



MUTHOOT FINANCE LIMITED

Our Company was originally incorporated at Kochi, Kerala as a private limited company on March 14, 1997 under the provisions of the Companies Act, 1956, with the name "The Muthoot Finance Private Limited". Subsequently, by a fresh certificate of incorporation dated May 16, 2007, our name was changed to "Muthoot Finance Private Limited". Our Company was converted into a public limited company on November 18, 2008 with the name "Muthoot Finance Limited" and received a fresh certificate of incorporation consequent to change in status on December 02, 2008 from the Registrar of Companies, Kerala and Lakshadweep. For further details regarding changes to the name and registered office of our Company, see section titled "History and Main Objects" on page 110 of the Shelf Prospectus. The corporate identity number of our Company is L65910KL1997PLC011300

Registered and Corporate Office: 2nd Floor, Muthoot Chambers, Opposite Saritha Theatre Complex, Banerji Road, Kochi 682 018, India.
Tel: (+91 484) 239 4712; **Fax:** (+91 484) 239 6506; **Website:** www.muthootfinance.com; **Email:** ncd@muthootgroup.com.
Company Secretary and Compliance Officer: Maxin James; **Tel:** (+91 484) 6690247; **Fax:** (+91 484) 239 6506; **E-mail:** cs@muthootgroup.com

PUBLIC ISSUE BY MUTHOOT FINANCE LIMITED ("COMPANY" OR THE "ISSUER") OF SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF ₹ 1,000 EACH ("NCDs") FOR AN AMOUNT OF ₹ 1,000 MILLION ("BASE ISSUE SIZE") WITH AN OPTION TO RETAIN OVERSUBSCRIPTION UP TO ₹ 6,500 MILLION AGGREGATING UP TO ₹ 7,500,000 NCDs AMOUNTING TO ₹ 7,500 MILLION ("TRANCHE I ISSUE LIMIT") ("TRANCHE I ISSUE") WHICH IS WITHIN THE SHELF LIMIT OF ₹ 40,000 MILLION AND IS BEING OFFERED BY WAY OF THIS TRANCHE I PROSPECTUS DATED FEBRUARY 05, 2019 CONTAINING, INTER ALIA, THE TERMS AND CONDITIONS OF THIS TRANCHE I ISSUE ("TRANCHE I PROSPECTUS"), WHICH SHOULD BE READ TOGETHER WITH THE SHELF PROSPECTUS DATED FEBRUARY 05, 2019 ("SHELF PROSPECTUS") FILED WITH THE REGISTRAR OF COMPANIES, KERALA AND LAKSHADWEEP ("ROC"), STOCK EXCHANGES AND SECURITIES AND EXCHANGE BOARD OF INDIA. THE SHELF PROSPECTUS AND THIS TRANCHE I PROSPECTUS CONSTITUTES THE PROSPECTUS ("PROSPECTUS").

PROMOTERS: M G GEORGE MUTHOOT, GEORGE ALEXANDER MUTHOOT, GEORGE THOMAS MUTHOOT, GEORGE JACOB MUTHOOT

GENERAL RISK

Investors are advised to read the Risk Factors on page 12 of the Shelf Prospectus carefully before taking an investment decision in this Tranche I Issue. For taking an investment decision, the investors must rely on their own examination of the Issuer, the Shelf Prospectus and the Tranche I Prospectus including the risks involved. Specific attention of the investors is invited to the Risk Factors on pages 12 to 36 of the Shelf Prospectus and "Material Developments" on page 148 of the Shelf Prospectus and of this Tranche I Prospectus before making an investment in this Tranche I Issue. This document has not been and will not be approved by any regulatory authority in India, including the Securities and Exchange Board of India ("SEBI"), the Reserve Bank of India ("RBI"), the Registrar of Companies at Kerala and Lakshadweep ("RoC") or any stock exchange in India.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Tranche I Prospectus read together with the Shelf Prospectus for this Tranche I Issue contains all information with regard to the Issuer and this Tranche I Issue, which is material in the context of this Tranche I Issue. The information contained in this Tranche I Prospectus read together with the Shelf Prospectus for this Tranche I Issue is true and correct in all material respects and is not misleading in any material respect and that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Tranche I Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

CREDIT RATING

The NCDs proposed to be issued under this Tranche I Issue have been rated [ICRA] AA (Stable) by ICRA for an amount of upto ₹ 40,000 million vide its letter dated December 31, 2018 and further revalidated by letter dated January 30, 2019 and have been rated CRISIL AA/Stable by CRISIL for an amount upto ₹ 40,000 million vide its letter dated January 18, 2019 and further revalidated by letter dated January 31, 2019. The rating of the NCDs by ICRA and CRISIL indicates high degree of safety regarding timely servicing of financial obligations. The rating provided by ICRA and CRISIL may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions. Please refer to pages 110 to 135 of this Tranche I Prospectus for rating letter and rationale for the above rating.

