NCD NOTE

MUTHOOT FINCORP LIMITED

Public Issue of Secured Redeemable Non-Convertible Debentures

Issue Highlights

Tranche I Issue opens:	**Wednesday, August 28, 2024**
Tranche I Issue closes	**Tuesday, September 10, 2024****
Allotment:	**First Come First Serve Basis*****
Face Value:	**Rs.1,000 per NCD**
Issue Price:	**Rs.1,000 per NCD**
Nature of Instrument	**Secured Redeemable Non-Convertible Debentures**
Minimum Application:	**10 NCDs (Rs.10, 000) & in multiple of 1NCD thereafter**
Listing:	**BSE**
Rating:	**"The Company has received rating of "CRISIL AA-/Stable" (pronounced as CRISIL double A minus rating with a Stable outlook) given by CRISIL Ratings Limited**
Registrar:	**Integrated Registry Management Services Private Limited**

Tranche I Issue Size:
Public issue by Muthoot Fincorp Limited (the"Company"/ "Issuer") of secured redeemable non-convertible debentures of face value of ₹1,000 each ("NCDs") for an amount up to ₹10,000 Lakhs ("Base Issue Size") with a green shoe option of ₹25,000 Lakhs aggregating up to ₹35,000 Lakhs.

Issue Break up:

Category	Allocation	Amount in Lakhs	
		Base Issue Size (Rs in Lakhs)	Total Issue Size (Rs in Lakhs)
Institutional Investors	5%	500	**1,750**
Non Institutional Investors	10%	1,000	**3,500**
HNI	35%	3,500	**12,250**
Retail Individual Investors	50%	5,000	**17,500**
Total	100%	10,000	**35000.00**

* Persons resident outside India and other foreign entities are not allowed

**The Tranche I Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. (Indian Standard Time) during the period indicated above, except that the Tranche I Issue may close on such earlier date or extended date as may be decided by the Board of Directors of the Company or the Stock Allotment Committee thereof, subject to compliance with Regulation 33A of the SEBI NCS Regulations.

Note: Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Ltd.) is a Consortium Member to the issue; accordingly, this note is prepared based on Tranche I Prospectus dated August 23,2024 for informative purpose only.

Yield (p.a.)

Options	I	II	III	IV	V**	VI	VII	VIII	IX	X	XI	XII	XIII*
Nature	Secured												
Tenure	24 Months	36 Months	60 Months	72 Months	24 Months	36 Months	60 Months	72 Months	24 Months	36 Months	60 Months	72 Months	92 Months
Frequency of Interest Payment	Monthly	Monthly	Monthly	Monthly	Annual	Annual	Annual	Annual	Cumulative	Cumulative	Cumulative	Cumulative	Cumulative
Minimum Application	₹ 10,000 (10 NCDs)												
In multiples, of	1 NCD after minimum application												
Issue Price (₹ /NCD)	₹ 1,000 (1 NCD)												
Mode of Interest Payment/ Redemption	Through various options available												
Coupon (%) per annum for all Categories	9.00%	9.25%	9.45%	9.65%	9.40%	9.65%	9.90%	10.10%	NA	NA	NA	NA	NA
Coupon Type	Fixed												
Redemption Amount (₹ /NCD) on maturity for Debenture Holders for all Categories* **	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,196.84	1,318.34	1,603.62	1,781.72	2,006.00
Effective Yield (%) (per annum) for all Categories	9.38%	9.65%	9.87%	10.09%	9.40%	9.65%	9.89%	10.10%	9.40%	9.65%	9.90%	10.10%	9.50%

Maturity/Redemption Date (Months from the Deemed Date of Allotment)	24 Months	36 Months	60 Months	72 Months	24 Months	36 Months	60 Months	72 Months	24 Months	36 Months	60 Months	72 Months	92 Months
Put and Call Option	NA												
Deemed date of Allotment	Monday, September 16, 2024												

* maximum 75 crore

** The Company would allot the Option V of NCDs, as specified in the Tranche I Prospectus to all valid Applications, wherein the Applicants have not indicated their choice of the relevant Option of NCDs

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

Please refer to Annexure C of the Tranche I Prospectus for details pertaining to the cash flows of the Company in accordance with the SEBI Master Circular.

