resolution passed under Section 180(1)(c) of the Companies Act, 2013, at the Extra Ordinary General Meeting of the shareholders of the Company held on 3-06-2014 subject to any restrictions imposed by the terms of the agreement entered into from time to time for grant of loans to the Company of all monies deemed by them to be requisite or proper for the purpose of carrying on the business of the Company. The borrowings under these Debt instruments will be within the prescribed limits as aforesaid.

The Company can carry on its existing activities and future activities planned by it in view of the existing Approvals, and no further approvals from any Government authority are required by the Company to carry on its said activities.

### **Credit Rating**

The PDIs are rated 'BWR A' By BRICKWORKS (pronounced as BWR A) by BRICKWORKS Limited vide their letter dated 27-09-2017. Instruments with this rating are considered to offer moderate safety for timely servicing of debt obligations. Such instruments carry moderate credit risk.

Please note that the rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other rating. The rating obtained is subject to revision at any point of time in the future. The rating agencies have a right to suspend, withdraw the rating at any time on the basis of new information etc.

### **Face Value, Issue Price, Effective Yield for Investor**

Face Value per Unit ( in Rs)	Issue Price per Unit ( in Rs)	Effective Yield #
500000	500000	12 %

# Effective yield computed is applicable only to investors allotted initially. Effective yield for Investors purchasing from secondary market may vary.

### **Minimum Subscription**

As the current issue of Perpetual Debt instruments is being made on private placement basis, the requirement of minimum subscription shall not be applicable and therefore the Company shall not be liable to refund the issue subscription(s)/ proceed(s) in the event of the total issue collection falling short of issue size or certain percentage of issue size.

### **Application Amount**

Application amount will be required to be made in full with the application. Any payment made in excess of application amount on Application will be refunded to the applicant. No additional Debt instruments shall be issued for this excess of Application Amount, and the same shall be refunded along with issuance of other Refund Orders without any interest.

Further, in case of allotment of lesser number of Debt instruments than the number applied for, the excess amount paid on Application shall be non interest bearing and the same shall be refunded to the applicant.

### **Deemed Date of Allotment**

Interest on Debt instruments shall accrue to the Debt instrument holder(s) from and including the deemed date of allotment. All benefits relating to the Debt instruments will be available to the investors from the Deemed Date of Allotment. The actual allotment of Debt instruments may take place on a date other than the Deemed Date of Allotment. The Company reserves the right to keep multiple allotment date(s)/ deemed date(s) of allotment at its sole and absolute discretion without any prior notice. In case if the issue closing date is changed (pre-poned/ postponed), the Deemed Date of Allotment may also be changed (pre-poned/ postponed) by the Company at its sole and absolute discretion.

### **Form**

The Perpetual Debt instruments being issued hereunder can be applied for in the dematerialised form only through a valid Application Form filled in by the applicant along with attachments, as applicable. The Debt instruments will be allotted only in dematerialised form. The Debt instrument holders will hold the Debt instruments in dematerialised form and deal with them in accordance with the provisions of the Depositories Act and/or rules as notified by the Depositories from time to time. The Debt instruments will be issued in Indian Rupees only.

Subsequent to the issuance of the Debt instruments, a Debt instrument holder may request the Depository to provide a physical Debt instrument certificate. In case of any Debt instruments rematerialised by a Debt instrument holder in physical form, a single certificate will be issued to the Debt instrument holder for the aggregate amount ("Consolidated Debt instrument Certificate") for each option of Debt instruments allotted to him under this Issue. Stamp duty payable, if any, would be borne by the Debt instrument holder

The Applicant can also request for the issue of Debt instrument Certificates in a Market Lot. In respect of Consolidated Debt instrument Certificates, upon receipt of a request from the Debt instrument holder, the company will split such Consolidated Debt instrument Certificates into smaller denominations subject to the minimum of the Market Lot. No fees would be charged for splitting of Debt instrument Certificates into Market Lots, but stamp duty payable, if any, would be borne by the Debt instrument holder. The charge for splitting into lots other than Market Lot will be borne by the Debt instrument holder subject to the maximum amount agreed upon by us with

### **Title**

In case of:

- (i) Debt instruments held in the dematerialized form, the person for the time being appearing in the register of beneficial owners maintained by the Depository; and
- (ii) the Debt instrument held in physical form, the person for the time being appearing in the Register of Debt instrument holders, as Debt instrument holder, shall be treated for all purposes by the Company, the Debt instrument Trustee, the Depositories and all other persons dealing with such person as the holder thereof and its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, theft or loss of the Consolidated Debt instrument Certificate issued in respect of the Debt instruments and no person will be liable for so treating the Debt instrument holder.

No transfer of title of a Debt instrument will be valid unless and until entered on the Register of Debt instrument holders or the register of beneficial owners maintained by the Depository prior to the Record Date. In the absence of transfer being registered, interest and/or Maturity Amount, as the case may be, will be paid to the person, whose name appears first in the Register of Debt instrument holders maintained by the Depositories and/or the Company and/or the Registrar, as the case may be. In such

cases, claims, if any, by the purchasers of the Debt instruments will need to be settled with the seller of the Debt instruments and not with the Company or the Registrar. The provisions relating to transfer and transmission and other related matters in respect of the Company's shares contained in the Articles of Association of the Company and the Companies Act shall apply, mutatis mutandis (to the extent applicable) to the Debt instrument(s) as well.

**Underwriting**

The present Issue of PDIs on private placement basis has not been underwritten.

**Listing**

Listing is proposed on the Wholesale Debt Market segment of Bombay Stock Exchange (BSE).

**Record Date**

The 'Record Date' for the Debt instruments shall be 5 days prior to each interest payment and/ or principal repayment date.

**Market Lot**

The market lot shall be one Debt instruments Series of face value of Rs. 5.00 Lakh each ("Market Lot"). Since the Debt instruments are being issued only in dematerialised form, the odd lots will not arise either at the time of issuance or at the time of transfer of Debt instruments.

**Interest on Application Money**

Interest at the coupon rate as notified in the term sheet (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactments thereof, as applicable) will be paid to all the allottees on the application money for the Debt instruments. Such interest shall be paid from the date of realisation of cheque(s)/ RTGS/NEFT/Warrants upto one day prior to the Date of Allotment. The interest on application money will be computed on an Actual/ Actual basis. Such interest would be paid on all the valid applications.

Where the entire or Part subscription amount has been refunded, the interest @ 12% pa on application money will be paid along with the Refund Orders. Where an applicant is allotted lesser number of Debt instruments than applied for, the excess amount paid on application will be refunded to the applicant along with the interest at the respective coupon rate on refunded money.

The interest cheque(s)/ demand draft(s) for interest on application money (along with Refund Orders, in case of refund of application money, if any) shall be dispatched by the Company within 15 days from the Deemed Date of Allotment by courier/registered post to the sole/ first applicant, at the sole risk of the applicant.