PUBLIC COMMENTS

The Draft Shelf Prospectus dated January 28, 2019 had been filed with the BSE pursuant to regulation 6A, 6(1) and 6(2) of the Debt Regulations and was open for public comments for a period of seven Working Days until 5 p.m. on February 04, 2019.

LISTING

The NCDs offered through this Tranche I Prospectus are proposed to be listed on BSE. For the purposes of this Tranche I Issue, BSE shall be the Designated Stock Exchange. Our company has received an "in-principle" approval from BSE vide their letter no DCS/BM/PI-BOND/27/18-19 dated February 05, 2019.

COUPON RATE, COUPON PAYMENT FREQUENCY, MATURITY DATE, MATURITY AMOUNT & ELIGIBLE INVESTORS

For details relating to Coupon Rate, Coupon Payment Frequency, Maturity Date and Maturity Amount of the NCDs, see section titled "Terms of the Issue" starting on page 40 of this Tranche I Prospectus. For details relating to eligible investors please see "The Issue" on page 44 of the Shelf Prospectus and page 20 of this Tranche I Prospectus.

LEAD MANAGERS TO THE ISSUE

REGISTRAR TO THE ISSUE

DEBENTURE TRUSTEE



Edelweiss Financial Services Limited
Edelweiss House
Off CST Road, Kalina
Mumbai 400 098
Tel: (+91 22) 4086 3535
Fax: (+91 22) 4086 3610
Email: muthoot.ncd@edelweissfin.com
Investor Grievance Email:
customerservice.mb@edelweissfin.com
Website: www.edelweissfin.com
Contact Person: Mr. Lokesh Singhi / Mr. Mandeep Singh
Compliance Officer: Mr. B Renganathan
SEBI Registration No.: INM0000010650



A. K. Capital Services Limited
30-39, Free Press House
3rd floor, Free Press Journal Marg
215, Nariman Point
Mumbai - 400 021, India
Tel: (+91 22) 6754 6500
Fax: (+91 22) 6610 0594
Email: mflncd2019@akgroup.co.in
Investor Grievance
Email: investor.grievance@akgroup.co.in
Website: www.akgroup.co.in
Contact Person: Ms. Shilpa Pandey/Mr. Malay Shah
Compliance Officer: Mr. Tejas Davda
SEBI Registration No.: INM000010411



LINK INTIME INDIA PRIVATE LIMITED
C-101, 247 Park, L B S Marg,
Vikhroli West,
Mumbai 400 089, India
Tel: (+91 22) 4918 6200
Fax: (+91 22) 4918 6195
Email: mfl.ncd2019@linkintime.co.in
Investor Grievance
Email: mfl.ncd2019@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Shanti Gopalakrishnan
SEBI Registration No.: INR000004058



IDBI TRUSTEESHIP SERVICES LIMITED
Asian Building, Ground Floor
17 R, Kamani Marg, Ballard Estate
Mumbai 400 001, India
Tel: (+91 22) 4080 7000
Fax: (+91 22) 6631 1776
Investor Grievance Email:
anjalee@idbitrustee.com
Website: www.idbitrustee.co.in
Contact Person: Anjalee Athalye
SEBI Registration No.:
IND000000460

TRANCHE I ISSUE PROGRAMME *

TRANCHE I ISSUE OPENS ON FEBRUARY 14, 2019

TRANCHE I ISSUE CLOSES ON MARCH 14, 2019

*The subscription list shall remain open for subscription on Working Days from 10 A.M. to 5 P.M., during the period indicated above, except that this Tranche I Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company ("Board") or NCD Committee. In the event of such an early closure or extension subscription list of this Tranche I Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in a national daily newspaper with wide circulation on or before such earlier date or extended date of closure. Applications Forms for this Tranche I Issue will be accepted only from 10:00 a.m. till 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE, on Working Days during the Tranche I Issue Period. On the Tranche I Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3:00 p.m. (Indian Standard Time) and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE.

**IDBI Trusteeship Services Limited under regulation 4(4) of the SEBI Debt Regulations has by its letter dated January 14, 2019 given its consent for its appointment as Debenture Trustee to the Tranche I Issue and for its name to be included in the Shelf Prospectus and this Tranche I Prospectus and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to the Tranche I Issue.

A copy of the Shelf Prospectus and this Tranche I Prospectus has been filed with the Registrar of Companies, Kerala and Lakshadweep, in terms of section 26 and 31 of the Companies Act, 2013, along with the endorsed/certified copies of all requisite documents. For further details please refer to the section titled "Material Contracts and Documents for Inspection" beginning on page 107 of this Tranche I Prospectus.