Issuer Overview

Muthoot Fincorp Limited is non-deposit accepting NBFC registered with the RBI bearing registration no. 16.00170 dated July 23, 2002 under Section 45 IA of the RBI Act. Muthoot Fincorp Limited was incorporated on June 10, 1997, as Muthoot Debt Management Services Limited as a public limited company under the provisions of the Companies Act, 1956. The Company received a certificate for commencement of business on June 10, 1997. Subsequently, the name of the Company was changed to Muthoot Fincorp Limited, and a fresh certificate of incorporation dated March 19, 2002 was issued to the Company by the Roc. The Company is one of the prominent gold loan players in the Indian market. The personal and business loans secured by gold jewelry and ornaments ("Gold loans") offered by the Company are structured to serve the business and personal purposes of individuals who 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. They have been engaged in the Gold loans business for over two decades and are headquartered in Kerala, India. The Company provides retail loan products, primarily comprising of Gold loans. The Gold loan products include Muthoot Blue Super Value Loan, Swarna Sureksha Super Value, Easy Blue, Easy Max, Easy Pro, Restart India Pradhan, Easy Scale up and 24x7 Express Gold loan The product of the Company, the "24x7 Express Gold loan" can be utilised by individuals who require quick loans against their gold jewellery and who have an existing loan with the Company. This is a type of top up loan.

COMMON TERMS AND CONDITIONS OF THE NCDs

Issuer	**Muthoot Fincorp Limited**
Type of instrument	Secured, redeemable, non-convertible debentures
Seniority	Senior (the claims of the Secured Debenture Holders holding NCDs shall be superior to the claims of any unsecured creditors, subject to applicable statutory and/or regulatory requirements). The principal amount of the NCDs to be issued in terms of the Tranche I Prospectus together with all interest due on the NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of subservient charge with existing secured creditors on standard loan receivables and current assets (both present and future) of the company in favour of Debenture Trustee, to be held on pari passu basis among the present and / or future NCD holders, as may be applicable.
Nature of the Instrument	Secured, redeemable, non-convertible debentures
Mode of the Issue	Public Issue
Lead Manager	**Nuvama Wealth Management Limited**
Debenture Trustee	Vardhman Trusteeship Private Limited

Depositories	NSDL and CDSL
Registrar	Integrated Registry Management Services Private Limited
Base Issue Size	₹10,000 Lakhs
Option to Retain Oversubscription Amount	₹25,000 Lakhs
Minimum Subscription	Minimum subscription is 75% of the Base Issue, i.e. ₹ 7500 Lakhs
Tranche I Issue	Public issue by Muthoot Fincorp Limited of up to 35,00,000 secured, redeemable, non-convertible debentures of face value ₹ 1,000 each, amounting up to ₹ 10,000 Lakhs ("Base Issue Size") with an option to retain oversubscription of up to ₹ 25,000 Lakhs ("Green Shoe Option") aggregating up to ₹ 35,000 Lakhs ("Tranche I Issue Size" or "Tranche I Issue").
Interest type	Fixed
Default Interest rate	In the event of any default in fulfilment of obligations by The Company under the Debenture Trust Deed, the Default Interest Rate payable to the Applicant shall be as prescribed under the Debenture Trust Deed. The Company shall pay at least two percent per annum to the debenture holder, over and above the agreed coupon rate, till the execution of the trust deed if the Company fails to execute the trust deed within such period as prescribed under applicable law
Face Value	₹ 1,000 per NCD
Issue Price	₹ 1,000 per NCD
Minimum Application size and in multiples of NCD thereafter	₹ 10,000 (10 NCD) and in multiple of ₹ 1,000 (1 NCD) thereafter
Market Lot / Trading Lot	1 NCD
Credit Ratings	The Company has received rating of "CRISIL AA-/Stable" (pronounced as CRISIL double A minus rating with a Stable outlook) for an amount of ₹ 1,90,000 lakhs of NCDs by CRISIL Ratings Limited *vide* its letter dated June 29 2024, and "CRISIL AA-/Stable" (pronounced as CRISIL double A minus rating with a Stable outlook) for an amount of ₹ 1,10,000 lakhs of NCDs (of which, ₹ 10,900 lakhs is unutilized) by CRISIL Ratings Limited *vide* its letter dated June 29, 2024, along with the rating rationale dated June 28, 2024 for the NCDs proposed to be issued pursuant to this Tranche I Issue. The rating of the NCDs indicates that instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.
Listing	The NCDs offered through the Shelf Prospectus and Tranche I Prospectus are proposed to be listed on BSE. The NCDs shall be listed within six (6) Working Days from the date of Issue closure
Depository	NSDL and CDSL
Issuance mode of the Instrument	In dematerialised form only
Trading mode of the instrument	In dematerialised form only