**Interest on PDIs**

The PDIs shall carry interest at the rate (as per term sheet) (subject to deduction of tax at source at the rates prevailing from time to time under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof for which a certificate will be issued by the Company) payable to the holders of Debt instruments (the "Holders" and each, a "Holder") as of the relevant Record Date. The interest payable on any Interest Payment Date will be paid to the Debt instrument holder(s) whose names appear in the List of Beneficial Owners given by the Depository to the Company as on the Record Date.

If the date of payment of coupon/ interest rate specified does not fall on a Working Day, the coupon payment shall be made on the succeeding Working Day. However, the dates of future coupon/interest rate would be as per the original schedule prescribed herein.

**Computation of Interest**

Interest for each of the interest periods shall be calculated, on actual / actual basis, on the face value of principal outstanding on the Debt instruments at the coupon rate rounded off to the nearest Rupee.

**Modes of Payment:**

All payments to be made by the Company to the Applicants/Debt instrument holders shall be by cheques or warrants or through National Electronic Clearing System ("ECS") or through Real Time Gross Settlements ("RTGS") as per the details in the register of Debt instrument holders at the risk of the sole/first applicant at the address registered as per dematerialized form. Dispatch of cheques or pay orders in respect of payments with respect to redemptions will be made on the Maturity Date or the Call Option Date, as applicable, or within a period of 30 days from the date of receipt of the duly discharged Consolidated Debt instrument Certificate, if required by the Company, whichever is later.

The mode of payments of refunds, interest or principal shall be undertaken in any of the following ways:

1. **ECS:** Payment of refunds, interest or principal redemption to Applicants having an account at the centres permitted by RBI and SEBI, shall be undertaken through NECS. This mode of payment would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories.
2. **NEFT:** Payment of refunds, interest or principal redemption shall be undertaken through NEFT wherever the Applicants' bank has been assigned the IFSC which can be linked to MICR, if any, available to that particular bank branch, and where the Applicants have registered their nine-digit MICR number and their bank account number while opening and operating the dematerialized account. The IFSC of that bank branch will be obtained from the RBI's website as on a date immediately prior to the date of payment of refund, and will be duly mapped with the MICR numbers.
3. **RTGS:** Applicants whose payment of refunds, interest or principal redemption amounts is Rs.2,00,000/- or above, have the option to receive the due amounts through RTGS. In the event the same is not provided, payment of refunds, interest or principal redemption shall be made through ECS. Charges, if any, levied by the Collecting Bank for the same would be borne by such Applicant opting for RTGS as a mode of payment of refunds, interest or principal redemption. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant.
4. 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 by ordinary post/Speed Post for value up to Rs.1,500 and through courier/speed/registered post for refund orders of above Rs.1,500. Such refunds will be made by cheques, pay orders or demand drafts drawn on the collecting bank and payable at par at places where Applications are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Applicant.

We will not be responsible for any delay in payment of refunds, interest or principal redemption, provided that the process of such request has been initiated within reasonable time, as per the process detailed above.

### Security

As the PDI is unsecured, No security has been created.

### Tax Deduction at Source

Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source. Tax exemption certificate/ document, under Section 193 of the Income Tax Act, 1961, if any, must be lodged at the registered office of the Company or at such other place as may be notified by the company in writing.

**Tax exemption certificate / document in respect of non-deduction of tax at source on interest on application money, must be submitted along with the Application Form.**

However, Finance Act 2008 has inserted clause (ix) under the provision to Section 193, which reads as under:

"Any interest payable on any security issued by a company, where such security is in dematerialized form and is listed on a recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 and rules made there under."

The amendment, which will be effective 1st June 2008, will have following implications:

However the Tax deduction at source would be governed by Income Tax Act 1961 provisions applicable at the time of the interest payment.

### Debt instruments in Dematerialized Form

The Company has finalized Depository Arrangements with National Securities Depository Limited (NSDL) for dematerialization of the Debt instruments. The investor has to necessarily hold the Debt instruments in dematerialized form and deal with the same as per the provisions of Depositories Act, 1996 (as amended from time to time). The normal procedures followed for transfer of securities held in dematerialized form shall be followed for transfer of these Debt instruments held in electronic form. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant.

Applicants to mention their Depository Participant's name, DP-ID and Beneficiary Account Number/Client ID in the appropriate place in the Application Form. In case the depository arrangement is finalised before the completion of all legal formalities for issue of Debt instrument Certificates, Debt instruments to successful allottee(s) having Depository Account shall be credited to their Depository Account against surrender of Letter of Allotment.



Interest or other benefits with respect to the Debt instruments would be paid to those Debt instrument holders whose names appear on the list of beneficial owners given by the Depositories to the Issuer as on a record date/book closure date. The Issuer would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and informed to the Issuer where upon the interest/benefits will be paid to the beneficiaries within a period of 30 days.

#### **Transfer of Debt instruments**

Debt instruments shall be transferred subject to and in accordance with the rules/ procedures as prescribed by the NSDL Depository Participant of the transferor/ transferee and any other applicable laws and rules notified in respect thereof. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Debt instruments held in electronic form. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant.

Transfer of Debt instruments to and from NRIs/ OCBs, in case they seek to hold the Debt instruments and are eligible to do so, will be governed by the then prevailing guidelines of RBI. The transferee(s) should ensure that the transfer formalities are completed 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 records of the Depository. In such cases, claims, if any, by the transferee(s) would need to be settled with the transferor(s) and not with the company.

#### **Payment of Redemption**

The instrument is perpetual in nature.

#### **Future Borrowings**

The Company will be entitled to borrow/raise loans or avail of financial assistance in whatever form including issue of Debt instruments/ other securities in any manner having such ranking in priority, *paripassu* or otherwise and change the capital structure including the issue of shares of any class, on such terms and conditions as the Company may think appropriate, without having any need to obtain the consent of, or intimation to, the Debt instrument holders or the Trustees in this connection.

#### **Letter/s of allotment/refund order(s) and interest in case of delay in dispatch**

The beneficiary account of the investor(s) with National Securities Depository Ltd. (NSDL), Central Depository Services Limited, Depository Participant will be given initial credit within two working days from the Deemed Date of Allotment. The initial credit in the account will be akin to the Letter of Allotment. On completion of the all statutory formalities, such credit in the account will be akin to a Debt instrument Certificate.

The issuer further agrees to pay interest as per the applicable provisions of the Companies Act, 1956/ Companies Act 2013, if the allotment letters/refund orders have not been dispatched to the applicants within 30 days from the date of the closure of the issue.

#### **PAN/GIR Number**

All Applicants should mention their Permanent Account Number or the GIR Number allotted under Income Tax Act, 1961 and the Income Tax Circle / Ward / District. In case where neither the PAN nor the GIR Number has been allotted, the fact of such a non-allotment should be mentioned in the Application Form in the space provided.

#### **Signatures**

Signatures should be made in English or in any of the Indian Languages. Thumb impressions must be attested by an authorized official of a Bank or by a Magistrate/Notary Public under his/her official seal.

#### **Nomination Facility**

As per Section 109 A of the Companies Act, 1956/ Section 72 of the Companies Act 2013, only individuals applying as sole applicant/Joint Applicant can nominate, in the prescribed manner, a person to whom his Debt instruments shall vest in the event of his death. Non-individuals including holders of Power of Attorney cannot nominate.