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SECTION I: GENERAL

DEFINITIONS / ABBREVIATIONS

Company related terms

Term	Description
“We”, “us”, “our”, “the Company”, and “Issuer”	Muthoot Finance Limited, a public limited company incorporated under the Companies Act, 1956 and having its registered office at Muthoot Chambers, Opposite Saritha Theatre Complex, 2 nd Floor, Banerji Road, Kochi 682 018, Kerala, India.
AOA/Articles of Association	Articles of Association of our Company.
Board / Board of Directors	The Board of Directors of our Company and includes any Committee thereof from time to time.
Equity Shares	Equity shares of face value of ₹ 10 each of our Company.
Limited Review Financial Results	The unaudited standalone financial statements for the three months period ended June 30, 2018 and six months period ended September 30, 2018 of our Company.
Memorandum / MOA	Memorandum of Association of our Company.
NCD Committee	The committee constituted by our Board of Directors by a board resolution dated May 16, 2018.
NBFC	Non-Banking Financial Company as defined under Section 45-IA of the RBI Act, 1934.
NPA	Non Performing Asset.
Promoters	M.G. George Muthoot, George Thomas Muthoot, George Jacob Muthoot and George Alexander Muthoot.
Reformatted Financial Statements	The reformatted standalone summary statement of assets and liabilities of the Company as of March 31, 2018, 2017, 2016, 2015 and 2014 and the related reformatted standalone summary statement of profit and loss and reformatted standalone statement of cash flows for the period ended March 31, 2018, 2017, 2016, 2015 and 2014 (collectively, together with the annexures thereto, the “ Reformatted Standalone Financial Information ”) and the reformatted consolidated summary statement of assets and liabilities of the Company as of March 31, 2018, 2017, 2016 and 2015 and the related reformatted consolidated summary statement of profit and loss and reformatted consolidated statement of cash flows for the period ended March 31, 2018, 2017, 2016 and 2015 (collectively, together with the annexures thereto, the “ Reformatted Consolidated Financial Information ”). The Audited Standalone Financial Statements and Statutory Auditors reports thereon form the basis of the Reformatted Standalone Financial Information. The Audited Standalone Financial Statements for the periods up to March 31, 2017 were audited by the Previous Auditor. The Audited Consolidated Financial Statements and Statutory Auditors reports thereon form the basis of the Reformatted Consolidated Financial Information. The Audited Consolidated Financial Statements for the periods up to March 31, 2017 were audited by the Previous Auditor.
ROC	The Registrar of Companies, Kerala and Lakshadweep.
₹/ Rs./ INR/ Rupees	The lawful currency of the Republic of India.
Previous Auditor	M/s. Rangamani & Co, Chartered Accountants, FRN: 003050S, 17/598, 2nd Floor, Card Bank Building, West of YMCA, VCSB Road, Allepey - 688 011, Kerala, India retired at the 20th Annual General Meeting of the Company held on 20th September, 2017,
Statutory Auditors	M/s. Varma & Varma, Chartered Accountants, FRN: 004532S, “Sreeraghavam”, Kerala Varma Tower, Bldg No. 53/2600 B, C, D & E, Off Kunjanbava Road, Vyttila P.O., Kochi- 682019 were appointed as Statutory Auditors of the Company at the 20 th Annual General Meeting held on 20 th September, 2017 to hold office for a term of five years, subject to ratification of their appointment by the Members at every Annual General Meeting thereafter.
Subsidiary(ies)	(a) Asia Asset Finance PLC, a company registered in the said Republic of Sri Lanka, under the Companies Act No.7, of 2007, having its registered office at No.76/1, Dharmapala Mawatha, Colombo 03, Sri Lanka. (b) Muthoot Homefin (India) Limited, Company registered in India, having its registered office at Muthoot Chambers, Kurians Tower Banerji Road, Cochin Ernakulam, Kerala- 682018. (c) Belstar Investment and Finance Private Limited, a Company registered in India, having its registered office at New No. 33, Old No. 14, 48th Street, 9th Avenue, Ashok Nagar, Chennai, Tamil Nadu- 600083. (d) Muthoot Insurance Brokers Private Limited, Company registered in India, having its registered office at 3rd Floor, Muthoot Chambers, Banerji Road Ernakulam, Kerala- 682018. (e) Muthoot Money Private Limited, Company registered in India, having its registered office at 41 4108 A 18 Opp Saritha Theatre Banerji Road, Ernakulam- 682018. (f) Muthoot Asset Management Private Limited, Company registered in India, having its registered office at 206, 2nd Floor, Sabari Samriddhi, Maitri Park, S.T. Bus, Stand, S T Road, Chembur, Mumbai, Mumbai City- 400071. (g) Muthoot Trustee Private Limited, Company registered in India, having its registered office at 206, 2nd Floor, Sabari Samriddhi, Maitri Park, S.T. Bus, Stand, S T Road, Chembur, Mumbai, Mumbai City- 400071.