Tranche I Issue Opening Date	Wednesday, August 28, 2024
Tranche I Issue Closing Date**	Tuesday, September 10, 2024
Record date	The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 Days prior to the date on which interest is due and payable, and/or the date of redemption. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchange, as the case may be. In case Record Date falls on a day when Stock Exchange is having a trading holiday, the immediate subsequent trading day will be deemed as the Record Date
Deemed date of Allotment	The date on which the Board of Directors or the Stock Allotment Committee approves the Allotment of the NCDs for the Issue or such date as may be determined by the Board of Directors or the Stock Allotment Committee and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs shall be available to the Debenture Holders from the Deemed Date of Allotment.

Notes:

* In terms of Regulation 7 of the SEBI NCS Regulations, The Company will undertake this Tranche I Issue of NCDs in dematerialized form. However, in terms of Section 8 (1) of the Depositories Act, the Company, at the request of the Applicants who wish to hold the NCDs post allotment in physical form, will fulfil such request through the process of dematerialization, if the NCDs were originally issued in dematerialized form.

** This Tranche I Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) during the period as indicated in this Tranche I Prospectus. The Company may, in consultation with the Lead Manager, consider closing this Tranche I Issue on such earlier date or extended date (subject to a minimum period of three working days and a maximum period of 10 working days from the date of opening of this Tranche I Issue and subject to not exceeding thirty days from filing of this Tranche I Prospectus with ROC, including any extensions), as may be decided by the Board of Directors or Stock Allotment Committee thereof of the Company, subject to relevant approvals, in accordance with the Regulation 33A of the SEBI NCS Regulations. In the event of an early closure or extension of this Tranche I Issue, The Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in an English daily national newspaper with wide circulation and a regional daily with wide circulation where the registered office of the Company is located (in all the newspapers in which pre-issue advertisement for opening of this Tranche I Issue has been given on or before such earlier or initial date of Tranche I Issue closure). On the Tranche I Issue Closing Date, the Application Forms will be accepted only between 10:00 a.m. and 3:00 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the Stock Exchange. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5:00 p.m. on one Working Day post this Tranche I Issue Closing Date. For further details please see "General Information" on page 19 of the Tranche I Prospectus.

#Participation by any of the above-mentioned Investor classes in this Tranche I Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/or regulatory provisions.

%While the NCDs are secured to the tune of 100% of the principal and interest thereon in favour of Debenture Trustee, it is it the duty of the Debenture Trustee to monitor the security cover is maintained, however, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.

If there is any change in coupon rate pursuant to any event including lapse of certain time period or downgrade in rating, then such new coupon rate and the events which lead to such change should be disclosed.