#### **Disputes and Governing Law**

The Debt instruments shall be construed to be governed in accordance with Indian Law. The competent courts at Trivandrum alone shall have jurisdiction in connection with any matter arising out of or under these precincts.

Over and above the aforesaid Terms and Conditions, the said Debt instruments shall be subject to the Terms and Conditions to be incorporated in the Debt instruments to be issued to the allottees and the Debt instrument Trust Deed/Trustee Agreement.



**Trading of Debt instruments**

The trading of privately placed Debt securities would be permitted in the anonymous, order driven system of the Stock Exchange in a separate trading segment. The marketable lot would be one Debt instrument of face value of Rs. 5,00,000/-. All class of investors would be permitted to trade subject to the standard denomination/marketable lot. The trades executed on spot basis shall be required to be reported to the Stock Exchange.

**List of Beneficial Owners**

The Company shall request the Depository to provide a list of Beneficial Owners as at the end of the Record Date. This shall be the list, which shall be considered for payment of interest or repayment of principal amount, as the case may be.

**Succession**

In the event of demise of the sole/first holder of the Debt instrument(s) or the last survivor, in case of joint holders for the time being, the Company will recognize the executor or administrator of the deceased Debt instrument holder, or the holder of succession certificate or other legal representative as having title to the Debt instrument(s). The Company shall not be bound to recognize such executor or administrator, unless such executor or administrator obtains probate, letter of administration wherever it is necessary, or such holder is the holder of succession certificate or other legal representation, as the case may be, from a Court in India having jurisdiction over the matter. The Company may, in its absolute discretion, where it thinks fit, dispense with production of probate or letter of administration or succession certificate or other legal representation, in order to recognize such holder as being entitled to the Debt instrument(s) standing in the name of the deceased Debt instrument holder on production of sufficient documentary proof or indemnity.

Where a non-resident Indian becomes entitled to the Debt instrument by way of succession, the following steps have to be complied:

- a. Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the Debt instrument was acquired by the NRI as part of the legacy left by the deceased holder.
- b. Proof that the NRI is an Indian National or is of Indian origin.

**Such holding by the NRI will be on a non-repatriation basis.**

**Notices**

The notices to the Debt instrument holder(s) required to be given by the Company or the Trustees shall be deemed to have been given if sent by registered post to the sole/first allottee or sole/first registered holder of the Debt instruments, as the case may be. All notices to be given by the Debt instrument holder(s) shall be sent by registered post or by hand delivery to Registrars or to such persons at such address as may be notified by the Company from time to time.

All transfer related documents, tax exemption certificates, intimation for loss of Letter of Allotment/Debt instrument(s), etc., requests for issue of duplicate Debt instruments, interest warrants etc. and/or any other notices / correspondence by the Debt instrument holder(s) to the Company with regard to the issue should be sent by Registered Post or by hand delivery to the Registrar, or to such persons at such persons at such address as may be notified by the Company from time to time.

**PROCEDURE OF APPLICATION :**

The Disclosure Document and the Application Forms for this Issue can be obtained from our Registered Office or from the arrangers appointed for the Issue.

All Applicants shall have the option of applying for the Debt instruments either through cheque/bank draft as advised in the section "Payment Instructions for Applicants".

**Application Form**

Applicants are required to submit their Applications directly to Issuer on or before issue closure date. All Applicants shall have the option to apply for any of or all Options of Debt instruments in the Application Form.

**WHO CAN APPLY**

All investor who been addressed to invest in the said Debt instrument issue are eligible to invest subject to their internal guidelines , investment guidelines, necessary approvals and authorizations required under the laws applicable to them. NRIs and OCBs are not permitted to apply in this Issue.

All the Arrangers, their associates and affiliates are permitted to subscribe in this Issue. However, this Issue or any part thereof is not being underwritten by the Arrangers to the Issue or by any of its associates and affiliates. It may be noted that participation by any investors in this Issue, including the investment limits applicable to them, will be subject to necessary

approvals and authorisations required under the laws applicable to them as well as any corporate authorisations applicable to them.

### **Impersonation/ Fictitious applications.**

Attention of the Applicants is specifically drawn to the provisions of section 68A of the Companies Act 1956/ Section 38 of the Companies Act 2013, which is reproduced below:

#### **Any person who –**

(a) Makes, in a fictitious name, an Application to a body corporate for acquiring, or subscribing to, the Debt instruments, or

(b) Otherwise induces a body corporate to allot, or register any transfer of, Debt instruments therein to them, or any other person in a fictitious name, shall be liable for legal consequences of such action.

### **Application size**

Applications are required to be for a minimum of Rs.5,00,000/- i.e 1 (One) Debt instruments and multiples of one (1) In case of multiple applications, which is two or more application forms submitted by a single applicant, the applications shall be aggregated based on the PAN of the applicant.

### **How to apply:**

#### **General Instructions:**

1. Applications for the Debt instruments must be made in the prescribed form ("Application Form").
2. The Application Forms are required to be completed in block letters in English as per the instructions contained herein and in the Application Form, and are liable to be rejected if not so completed.
3. If the applicant is Hindu Undivided Family or HUF, the Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: "Name of Sole or First Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". PAN of the HUF should be provided.
4. Thumb impressions and signatures other than in English/Hindi must be attested by an authorized official of a Bank or Magistrate or Notary Public or a Special Executive Magistrate under his official seal.
5. Applications under Power of Attorney: Unless we specifically agree in writing, and subject to such terms and conditions as we may deem fit, in the case of Applications made under Power of Attorney or by limited companies, corporate bodies, trusts etc., a certified copy of the Power of Attorney and/or the relevant authority, as the case may be, and a certified copy of Memorandum and Articles of Association and/or bye-laws, where applicable, is required to be lodged separately, along with a copy of the Application Form at the office of the Registrar to the Issue simultaneously with the submission of the Application Form, indicating the name of the Applicant along with the address, Application number, name of the bank and branch where it was deposited, Cheque/Demand Draft Number and the bank and branch on which the Cheque/Demand Draft was drawn.
6. Permanent Account Number: Each of the Applicants is required to mention his PAN allotted under the Income Tax Act in the Application Form. The PAN would be the sole identification number for participants transacting in the securities markets, irrespective of the amount of the transaction. Any Application Form without the PAN is liable to be rejected. It is to be specifically noted that Applicants should not submit the GIR Number instead of the PAN as the Application is liable to be rejected on this ground.
7. As the issue of Debt instruments is only in demat form, the Applicant must mention the 16 digit DP ID/ClientID correctly in the Application Form. Investors may attach a self attested copy of proof of DP Id and Client Id (desirable to avoid mismatch).
8. Joint Applications: Applications may be made in single or joint names (not exceeding three) and should be in the similar sequence as mentioned in the Demat Account.. 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 at the address mentioned therein.

#### **Multiple Applications:**

In case of multiple applications, which is two or more Application Forms submitted by a single Applicant, the applications shall be aggregated based on the PAN of the Applicant.