Issue related terms

Term	Description
Abridged Prospectus	A memorandum containing the salient features of the Shelf Prospectus and the Tranche I Prospectus
Acknowledgement	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application

Term	Description
slip	Form.
Allotment / Allotted Allottee(s)	Unless the context otherwise requires, the allotment of the NCDs pursuant to the Tranche I Issue to the Allottees. The successful applicant to whom the NCDs are being/have been allotted.
Allotment Advice	The communication sent to the Allottees conveying details of NCDs allotted to the Allottees in accordance with the Basis of Allotment
Applicant / Investor	The person who applies for issuance and Allotment of NCDs pursuant to the terms of the Shelf Prospectus and this Tranche I Prospectus and Abridged Prospectus and the Application Form for the Tranche I Issue .
Application	An application for Allotment of NCDs made through the ASBA process offered pursuant to this Tranche I Issue by submission of a valid Application Form and authorising an SCSB to block the Application Amount in the ASBA Account.
Application Amount	The aggregate value of the NCDs applied for, as indicated in the Application Form for the Tranche I Prospectus.
Application Form/ASBA Form	Form in terms of which an Applicant shall make an offer to subscribe to NCDs through the ASBA process and which will be considered as the Application for Allotment of NCDs in terms of the Shelf Prospectus and this Tranche I Prospectus.
ASBA Application or “Application Supported by Blocked Amount”	The Application in terms of which the Applicant apply by authorising SCSB to block the Application Amount in the specified bank account maintained with such SCSB.
ASBA Account	An account maintained with an SCSB which will be blocked by such SCSB to the extent of the Application Amount of an ASBA Applicant.
Banker to the Issue	ICICI Bank Limited, details of which have been specified on page 15 of this Tranche I Prospectus.
Base Issue	Public issue of NCDs by our Company aggregating upto ₹ 1,000 million.
Basis of Allotment	The basis on which NCDs will be allotted to applicants under the Tranche I Issue and which is described in “ <i>Issue Procedure – Basis of Allotment</i> ” on page 79 of this Tranche I Prospectus.
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Application Forms, i.e., Designated Branches of SCSB, Specified Locations for Members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Broker Centres	Broker centres notified by the Stock Exchanges where Applicants can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Trading Members are available on the respective websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com.
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account.
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications in the Tranche I Issue, at the Designated CDP Locations.
Collecting Registrar and Share Transfer Agents or CRTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications, at the Designated RTA Locations.
Coupon Rate	Please see the section titled “ <i>Terms of the Issue</i> ” on page 40 of this Tranche I Prospectus.
Credit Rating Agencies	For the present Tranche I Issue, the credit rating agencies, being CRISIL and ICRA
CRISIL	CRISIL Limited.
Debt Application Circular	Circular no. CIR/IMD/DF-1/20/2012 issued by SEBI on July 27, 2012 and Circular no. CIR/DDHS/P/121/2018 issued by SEBI on August 16, 2018.
Debenture Holder (s) / NCD Holder(s)	The holders of the NCDs whose name appears in the database of the relevant Depository.
Debt Listing Agreement	The listing agreement entered into between our Company and the relevant stock exchange(s) in connection with the listing of debt securities of our Company.
Debenture Trustee Agreement	Agreement dated January 28, 2019 entered into between our Company and the Debenture Trustee.
Debenture Trust Deed	The trust deed to be executed by our Company and the Debenture Trustee for creating the security over the NCDs issued under the Tranche I Issue.
Demographic Details	Details of the investor such as address, bank account details and occupation, which are based on the details provided by the Applicant in the Application Form.
Deemed Date of Allotment	The date on which the Board or the NCD Committee of the Board constituted by resolution of the Board dated May 16, 2018 approves the Allotment of the NCDs for the Tranche I Issue. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs shall be available to the Debenture holders from the Deemed Date of Allotment.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository(ies)	National Securities Depository Limited (NSDL) and /or Central Depository Services (India) Limited (CDSL).
DP / Depository Participant	A depository participant as defined under the Depositories Act.
Designated Branches	Such branches of SCSBs which shall collect the ASBA Applications and a list of which is available on http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the Application Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the respective websites of the Stock Exchange (www.bseindia.com and www.nseindia.com) as updated from time to time
Designated Date	The date on which Registrar to the Issue issues instruction to SCSBs for transfer of funds from the ASBA Account to the Public Issue Account and/or Refund Account in terms of the Shelf Prospectus and this Tranche I Prospectus and the Public Issue Account Agreement.
Designated Intermediaries	The Members of the Syndicate, SCSBs, Trading Members, CRTAs and CDPs who are authorized to collect Application Forms from the Applicants, in relation to the Tranche I Issue.
Designated RTA Locations	Such locations of the CRTAs where Applicants can submit the Application Forms to CRTAs, a list of which, along with names and contact details of the CRTAs eligible to accept Application Forms are available on the website of the Stock Exchange at www.bseindia.com .