For the list of documents executed/ to be executed, please see "Material Contracts and Documents for Inspection" on page 41 of the Tranche I Prospectus.

Debt securities shall be considered as secured only if the charged asset is registered with Sub-registrar and Registrar of Companies or CERSAI or Depository etc., as applicable, or is independently verifiable by the debenture trustee.

Please refer to Annexure C for details pertaining to the cash flows of the Company in accordance with the SEBI NCS Master Circular.

WHO CAN APPLY				
Categories	**Category I**	**Category II**	**Category III**	**Category IV**
	Institutional Portion	**Non Institutional Investors**	**HNI**	**Retail**
Allocation Ratio	**5% of Overall Issue Size**	**10% of Overall Issue Size**	**35% of Overall Issue Size**	**50% of Overall Issue Size**
	• Public financial institutions, scheduled commercial banks, Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs;Provident funds and pension funds each with a minimum corpus of ₹ 250 million, superannuation funds and gratuity funds, which are authorised to invest in the NCDs;Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;Resident Venture Capital Funds registered with SEBI;Insurance companies registered with the IRDAI;State industrial development corporations;Insurance funds set up and managed by the army, navy, or air force of the Union of India;Insurance funds set up and managed by the Department of Posts, the Union of India;Systemically Important Non-Banking Financial Company registered with the RBI and having a net-worth of more than ₹ 5,000 million as per the last audited financial statements;National Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; andMutual funds registered with SEBI.	• Companies within the meaning of Section 2(20) of the Companies Act, 2013; statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs;Co-operative banks and regional rural banks;Trusts including public/private charitable/religious trusts which are authorised to invest in the NCDs;Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;Partnership firms in the name of the partners; andLimited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009).Association of Persons; and Any other incorporated and/ or unincorporated body of persons.	High Net-worth Individual Investors - Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 10,00,000 across all options of NCDs in the Issue	• Retail Individual Investors - Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹10,00,000 across all options of NCDs in this Tranche I Issue and shall include Retail Individual Investors, who have submitted bid for an amount not more than ₹500,000 in any of the bidding options in this Tranche I Issue (including HUFs applying through their Karta and does not include NRIs) though UPI Mechanism.

Investments in debt securities, municipal debt securities, and securitised debt instruments are subject to risks, including potential delays and/or defaults in payment. Investors are advised to read all the offer-related documents carefully before making any investment decisions.

India Bond Private Limited is acting as a Distributor/Mobilizer for the Secured Redeemable Non-Convertible Debentures issued by MUTHOOT FINCORP LIMITED. This product note has been issued and prepared by Nuvama Wealth and Investment Limited (formerly known as Edelweiss Broking Ltd.), a Consortium Member to the issue. India Bond Private Limited does not guarantee the authenticity, correctness, or completeness of the content provided. I India Bond Private Limited will source applications only for the permitted categories as outlined in the Offer Documents. Investors are encouraged to make investment decisions based solely on the Offer Documents. All investment decisions should be made based on the investor's own analysis and consultation with financial advisors, and India Bond Private Limited and its representatives assumes no responsibility for any losses or damages resulting from investment decisions.

DISCLAIMERS

*For further details refer to section titled “Issue Related Information” on page 68 of the Tranche I Prospectus dated August 23, 2024

***Allotment in the public issue of debt securities should be made on the basis of date of upload of each application into the electronic book of the stock exchange. However, on the date of oversubscription and thereafter, the allotments should be made to the applicants on proportionate basis.