9. Applicants are requested to write their names, telephone no. and Application serial number on the reverse of the account payee cheque/draft by which the payments are made.
10. Applicants should ensure to make payment of the Application Amount by way of single cheque/DD/ECS and not multiple cheques/DDs for a single Application Form.
11. Tax Deduction at Source: Persons (other than companies and firms) resident in India claiming receipt of interest on Application money without deduction of tax at source are required to submit Form 15G/Form 15H at the time of submitting the Application Form, in accordance with and subject to the provisions of the Income Tax Act. Other Applicants can submit a certificate under section 197 of the Income Tax Act. For availing the exemption from deduction

of tax at source from interest on Debt instruments, the Applicants are required to submit Form 15G/15H/certificate under section 197 of the Income Tax Act/valid proof of exemption each financial year.

- 12. Category:** All Applicants are requested to tick the relevant column “Category of Investor” in the Application Form.

For further instructions, please read the Application Form carefully.

**Payment Instructions for Applicants:**

- All Applicants are required to make payment of the full Application Amount along with the Application Form.
- The applicants may note that in case the DP ID and PAN mentioned in the Application Form do not match with the DP ID and PAN available in the depository database, the application is liable to be rejected.
- All cheques/drafts must be made payable to “Muthoot Fincorp Ltd” and crossed “A/CPAYEE ONLY” and payable locally where the Application is being submitted. Demand Draft charges, if any, shall be borne by the applicant.
- Cheques/Demand Drafts may be drawn on any designated collection centre (as mentioned in the Disclosure Document) where application form is being deposited.
- Unless MFL specifically agree in writing with or without such terms or conditions as we may deem, A separate single cheque/draft must accompany each Application Form. All Application Forms received with outstation cheques/drafts, post-dated cheques, cheques/bank drafts drawn on bank not participating in the clearing process, money orders/postal orders shall be rejected and we shall not be responsible for such rejections. Further, our Designated Branches/collection centres/agents will not accept payments made in cash.
- No receipt would be issued by the Issuer for the Application money. However, the Designated Branch on receiving the applications will acknowledge receipt by stamping and returning the acknowledgment slip to the Applicant.

**Rejection of Applications:**

The 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 would be liable to be rejected on one or more technical grounds, including but not restricted to:

- Applicants by ineligible entities
- Application by minor without a guardian name
- Number of Debt instruments applied for is less than the minimum Application size.
- Applications not duly signed by the sole/joint Applicants;
- Application amount paid not tallying with the number of Debt instruments applied for;
- Applications for a number of Debt instruments which is not in a multiple of one;
- Investor category not ticked;
- Bank account details not given;
- Applications by persons not competent to contract under the Indian Contract Act, 1872, as amended;
- In case of Applications under Power of Attorney where relevant documents not submitted;
- Application by stock invest;
- Applications accompanied by cash;
- Applications without PAN;
- GIR number furnished instead of PAN;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicant (including the order of names of joint holders), the DP ID and the beneficiary’s account number.

The Company shall not be responsible for rejection of the Application on any of the technical grounds mentioned above and no interest will be paid on Application amount. Application form received after the closure of the Issue shall be rejected. In the event, if any Debt instrument(s) applied for is/are not allotted, the Application monies of such Debt instruments will be refunded, as may be permitted under the provisions of applicable laws, without any interest.

**Disclosure Clause**

In the event of default in the repayment of the principal and/or interest thereon on the due dates, the investors and/or the Reserve Bank of India/SEBI will have an unqualified right to disclose or publish the name of the borrower and its directors as defaulter in such manner and through such medium as the Investors and/or the Reserve Bank of India in their absolute discretion may think fit.

Over and above the aforesaid Terms and Conditions, the said Debt instruments shall be subject to the Terms and Conditions to be incorporated in the Debt instrument Trust Deed/Trustee Agreement.

**Registrars**

Integrated Registry Management Services Private Limited is acting as Registrar and Transfer agents for the Company for debt instruments. Requests for registration of transfer, along with Debt instrument Certificates/Letters of Allotment and appropriate transfer documents should be sent to the Registrars. The transferee shall also furnish name, address and specimen signatures

and wherever necessary, authority for purchase of Debt instruments. The Registrars after examining the adequacy and correctness of the documentation shall register the transfer in its books. However, as the PDIs are compulsory issued in demat mode, this may not be applicable.

### **Trustees**

The Company has appointed, Vistra ITCL (India) Limited. Debt instrument Trustees registered with SEBI, for the holders of the Debt instruments (hereinafter referred to as 'Trustees'). The Company will enter into a Trustee Agreement/Trust Deed, inter-alia, specifying the powers, authorities and obligations of the Company and the Trustees in respect of the Debt instruments.

The Trustees will protect the interest of the Debt instrument holders in the event of default by the Company in regard to timely payment of interest and repayment of principal and they will take necessary action at the cost of the Company. The major events of default which happen and continue without being remedied for a period of 30 days after the dates on which the monies specified in (i) and (ii) below become due and will necessitate repayment before stated maturity are as follows:

- (i) Default in payment of monies due in respect of interest/principal owing upon the Debt instruments;
- (ii) Default in payment of any other monies including costs, charges and expenses incurred by the Trustees.

### **Events of Default**

Each of the following events shall be an Event of Default:

1. Default is made in any payment of the principal or payment in respect of the PDIs or any of them when due.
2. The Issuer does not perform or comply with one or more of its other obligations in relation to the PDIs or the Debt instrument Trust Deed which default is incapable of remedy or, if in the opinion of the Debt instrument Trustee capable of remedy, is not remedied within 15 days after written notice of such default shall have been given to the Issuer by the Debt instrument Trustee;
3. The Issuer is (or is deemed by law or a court to be) insolvent or bankrupt or unable to pay (in the opinion of the Debt instrument Trustee) a material part of its debts, or stops, suspends or threatens to stop or suspend payment of all or (in the opinion of the Debt instrument Trustee) a material part of (or of a particular type of) its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all or (in the opinion of the Debt instrument Trustee) a material part of (or all of a particular type of) its debts (or of any part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer;
4. an order is made or an effective resolution passed for the winding-up or dissolution, judicial management or administration of the Issuer, or the Issuer ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, re-organisation, merger or consolidation on terms approved by an Extraordinary Resolution of the PDI holders;
5. the Issuer commences a voluntary proceeding under any applicable bankruptcy, insolvency, winding up or other similar law now or hereafter in effect, or consent to the entry of an order for relief in an involuntary proceeding under any such law, or consent to the appointment or taking possession by a receiver, liquidator, assignee (or similar official) for any or a substantial part of its property or take any action towards its reorganisation, liquidation or dissolution;
6. it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the PDIs or the Debt instrument Trust Deed;
7. any step is taken by governmental authority or agency or any other competent authority, with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or (in the opinion of the Trustee) a material part of the assets of the Issuer which is material to the Issuer;
8. Any event occurs which under the laws of any relevant jurisdiction an analogous effect to any of the events has referred to in any of the foregoing paragraphs.