Term		Description
Designated Exchange	Stock	BSE i.e. BSE Limited
Direct Application	Online	The application made using an online interface enabling direct application by investors to a public issue of debt securities with an online payment facility through a recognized stock exchange. This facility is available only for demat account holders who wish to hold the NCDs pursuant to the Tranche I Issue in dematerialized form. Please note that the Applicants will not have the option to apply for NCDs under the Tranche I Issue, through the direct online applications mechanism of the Stock Exchange
Draft Prospectus	Shelf	The Draft Shelf Prospectus dated January 28, 2019 filed with the Designated Stock Exchange for receiving public comments and with SEBI in accordance with the provisions of the Act/relevant provisions of the Companies Act, 2013 applicable as on the date of the Draft Shelf Prospectus and the SEBI Debt Regulations.
ICRA		ICRA Limited.
Insurance Companies		Insurance companies registered with the IRDA.
Issue		Public issue by the Company of secured redeemable non-convertible debentures of face value of ₹ 1,000.00 each for an amount upto the Shelf Limit. The Secured NCDs will be issued in one or more tranches, on terms and conditions as set out in the relevant Tranche Prospectus for any Tranche Issue. The Issue is being made pursuant to the provisions of Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended, the Companies Act, 2013 and rules made thereunder as amended to the extent notified.
Issue Agreement		Agreement dated January 28, 2019 executed between the Company and the Lead Managers.
Lead Brokers		Axis Capital Limited, Bajaj Capital Limited, Edelweiss Securities Limited, HDFC Securities Limited, Integrated Enterprises (India) Private Limited, Muthoot Securities Limited, SMC Global Securities Limited, IIFL Securities Limited, RR Equity Brokers Private Limited, Kotak Securities Limited, A. K. Stockmart Private Limited and Karvy Stock Broking Limited.
Lead Brokers MoU		Memorandum of understanding dated February 01, 2019 executed between the Company, Lead Brokers and the Lead Managers, for the purpose of marketing and procuring subscription for the Tranche I Issue on a non-exclusive basis.
Lead Managers		Edelweiss Financial Services Limited and A. K. Capital Services Limited.
Market Lot		1 NCD.
Members of the Syndicate		Lead Managers and the Lead Brokers.
Options		Collectively the options of NCDs being offered to the Applicants as stated in the section titled ' <i>Issue Related Information</i> ' beginning on page 40 of this Tranche I Prospectus.
Offer Document		The Draft Shelf Prospectus, the Shelf Prospectus, this Tranche I Prospectus and the Abridged Prospectus.
Public Account	Issue	Account(s) to be opened with the Banker to the Issue to receive monies from the ASBA Accounts on the Designated Date as specified in this Tranche I Prospectus.
Public Account Agreement	Issue	Agreement dated February 01, 2019 executed between the Company, the Banker to the Issue, the Lead Managers and the Registrar to the Issue.
Public Account Bank	Issue	ICICI Bank Limited
Record Date		The date for payment of interest in connection with the NCDs or repayment of principal in connection therewith which shall be 15 days prior to the date of payment of interest, and/or the date of redemption. In case the Record Date falls on a day when the Stock Exchange is having a trading holiday, the immediate subsequent trading day will be deemed as the Record Date.
Redemption/ Maturity Amount		Please see the section titled " <i>Terms of the Issue</i> " on page 40 of this Tranche I Prospectus
Redemption/ Maturity Date		Please see the section titled " <i>Terms of the Issue</i> " on page 40 of this Tranche I Prospectus
Refund Account		The account(s) opened by our Company with the Refund Bank, from which refunds of the whole or part of the Application Amounts, if any, shall be made.
Refund Bank		ICICI Bank Limited
Registered Brokers		Stock brokers registered with the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Application Forms in terms of circular number CIR/CFD/14/2012 dated October 14, 2012, issued by SEBI
Registrar to the Issue		Link Intime India Private Limited
Retail Investor(s)		Individual Applicants who have applied for the NCDs for an amount aggregating up to and including INR 1,000,000 across all options of NCDs in the Tranche I Issue (including HUFs applying through their Karta).
SEBI Regulations	Debt	SEBI (Issue and Listing of Debt Securities) Regulations, 2008, issued by SEBI, effective from June 06, 2008 as amended from time to time.
SEBI Regulations	ICDR	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.
Secured NCD(s)		Secured, redeemable non-convertible debentures for an amount of upto ₹ 40,000.00 million offered through the Shelf Prospectus and the relevant Tranche Prospectus(es) of face value of ₹ 1,000.00 each.
Senior Citizen		A person who on the date of this Tranche I Issue has attained the age of 65 years or more.
Self Syndicate Banks or SCSBs	Certified	The banks registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 offering services in relation to ASBA, including blocking of an ASBA Account, and a list of which is available on https://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other web-link as may be prescribed by SEBI from time to time. A list of the branches of the SCSBs where ASBA Applications submitted to the Lead Managers, Lead Brokers or the Trading Member(s) of the Stock Exchange, will be forwarded by such Lead Managers, Lead Brokers or the Trading Members of the Stock Exchange is available at www.sebi.gov.in or at such other web-link as may be prescribed by SEBI from time to time.
Shelf Limit		The aggregate limit of the Issue, being ₹ 40,000.00 million to be issued under the Shelf Prospectus and the relevant Tranche Prospectus through one or more Tranche Issues.
Shelf Prospectus		The Shelf Prospectus dated February 05, 2019 filed by our Company with the SEBI, BSE and the RoC in accordance with the provisions of the Companies Act, 2013 and the SEBI Debt Regulations.