** The Tranche I Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) during the period as indicated in the Tranche I Prospectus. The Company may, in consultation with the Lead Manager, consider closing the Tranche I Issue on such earlier date or extended date (subject to a minimum period of three working days and a maximum period of 10 working days from the date of opening of the Tranche I Issue and subject to not exceeding thirty days from filing of the Tranche I Prospectus with ROC, including any extensions), as may be decided by the Board of Directors or the Stock Allotment Committee, subject to relevant approvals, in accordance with the Regulation 33A of the SEBI NCS Regulations. In the event of an early closure or extension of the Tranche I Issue, the Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in an English daily national newspaper with wide circulation and a regional daily with wide circulation where the registered office of the Company is located (in all the newspapers in which pre-issue advertisement for opening of the Tranche I Issue has been given on or before such earlier or initial date of Tranche I Issue closure). On the Tranche I Issue Closing Date, the Application Forms will be accepted only between 10:00 a.m. and 3:00 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the Stock Exchange. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5:00 p.m. on one Working Day post the Tranche I Issue Closing Date. For further details please see “General Information” on page 19 of the Tranche I Prospectus.

DISCLAIMER

Muthoot Fincorp Limited (“Company”), subject to market conditions, and other considerations, is proposing a public issue of secured redeemable non-convertible debentures (“NCDs”) and has filed Tranche I prospectus dated August 23, 2024 (“ Tranche I Prospectus”) which should be read together with the Shelf Prospectus dated August 23, 2024 (the "Shelf Prospectus") (together with the Tranche I Prospectus, the "Prospectus") with the Registrar of Companies, Kerala and Lakshadweep (“RoC”), BSE Limited (“BSE” or “Stock Exchange”) and Securities and Exchange Board of India (“SEBI”). The Shelf Prospectus and Tranche I Prospectus is available on the website of the Company at www.muthootfincorp.com, on the website of BSE at www.bseindia.com, on the website of the lead manager at www.nuvama.com, and on the website of SEBI at www.sebi.gov.in. Investors proposing to participate in the Issue should invest only on the basis of the information contained in the Shelf Prospectus and Tranche I Prospectus. Investors should note that investment in the NCDs involves a high degree of risk and for details in relation to the same, refer to the Tranche I Prospectus, including the section titled “Risk Factors” on page 19 of the Shelf Prospectus and “Material Developments” on page 41 of the Tranche I Prospectus.

Capitalised terms not defined herein shall have the same meaning as assigned to such terms in the Shelf Prospectus and Tranche I Prospectus both dated August 23, 2024.

Investments in debt securities, municipal debt securities, and securitised debt instruments are subject to risks, including potential delays and/or defaults in payment. Investors are advised to read all the offer-related documents carefully before making any investment decisions.

India Bond Private Limited is acting as a Distributor/Mobilizer for the Secured Redeemable Non-Convertible Debentures issued by MUTHOOT FINCORP LIMITED. This product note has been issued and prepared by Nuvama Wealth and Investment Limited (formerly known as Edelweiss Broking Ltd.), a Consortium Member to the issue. India Bond Private Limited does not guarantee the authenticity, correctness, or completeness of the content provided. I India Bond Private Limited will source applications only for the permitted categories as outlined in the Offer Documents. Investors are encouraged to make investment decisions based solely on the Offer Documents. All investment decisions should be made based on the investor's own analysis and consultation with financial advisors, and India Bond Private Limited and its representatives assumes no responsibility for any losses or damages resulting from investment decisions.

DISCLAIMER: Investors proposing to participate in the Issue should note that investment in the NCDs involves a high degree of risk and for details in relation to the same, refer to the Tranche I Prospectus, including the section titled “Risk Factors” on page 19 of the Shelf Prospectus and “Material Developments” on page 41 of the Tranche I Prospectus. The Issuer and the Lead Manager accept no responsibility for statements made otherwise than in the Tranche I Prospectus or in the advertisement or any other material issued by or at the instance of the Company and that anyone placing reliance on any other source of information would be doing so at their own risk.

DISCLAIMER CLAUSE OF BSE: It is to be distinctly understood that the permission given by BSE should not in anyway be deemed or construed that the Tranche I Prospectus has been cleared or approved by BSE nor does it certify the correctness or completeness of any of the contents of the Tranche I Prospectus. The investors are advised to refer to the Tranche I Prospectus for the full text of the disclaimer clause of the BSE.

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