### **Lock-In Clause**

- (a) PDI shall be subjected to a lock-in clause in terms of which the issuing NBFCs-ND-SI may defer the payment of interest, if
- the NBFC's CRAR is below the minimum regulatory requirement prescribed by RBI; or
  - the impact of such payment results in NBFC's capital to risk assets ratio (CRAR) falling below or remaining below the minimum regulatory requirement prescribed by Reserve Bank of India;

(b) However, NBFCs-ND-SI may pay interest with the prior approval of RBI when the impact of such payment may result in net loss or increase the net loss, provided the CRAR remains above the regulatory norm.

(c) The interest shall not be cumulative except in cases as in (a)

### **Rights, Powers and Discretion of the Trustees**

General Rights, Powers and Discretions - In addition to the other powers conferred on the Trustees and provisions for their protection and not by way of limitation or derogation neither of anything contained in this Agreement nor of any statute limiting the liability of the Trustees, it is expressly stated as follows:

1. The Trustees shall not be bound to give notice to any person of the execution hereof or to see to the performance or observance of any of the obligations hereby imposed on the Company or in any way to interfere with the conduct of the Company's business unless and until the rights under the Debt instruments shall have become enforceable and the Trustees shall have determined to enforce the same;
2. Save as herein otherwise expressly provided the Trustees shall, as regards all trusts, powers, authorities and discretions, have absolute and uncontrolled discretion as to the exercise thereof and to the mode and time of exercise thereof and in the absence of fraud shall not be responsible for any loss, costs, charges, expenses or inconvenience that may result from the exercise or non-exercise thereof and in particular they shall not be bound to act at the request or direction of the Debt instrument holders under any provisions of these presents unless sufficient monies shall have been provided or provision to the satisfaction of the Trustees made for providing the same and the Trustees are indemnified to their satisfaction against all further costs, charges, expenses and liability which may be incurred in complying with such request or direction;
3. With a view to facilitate any dealing under any provision of these presents the Trustees shall have full power to consent (where such consent is required) to a specified transaction or class of transactions conditionally;
4. The Trustees shall not be responsible for the monies paid by applicants for the Debt instruments;
5. The Trustees shall not be responsible for acting upon any resolution purporting to have been passed at any meeting of the Debt instrument holders in respect whereof minutes have been made and signed even though it may subsequently be found that there was some defect in the constitution of the meeting or the passing of the resolution or that for any reason the resolution was not valid or binding upon the Debt instrument holders;
6. The Trustees shall have full power to determine all questions and doubts arising in relation to any of the provisions hereof and every such determination bonafide made (whether or not the same shall relate wholly or partially to the acts or proceedings of the Trustees) shall be conclusive and binding upon all persons interested hereunder;
7. The Trustees shall not be liable for anything whatsoever except a breach of trust knowingly and intentionally committed by the Trustees;
8. The Trustees shall not be liable for any default, omission or delay in performing or exercising any of the powers or trusts herein expressed or contained or any of them or in enforcing the covenants herein contained or any of them or in giving notice to any person or persons of the execution hereof or in taking any other steps which may be necessary, expedient or desirable for any loss or injury which may be occasioned by reason thereof unless the Trustees shall have been previously requested by notice in writing to perform, exercise or do any of such steps as aforesaid by the holders representing not less than three-fourths of the nominal amount of the Debt instruments for the time being outstanding or by a Special Resolution duly passed at a meeting of the Debt instrument holders and the Trustees shall not be bound to perform, exercise or do any such acts, powers or things or to take any such steps unless and until sufficient monies shall have been provided or provision to the satisfaction of the Trustees made for providing the same by or on behalf of the Debt instrument holders or some of them in order to provide for any costs, charges and expenses which the Trustees may incur or may have to pay in connection with the same and the Trustees are indemnified to their satisfaction against all further costs, charges, expenses and liabilities which may be incurred in complying with such request.  
Provided Nevertheless that nothing contained in this clause shall exempt the Trustees from or indemnify them against any liability for breach of trust nor any liability which by virtue of any rule or law would otherwise attach to them in respect of any negligence, default or breach of trust which they may be guilty of in relation to their duties hereunder.

### **Rights of Debt instrument holders**

- a. The Debt instruments shall not, except as provided in the Act, confer upon the holders thereof any rights or privileges available to the members of the Company including the right to receive Notices or Annual Reports of, or to attend and/or vote, at the General Meeting of the Company. However, if any resolution affecting the rights attached to the Debt instruments is to be placed before the shareholders, the said resolution will first be placed before the concerned registered Debt instrument holders for their consideration. In terms of Section 219(2) of the Act, holders of Debt instruments shall be entitled to a copy of the Balance Sheet on a specific request made to the Company.

- b. The rights, privileges and conditions attached to the Debt instruments 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 Debt instruments or with the sanction of Special Resolution passed at a meeting of the concerned Debt instrument holders, provided that nothing in such consent or resolution shall be operative against the Company, where such consent or resolution modifies or varies the terms and conditions governing the Debt instruments, if the same are not acceptable to the Company .
- c. The registered Debt instrument holder or in case of joint-holders, the one whose name stands first in the Register of Debt instrument holders shall be entitled to vote in respect of such Debt instruments, either in person or by proxy, at any meeting of the concerned Debt instrument holders and every such holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights shall be in proportion to the outstanding nominal value of Debt instruments held by him/her on every resolution placed before such meeting of the Debt instrument holders. The quorum for such meetings shall be at least five Debt instrument holders present in person.
- d. The Debt instruments are subject to the provisions of the Companies Act, 1956/ Companies Act 2013, the Memorandum and Articles, the terms of this Prospectus and Application Form. Over and above such terms and conditions, the Debt instruments shall also be subject to other terms and conditions as may be incorporated in the Trustee Agreement/Letters of Allotment/Debt instrument Certificates, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by the Government of India and/or other authorities and other documents that may be executed in respect of the Debt instruments.
- e. Save as otherwise provided in this Prospectus, the provisions contained in Annexure C and/or Annexure D to the Companies (Central Government's) General Rules and Forms, 1956 as prevailing and to the extent applicable, will apply to any meeting of the Debt instrument holders, in relation to matters not otherwise provided for in terms of the Issue of the Debt instruments.
- f. A register of Debt instrument holders will be maintained in accordance with Section 152 of the Act and all interest and principal sums becoming due and payable in respect of the Debt instruments 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 Debt instrument holders.
- g. The Debt instrument holders will be entitled to their Debt instruments free from equities and/or cross claims by the Company against the original or any intermediate holders thereof.
- h. Debt instruments can be rolled over only with the positive consent of the Debt instrument holders

#### **Debt instrument holder not a Shareholder**

The Debt instrument holders will not be entitled to any of the rights and privileges available to the shareholders. If, however, any resolution affecting the rights attached to the Debt instruments is placed before the members of the Bank, such resolution will first be placed before the Debt instrument holders for their consideration.

#### **Modification of Rights**

The rights, privileges, terms and conditions attached to the Debt instruments may be varied, modified or abrogated with the consent, in writing, of those holders of the Debt instruments who hold at least three fourth of the outstanding amount of the Debt instruments or with the sanction accorded pursuant to a resolution passed at a meeting of the

Debt instrument holders, provided that nothing in such consent or resolution shall be operative against the Company where such consent or resolution modifies or varies the terms and conditions of the Debt instruments, if the same are not acceptable to the Company.