Term	Description
Specified Cities / Specified Locations	Bidding Centres where the Member of the Syndicate shall accept Application Forms from Applicants a list of which is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.
Stock exchange	BSE
Syndicate ASBA	Applications through the Designated Intermediaries.
Syndicate ASBA Application Locations	Bidding centres where the Designated Intermediaries shall accept Application Forms from Applicants, a list of which is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.
Syndicate SCSB Branches	In relation to Applications submitted to a Designated Intermediary, such branches of the SCSBs at the Syndicate ASBA Application Locations named by the SCSBs to receive deposits of the Application Forms from the members of the Syndicate, and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other website as may be prescribed by SEBI from time to time.
Tenor	Please see the section titled “ Terms of the Issue ” on page 40 of this Tranche I Prospectus.
Tier I capital	Tier I capital means, owned fund as reduced by investment in shares of other NBFCs and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten percent of the owned fund.
Tier II capital	Tier-II capital includes the following: (a) preference shares other than those which are compulsorily convertible into equity; (b) revaluation reserves at discounted rate of 55%; (c) general provisions and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets; (d) hybrid debt capital instruments; and (e) subordinated debt to the extent the aggregate does not exceed Tier-I capital.
Transaction Registration Slip or TRS	The slip or document issued by any of the Designated Intermediaries as the case may be, to an Applicant upon demand as proof of registration of his Application.
Trading Members	Individuals or companies registered with SEBI as “trading members” who hold the right to trade in stocks listed on the Stock Exchanges, through whom investors can buy or sell securities listed on the Stock Exchange, a list of which are available on www.bseindia.com (for Trading Members of BSE).
Tranche Issue	Issue of the NCDs pursuant to the respective Tranche Prospectus.
Tranche I Issue	Public Issue by the Company of secured redeemable non-convertible debentures of face value of ₹ 1,000 each (“NCDs”) for an amount of ₹ 1,000 million (“ Base Issue ”) with an option to retain oversubscription up to ₹ 6,500 million aggregating upto 7,500,000 NCDs amounting to ₹ 7,500 million (“ Tranche I Issue Limit ”) (“ Tranche I Issue ”) which is within the shelf limit of ₹ 40,000 million and is being offered by way of this Tranche I Prospectus dated February 05, 2019 containing, inter alia, the terms and conditions of this Tranche I Issue (“ Tranche I Prospectus ”), which should be read together with the Shelf Prospectus dated February 05, 2019 (“ Shelf Prospectus ”) filed with the Registrar of Companies, Kerala and Lakshadweep, the Stock Exchange and the SEBI.
Tranche Prospectus(es)	The Tranche Prospectus(es) containing the details of NCDs including interest, other terms and conditions, material developments, general information, objects, procedure for application, statement of tax benefits, regulatory and statutory disclosures and material contracts and documents for inspection, in respect of the relevant Tranche Issue.
Tranche I Issue Opening Date	February 14, 2019
Tranche I Issue Closing Date	March 14, 2019 or such early or extended date as may be decided by the NCD Committee of the Board.
Tranche I Issue Period	The period between the Tranche I Issue Opening Date and the Tranche I Issue Closing Date inclusive of both days.
Tranche I Prospectus	This Tranche Prospectus dated February 05, 2019 containing the details of the NCDs issued pursuant to the Tranche I Issue.
Trustees / Debenture Trustee	Trustees for the Debenture Holders in this case being IDBI Trusteeship Services Limited.
Working Day	All days excluding the second and the fourth Saturday of every month, Sundays and a public holiday in Kochi or Mumbai or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881, except with reference to Tranche I Issue Period where working days shall mean all days, excluding Saturdays, Sundays and public holidays in India or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881. Furthermore, for the purpose of post issue period, i.e. period beginning from Tranche I Issue Closing Date to listing of the NCDs, Working Days shall mean all trading days of Stock Exchange excluding Sundays and bank holidays in Mumbai.

**The subscription list shall remain open at the commencement of banking hours and close at the close of banking hours for the period as indicated, with an option for early closure or extension by such period, as may be decided by the Board or the duly authorised committee of the Board constituted by resolution of the Board dated May 16, 2018. In the event of such early closure or extension subscription list of the Tranche I Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in a leading daily national newspaper on or before such earlier date or extended date of closure.*

Industry related terms

Term	Description
Gold Loans	Personal and business loans secured by gold jewelry and ornaments.
NRI/Non-Resident	A person resident outside India, as defined under the FEMA
RRB	Regional Rural Bank.

Conventional and general terms

Term	Description
BSE	BSE Limited.

Term	Description
CDSL	Central Depository Services (India) Limited.
Companies Act, 2013	The Companies Act, 2013, to the extent notified by the Ministry of Corporate Affairs, Government of India
DRR	Debenture Redemption Reserve.
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time.
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended from time to time.
Financial Year / FY	Financial Year ending March 31.
GoI	Government of India.
HUF	Hindu Undivided Family.
IFSC	Indian Financial System Code.
Indian GAAP	Generally Accepted Accounting Principles in India.
IndAS	Indian Accounting Standards
IRDA	Insurance Regulatory and Development Authority.
IT Act	The Income Tax Act, 1961, as amended from time to time.
MICR	Magnetic Ink Character Recognition.
NACH	National Automated Clearing House
NEFT	National Electronic Funds Transfer.
NSDL	National Securities Depository Limited.
PAN	Permanent Account Number.
RBI	The Reserve Bank of India.
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time.
RTGS	Real Time Gross Settlement.
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992.
SEBI Act	The Securities and Exchange Board of India Act, 1992 as amended from time to time.
SEBI LODR Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Notwithstanding anything contained herein, capitalised terms that have been defined in the sections titled “*Statement of Tax Benefits*”, and “*Issue Procedure*” beginning on pages 26 and 61 of this Tranche I Prospectus, respectively will have the meanings ascribed to them in such sections.

FORWARD-LOOKING STATEMENTS

This Tranche I Prospectus contains certain “forward-looking statements”. These forward looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “future”, “goal”, “plan”, “contemplate”, “propose” “seek to” “project”, “should”, “will”, “will continue”, “will pursue”, “will likely result” or other words or phrases of similar import. All forward-looking statements are based on our current plans and expectations and are subject to a number of uncertainties and risks and assumptions that could significantly and materially affect our current plans and expectations and our future financial condition and results of operations. Important factors that could cause actual results, including our financial conditions and results of operations to differ from our expectations include, but are not limited to, the following:

- General economic and business conditions in India and globally;
- Our ability to successfully sustain our growth strategy;
- Our ability to compete effectively and access funds at competitive cost;
- Unanticipated turbulence in interest rates, equity prices or other rates or prices; the performance of the financial and capital markets in India and globally;
- The outcome of any legal or regulatory proceedings we are or may become a party to;
- Any disruption or downturn in the economy of southern India;
- Our ability to control or reduce the level of non-performing assets in our portfolio;
- General political and economic conditions in India;
- Change in government regulations;
- Competition from our existing as well as new competitors;
- Our ability to compete with and adapt to technological advances; and
- Occurrence of natural calamities or natural disasters affecting the areas in which our Company has operations.

For further discussion of factors that could cause our actual results to differ, see the section titled “*Risk Factors*” on page `12 of the Shelf Prospectus.

All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results and valuations to differ materially from those contemplated by the relevant statement. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under the sections titled “*Industry Overview*” and “*Our Business*” on page 74 and page 85 of the Shelf Prospectus. The forward-looking statements contained in this Tranche I Prospectus are based on the beliefs of management, as well as the assumptions made by and information currently available to management. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct or will hold good at all times. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialise, or if any of our Company’s underlying assumptions prove to be incorrect, our Company’s actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

Neither our Company, its Directors and officers, nor any of their respective affiliates or associates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI Debt Regulations, the Company and the Lead Managers will ensure that investors in India are informed of material developments between the date of filing the Shelf Prospectus and this Tranche I Prospectus with the ROC and the date of the Allotment.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

General

In this Tranche I Prospectus, unless otherwise specified or the context otherwise indicates or implies the terms, all references to “Muthoot Finance Limited”, “Issuer”, “we”, “us”, “our” and “our Company” are to Muthoot Finance Limited.

Unless stated otherwise, all references to page numbers in this Tranche I Prospectus are to the page numbers of this Tranche I Prospectus.

Unless stated otherwise, all references to financial numbers are on a standalone basis.

Unless the context otherwise indicates or implies, references to “you,” “offeree,” “purchaser,” “subscriber,” “recipient,” “investors” and “potential investor” are to the prospective investors in this Tranche I Issue.

All references to “India” are to the Republic of India and its territories and possessions, and all references to the “Government”, the “Central Government” or the “State Government” are to the Government of India, central or state, as applicable.

Unless otherwise stated, references in this Tranche I Prospectus to a particular year are to the calendar year ended on December 31 and to a particular “financial year” are to the financial year starting from April 01 and ending on March 31.

Unless otherwise stated all figures pertaining to the financial information in connection with our Company are on an unconsolidated basis.

Presentation of Financial Information

Our Company publishes its financial statements in Rupees. Our Company’s financial statements for the year ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 have been prepared in accordance with Indian GAAP including the Accounting Standards notified under the Companies Act read with General Circular 8/2014 dated April 4, 2014. With effect from 1 April 2018, as per the roadmap issued by the Ministry of Corporate Affairs for Non-Banking Finance Companies dated 18 January 2016, for financial reporting purposes, the Company has followed the Accounting Standards issued by the ICAI specified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015 (“Ind AS”).