#### **Debt instrument Redemption Reserve (DRR)**

As per the circular of the Department of Company affairs (No. 6/3/2001-CL.V) dated 18th April 2002, Debt instrument Redemption reserve is not required to be created for issue of privately placed Debt instruments by Non-Banking Finance Companies /registered with Reserve Bank of India under Section 45 IA of the RBI (Amendment) Act 1997.

#### **XXVIII. DISCOUNT ON THE OFFER PRICE**

The Debt instruments are being issued at par

#### **XXIX. DEBT EQUITY RATIO**

##### **Debt – equity ratio**

Particulars	As on March 2017	
	Prior to Issue	Post Issue
Debt		



Long term Debt	3282.13	3282.13
Other current liabilities & trade payable	1597.54	1597.54
Short Term Debt	6573.40	6573.40
<b>A</b>	<b>11453.07</b>	<b>11453.07</b>
<b>Equity</b>		
Share Capital	193.71	193.71
Reserve and Surplus	1493.43	1493.43
Perpetual Debt Instrument	144.00	168.00
<b>B</b>	<b>1831.14</b>	<b>1899.04</b>
<b>Debt Equity Ratio (A/B)</b>	<b>6.25</b>	<b>6.03</b>

### XXX. SERVICING BEHAVIOUR OF THE EXISTING DEBTS

The Company is discharging all its liabilities in time and would continue doing so in future as well. The Company has been paying regular interest and on redemption repaying the Bank.

### XXXI. PERMISSION AND CONSENT FROM THE CREDITORS

The trustee shall in future provide consent to create pari-passu charge on receivables and immovable properties without referring to the Debt instrument holders subject to the issuer Company complying with the requisite terms of the Debt instruments issued.

### XXXII. NAME OF DEBT INSTRUMENT TRUSTEE

The Company has appointed **Vistra ITCL (India) Limited**. SEBI approved Trust Management Company as the agent and trustees for and on behalf of the Debt instrument holders. The address and contact details of the Trustees are as under:

<b>TRUSTEE FOR THE DEBT INSTRUMENTHOLDERS</b>

<b>Vistra ITCL (India) Limited.</b>
Plot C-22, G Block, BandraKurla Complex
Bandra (E), Mumbai – 400051
Cell :9892626500   DID + 91 22 2659 3927
Fax + 91 22 2653 3297
Website:www.vistraitcl.com

### XXXIII. RATING RATIONALE ADOPTED BY RATING AGENCIES

BRICKWORKS Ltd. (“BRICKWORKS”) has assigned a ‘BWRA A’ (pronounced as BWR A Minus) rating for an amount of Rs. 120 crores to the present unsecured Non-Convertible Perpetual Debt instruments issued by the Company vide its letter dated 27-09-2017 . Instruments with this rating are considered to offer moderate degree of safety for timely servicing of debt obligations. Such instruments carry moderate credit risk. A copy of rating letter from BRICKWORKS is enclosed elsewhere in this Disclosure Document.

Other than the credit rating mentioned hereinabove, the company has not sought any other credit rating from any other credit rating agency(ies) for the Debt instruments offered for subscription under the terms of this Disclosure Document.

The above rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The ratings may be subject to revision or withdrawal at any time by the assigning rating agencies and each rating should be evaluated independently of any other rating. The ratings obtained are subject to revision at any point of time in future. The rating agencies have the right to suspend, withdraw the rating at any time on the basis of new information etc.

**XXXIV. LISTING OF DEBT INSTRUMENTS**

The Unsecured Non-Convertible Perpetual Debt Instruments are proposed to be listed on the Whole Sale Debt Market Segment of the Bombay Stock Exchange of India Ltd. ('BSE').

**XXXV. JUSTIFICATION OF THE PRICE: Not applicable**



## XXXVI. TERM SHEET

Security Name	MUTHOOT FINCORP PERPETUAL NON- CONVERTIBLE DEBENTURE SERIES 6 WITH COUPON RATE 12%												
Issuer	Muthoot Fincorp Limited												
Type of Instrument	Perpetual Debt Instrument												
Nature of Instrument	<b>Unsecured, Non-convertible Perpetual Debt Instrument</b>												
Seniority	The claims of the investors in PDI shall be a) Superior to the claims of investors in equity shares; and b) Subordinated to the claims of all other creditors.												
Mode of Issue	Private Placement – Dematerialized												
Eligible Investors	Investors identified by the company												
Listing (Including name of stock exchange(s) where it will be listed and timeline for listing)	The PDIs are proposed to be listed on the WDM segment of the Bombay Stock Exchange Limited (BSE). The PDIs will be listed on the Bombay Stock Exchange within 90 days from the Date of Allotment												
Rating of the instrument	“BWRA A” by BRICKWORKS												
Issue Size	Rs.24.00 Crores												
Option to retain oversubscription(Amount)	NA												
Objects of the Issue	The current borrowing program will be used to augment the Tier 1 capital of the Company & for General Corporate Purposes.												
Details of the utilization of the proceeds	The proceeds of Issue, after meeting the expenditures related to the Issue, will be utilised for various financing activities of the Company including lending and investments, subject to applicable statutory and/or regulatory requirements, to repay the Company’s existing loans and its business operations including working capital requirements.												
Coupon Rate	12%												
Step Up/Step Down Coupon RATE	The company has a step up option for increasing the rate of interest payable on PDI’s. Such options can be exercised only once during the whole life of instrument after the lapse of 10 years from the date of issue. The step up shall not be more than 100 bps in reference to the interest rate advertised as per offer document.												
Coupon payment frequency	Monthly												
Coupon Payment dates	Last Working day of every month <table border="1" data-bbox="619 1317 874 1523"> <tr> <td>31-Oct</td> <td>30-Apr</td> </tr> <tr> <td>30-Nov</td> <td>31-May</td> </tr> <tr> <td>31-Dec</td> <td>30-Jun</td> </tr> <tr> <td>31-Jan</td> <td>31-Jul</td> </tr> <tr> <td>28/29-Feb</td> <td>31-Aug</td> </tr> <tr> <td>31-Mar</td> <td>30-Sep</td> </tr> </table>	31-Oct	30-Apr	30-Nov	31-May	31-Dec	30-Jun	31-Jan	31-Jul	28/29-Feb	31-Aug	31-Mar	30-Sep
31-Oct	30-Apr												
30-Nov	31-May												
31-Dec	30-Jun												
31-Jan	31-Jul												
28/29-Feb	31-Aug												
31-Mar	30-Sep												
Coupon Type	Simple												
Coupon Reset Process (including rates, spread, effective date ,interest rate cap and floor etc)	NA												
Interest on Application money	At the respective coupon rate (subject to deduction of tax of source, as applicable) from the date of realization of cheque(s) / demand draft(s) up to one day prior to the Date of Allotment. Where the entire or Part subscription amount has been refunded, the interest @ 12% pa on application money will be paid along with the Refund Orders.												
Tenor	Perpetual												
Redemption Date	NA												
Redemption Amount	On Face Value												
Redemption premium/Discount	NA												
Face Value	Rs 500000 per Unit												
Issue Price	Rs 500000 per Unit												
Minimum subscription	1 unit												
<b>Put Option</b>	NA												

<b>Call Option</b>	subject to strict compliance with each of the following conditions: (a) that the instrument has run for a minimum period of ten years from the date of issue; and (b) Call option shall be exercised only with the prior approval of RBI. While considering the proposals received for exercising the call option the RBI would, among other things, take into consideration the NBFC's CRAR position both at the time of exercise of the call option and after the exercise of the call option
Put notification Time	NA
Call Notification Time	1 month from the date of receiving RBI approval for the same
Minimum Application and in multiples of Debt securities thereafter	Minimum application of 1 unit and in multiples of 1 unit of PDI thereafter
Issue timing 1.Issue opening date 2.Issue closing date 3.Date of Allotment	31-10-2017 02-11-2017 02-11-2017
Issuance mode of the Instrument	Only in Dematerialized form
Trading mode of the Instrument	Only in Dematerialized form
Settlement mode of the Instrument	Payment of interest will be made by way of Cheques / DD's / Electronic mode.
Depository	National Securities Depository Ltd. and Central Depository Services (India) Ltd. (NSDL / CDSL)
Security	NA , unsecured
Business Day Convention	A 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, except with reference to Issue Period, Interest Payment Date and Record Date, where working days shall mean all days, excluding Saturdays, Sundays and public holiday in India or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881. If the date of payment of coupon/ interest rate specified does not fall on a Working Day, the coupon payment shall be made on the succeeding Working Day. However, the dates of future coupon/interest rate would be as per the original schedule prescribed herein.
Record Date	25th of every month or as may be prescribed by the Stock Exchange.
Working Day Convention/ Day Count/ Effect of holidays on payment	A Working Day shall mean all days excluding Sundays or a public holiday in India or at any other payment center notified in terms of the Negotiable Instruments Act, 1881, except with reference to Issue Period, Interest Payment Date and Record Date, where working days shall mean all days, excluding Saturdays, Sundays and public holiday in India or at any other payment center notified in terms of the Negotiable Instruments Act, 1881. Day Count Convention Actual/actual i.e., interest will be computed on a 365 days-a-year basis on the principal outstanding on the PDIs. Where the interest period (start date to end date) includes February 29, interest will be computed on 366 days-a-year basis, on the principal outstanding on the PDIs. Effect of holidays on payments If the date of payment of coupon/ interest rate specified does not fall on a Working Day, the coupon payment shall be made on the succeeding Working Day. However, the dates of future coupon/interest rate would be as per the original schedule prescribed herein.
Transaction Documents	Information Memorandum
Name and address of the valuer who performed valuation of the security offered	Not Applicable
Conditions Precedent to Disbursement	Not Applicable

Condition Subsequent to Disbursement	Not Applicable
--------------------------------------	----------------

All terms in compliance with Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (Master Direction DNBR. PD. 008/03.10.119/2016-17), dated September 01, 2016 are applicable

### **Undertaking by the Company**

The Issuer Company undertakes that:

- a) **Default in Payment**  
In case of default in payment of Interest and/or principal redemption on the due dates, additional interest @ 1% p.a. over the coupon rate will be payable by the Company for the defaulting period
- b) The complaints received in respect of the Issue shall be attended to by the Company expeditiously and satisfactorily;
- c) It shall take all steps for completion of formalities for listing and commencement of trading at the concerned stock exchange where securities are to be listed within specified time frame;
- d) Necessary co-operation to the credit rating agencies shall be extended in providing true and adequate information till the debt obligations in respect of the instrument are outstanding.
- e) It shall use a common form of transfer for the instrument.

### **XXXVII. Disclosures pertaining to wilful default**

We undertake that none of the Directors / Promoters of the Company are appearing on RBI /ECGC defaulters list.

We have not been declared as willful defaulter by any Banks

**XXXVIII. APPLICATION FORM**

**MUTHOOT FINCORP LIMITED**

**Registered Office:** Muthoot Center, Punnen Road, Trivandrum - 695 034

**Telephone:** +: 0471 3911550/560; Fax: 0471-3911569

**Website:** www.muthootfincorp.com

**Email:** [muthoot@muthootfincorp.com](mailto:muthoot@muthootfincorp.com)

[APPLICATION FOR PERPETUAL DEBT INSTRUMENTS](#)

Application No.: Series 6:

Date: \_\_\_\_\_

Dear Sirs,

**Sub. : Issue of Rs 24 Crores Perpetual Debt Instruments of the face value of Rs. 5,00,000 each, aggregating to Rs. 24 Crores**

Having read and understood the contents of the Disclosure Document dated 27-10-2017, we apply for allotment to us of the PDIs. The amount payable on application will be remitted on the Pay-in Date. We bind ourselves by the terms and conditions as contained in the Disclosure Document dated 27-10-2017.

(Please read carefully the instructions before filling this form)

Series of PDI applied for:	Series 6	
No. of PDIs applied for:	No. in figures	No. in words
Amount (Rs.) in figures		
Amount (Rs.) in words		
Payment Mode: RTGS (provide UTR details)		

Applicants Name and Address in full (Please use Capital Letters)

		Pin Code:
Tel:	Fax:	E-mail:

Status:  Financial Institution/ Corporates  Individuals

PAN No:

Applicable for Financial Institution/ Corporates

Name of Authorised Signatory	Designation	Signature
1.		
2.		
3.		
4.		

**Details of Bank Account\***

Bank Name and Branch	
Nature of Account	Account No.
Bank IFSC Code	

\*Bank account linked to the DEMAT account provided below will only be considered for remittance of Interest

**Depository Details**

DP Name	
DP ID	Client ID

We understand that in case of allotment of PDIs to us, our Beneficiary Account as mentioned above would be credited to the extent of Debentures allotted.

Taxpayer's PAN or GIR No.	IT Circle/Ward/District	[ ] Not Allotted
Tax Deduction Status:	[ ] Fully Exempted (Please attach certificate issued by Income Tax authorities)	[ ] Tax to be deducted at Source

Signature of Applicant/s:

------(Tear here)-----

**MUTHOOT FINCORP LIMITED**

**Registered Office:** Muthoot Center, Punnen Road, Trivandrum - 695 034

**Telephone:** +: 0471 3911550/560; Fax: 0471-3911569

**Website:** [www.muthootfincorp.com](http://www.muthootfincorp.com)

**Email:** [muthoot@muthootfincorp.com](mailto:muthoot@muthootfincorp.com)

**ACKNOWLEDGEMENT SLIP**

Application No.: \_\_\_\_\_ dated \_\_\_\_\_ received from \_\_\_\_\_ towards application for \_\_\_\_\_ PDIs.

## A. ANNEXURES

## A) CREDIT RATING LETTER FROM BRICKWORKS



SEBI Registered  
RBI Accredited  
NSIC Empanelled

BWR/NCD/HO/ERC/VS/0429/2017-18

September 27, 2017

**Mr. Thomas John Muthoot**  
The Chairman and Managing Director  
**Muthoot Fincorp Limited**  
Thiruvananthapuram, Kerala

Dear Sir,

**Sub: Rating of Muthoot Fincorp Ltd's Proposed Unsecured, Non-Convertible Perpetual Debt Instrument Issue of Rs 120 Crs**

Thank you for giving us an opportunity to undertake the rating of Muthoot Fincorp Limited's **proposed Unsecured, Non-Convertible Perpetual Debt Instrument** issue of Rs 120 Crs. Based on the draft term sheet shared with us, information and clarifications provided by your company, as well as information available in public sources, Brickwork Ratings is pleased to inform you that **Muthoot Fincorp Limited's Proposed Unsecured, Non-Convertible Perpetual Debt Instrument issue of Rs 120 Crs** has been assigned a rating of **BWR A [Pronounced BWR A] (Outlook: Stable)**. Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.

The rating is subject to the terms of issue being in line with the indicative terms provided to us and their compliance with the requisite regulatory and legal requirements. On completion of the borrowing, please furnish executed transaction documents containing details of the issue such as date of issue, amount issued, interest rate, date of maturity, etc.

The Rating is valid for twelve months from the date of this letter and subject to the terms and conditions that were agreed in your mandate dated September 22, 2017 and other correspondence, if any and Brickwork Ratings standard disclaimer appended below. Brickwork Ratings would conduct surveillance every year till maturity/redemption of the instrument. Please note that Brickwork Ratings would need to be kept informed of any significant information/development that may affect your Company's finances/performance without any delay.

Please let us have your acceptance for the above rating within two days of this letter. Unless acceptance is conveyed by the said date, the rating should not be used for any purpose whatsoever.

Best Regards,

  
Vidya Shankar  
Chief General Manager – Ratings



**Note: In case of all valid Ratings, respective Rating Rationale is published on Brickwork Ratings website. Interested persons are well advised to refer to our website [www.brickworkratings.com](http://www.brickworkratings.com). If they are unable to view the rationale, they are requested to inform us on [brickworkhelp@brickworkratings.com](mailto:brickworkhelp@brickworkratings.com)**

**Disclaimer:** Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented "as is" without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.

**Brickwork Ratings India Pvt. Ltd.**

3rd Floor, Raj Alkaa Park, Kalenz Agrahara, Bannerghatta Road, Bengaluru - 560 076

Phone: +91 80 4040 9940 • Fax: +91 80 4040 9941 | [info@brickworkratings.com](mailto:info@brickworkratings.com) • [www.BrickworkRatings.com](http://www.BrickworkRatings.com)

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CIN: U67190KA2007PTC043591



## B) CONSENT LETTER FROM THE TRUSTEES (Vistra ITCL (India) Limited.)



Ref. No.: 6004

October 12, 2017

Muthoot Fincorp Limited (Company)  
 Muthoot Centre, Punnen Road,  
 Thiruvananthapuram - 695034

Kind Attention: Mr. Nadasabapathy. R

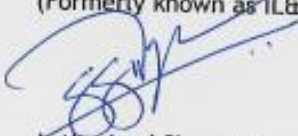
Sub: Consent to act as Trustee for the issue of unsecured Perpetual Debt Instruments (PDI) having a face value of Rs. 5,00,000/- (Rupees Five Lakhs only) each, with an aggregate not more than Rs. 120,00,00,000/- (Rupees One Hundred Twenty Crore only), issued by the Company to PDI Holders

Dear Sir,

This is with reference to our discussion regarding appointment of Vistra ITCL (India) Limited (Formerly known as IL&FS Trust Company Limited) for the proposed issue of unsecured Perpetual Debt Instruments (PDI) having a face value of Rs. 5,00,000/- (Rupees Five Lakhs only) each, with an aggregate not more than Rs. 120,00,00,000/- (Rupees One Hundred Twenty Crore only), which is proposed to be issued by the Company. In this regard, we do hereby give our consent to act as the Debenture Trustee subject to the Company agreeing to the following conditions:

1. The Company shall enter into the Debenture Trustee Agreement (DTA) for the said issue before the opening of Subscription List. The company shall execute necessary documents as it will be disclosed in DTA.
2. The Company shall pay Debenture Trustees so long as they hold the office of the Debenture Trustee, remuneration as stated in appointment letter dated September 19, 2017 for the services as Debenture Trustee in addition to all legal, travelling and other costs, charges and expenses which the Debenture Trustee or their officers, employees or agents may incur in relation to execution of the Debenture Trust Deed and all other documents affecting the Security till the monies in respect of the Debentures have been fully paid-off and the requisite formalities for satisfaction of charge in all respects, have been complied with.
3. The Company shall comply with the provisions of SEBI (Debenture Trustees) Regulations, 1993, SEBI (Issue and Listing of Debt Securities) Regulations, 2008, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013 and other applicable provisions as amended from time to time and agrees to furnish to Trustees such information in terms of the same on regular basis

Sincerely,  
 For Vistra ITCL (India) Limited  
 (Formerly known as IL&FS Trust Company Limited)


  
 Authorized Signatory


Registered office:  
 The IL&FS Financial Centre,  
 Plot C- 22, G Block, 7th Floor  
 Bandra Kurla Complex, Bandra (East),  
 Mumbai 400051

Tel +91 22 2659 3535  
 Fax: +912226503297  
 Email: mumbai@vistra.com  
[www.vistraitcl.com](http://www.vistraitcl.com)

Vistra ITCL (India) Limited  
 (Formerly known as IL & FS Trust Company Limited)  
 Corporate Identity Number (CIN): U66020MH1995PLC095507

**DECLARATION**

It is hereby declared that this Disclosure Document contains full disclosures in accordance with Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended from time to time.

The Issuer also confirms that this Disclosure Document does not omit disclosure of any material fact which may make the statements made therein, in light of the circumstances under which they are made, misleading. The Disclosure Document also does not contain any false or misleading statement.

The Issuer accepts no responsibility for the statement made otherwise than in the Disclosure Document or in any other material issued by or at the instance of the Issuer and that any one placing reliance on any other source of information would be doing so at his own risk.

Signed by Mr. T.D. Mathai, Company Secretary pursuant to the authority granted by the Board of Directors of the Company in their meeting held on 24.08.2017

**For Muthoot Fincorp Limited,**



(Mr. T.D. Mathai)  
**Authorized Signatory**

Dt :27-10-2017



**DECLARATION BY THE DIRECTOR**

The directors of the Issuer hereby declare that:

- A. the Issuer has complied with the provisions of the Companies Act and the rules made there under;
- B. the compliance with the Companies Act and the rules does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government;
- C. the monies received under the offer shall be used only for the purposes and objects indicated in the Shelf Disclosure Document;

I am authorized by the Board of Directors of the Issuer vide resolution number 24.01 dated 24.08.2017 to sign this form and declare that all the requirements of Companies Act 2013 and the rules made there under in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

**Signed for and on behalf of Muthoot Fincorp Ltd.**



(Thomas John Muthoot )  
**Managing Director**