The Reformatted Standalone Financial Information and the Reformatted Consolidated Financial Informations are included in the Shelf Prospectus and collectively referred to hereinafter as the “Reformatted Financial Statements”. The examination reports on the Reformatted Financial Statements as issued by our Company’s Statutory Auditor, M/s. Varma & Varma, Chartered Accountants, are included in Annexure A titled “*Financial Information*” beginning at page A-1 of the Shelf Prospectus.

The Limited Review Standalone Financial Results of the Company for the quarter and three months ended June 30, 2018 and for the half year ended September 30, 2018 submitted by the Company to the Stock Exchange pursuant to the requirements of Regulation 33 of the SEBI LODR Regulations (“**Limited Review Financial Results**”) are included in the Shelf Prospectus in Annexure B titled “*Limited Review Financial Results*” beginning at page B-1 of the Shelf Prospectus.

Unless stated otherwise, the financial data upto and for the year ended March 31, 2018 used in this Tranche I Prospectus is derived from our Company’s “Reformatted Financial Statements”.

Unless stated otherwise, the financial data for the quarter ended June 30, 2018 and half year ended September 30, 2018 used in this Tranche I Prospectus is derived from our Company’s “**Limited Review Financial Results**”.

Any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding off.

Currency and Unit of Presentation

In this Tranche I Prospectus, references to “₹”, “Indian Rupees”, “INR”, “Rs.” and “Rupees” are to the legal currency of India, references to “US\$”, “USD”, and “U.S. dollars” are to the legal currency of the United States of America, as amended from time to time. Except as stated expressly, for the purposes of this Tranche I Prospectus, financial data will be given in ₹ in millions.

Except where stated otherwise in this Tranche I Prospectus, all financial data have been expressed in ₹ in million.

Certain figures contained in this Tranche I Prospectus, including financial information, have been subject to rounding adjustments. Unless set out otherwise, all figures in decimals, including percentage figures, have been rounded off to two decimal points. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Further, any figures sourced from third party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

India has decided to adopt the “Convergence of its existing standards with IFRS” referred to as the “Indian Accounting Standards” or “Ind AS”. In terms of a notification released by the MCA, our Company is required to prepare its financial statements in accordance with Ind AS for accounting periods beginning on April 1, 2018. Accordingly, our financial statements for the quarter ended June 30, 2018 and half year ended September 30, 2018 prepared under Ind AS, may not be comparable.

There are significant differences between Indian GAAP and Ind AS. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

SECTION II: INTRODUCTION

GENERAL INFORMATION

Our Company was originally incorporated as a private limited company on March 14, 1997 under the provisions of the Companies Act, 1956, with the name “The Muthoot Finance Private Limited”. Subsequently, by a fresh certificate of incorporation dated May 16, 2007, our name was changed to “Muthoot Finance Private Limited”. Our Company was converted into a public limited company on November 18, 2008 with the name “Muthoot Finance Limited” and received a fresh certificate of incorporation consequent to change in status on December 02, 2008 from the Registrar of Companies, Kerala and Lakshadweep. Muthoot Fin Corp Limited is neither a related company nor is a company under the same management within the meaning of the Companies Act, 1956*. For further details regarding the Promoters and the group companies please refer to “*Our Promoters*” at page 133 of the Shelf Prospectus.

*Disclosure made in accordance with letter from SEBI bearing no. IMD/DOF-1/BM/VA/OW/22785/2013 dated October 30, 2013.

Corporate and Registered Office

Muthoot Finance Limited

2nd Floor, Muthoot Chambers
Opposite Saritha Theatre Complex
Banerji Road
Kochi 682 018
Kerala, India
Tel: (+91 484) 239 4712
Fax: (+91 484) 239 6506
Website: www.muthootfinance.com
Email: cs@muthootgroup.com

For details of change in registered office, refer to the section titled “*History and Main Objects*” on page 110 of the Shelf Prospectus.

Registration

Registration Number: 011300

Corporate Identity Number: L65910KL1997PLC011300 issued by the Registrar of Companies, Kerala and Lakshadweep.

Certificate of registration bearing number N. 16.00167 under Section 45IA of the RBI Act, 1934 from the RBI dated December 12, 2008 from the RBI to carry on the business of a non-banking financial institution without accepting public deposits.

Chief Financial Officer

Oommen K. Mammen
2nd Floor, Muthoot Chambers
Opposite Saritha Theatre Complex
Banerji Road
Kochi 682 018
Kerala, India
Tel: (+91 484) 2397156
Fax: (+91 484) 2396506
Email: oommen@muthootgroup.com

Company Secretary and Compliance Officer

Maxin James
2nd Floor, Muthoot Chambers
Opposite Saritha Theatre Complex
Banerji Road

Kochi 682 018
Kerala, India
Tel: (+91 484) 6690247
Fax: (+91 484) 2396506
Email: cs@muthootgroup.com

Investors may contact the Registrar to the Issue or the Company Secretary and Compliance Officer in case of any pre-issue or post-issue related issues such as non-receipt of intimation of allotment, demat credit of allotted NCDs or refunds, as the case may be.

All grievances relating to the Tranche I Issue may be addressed to the Registrar to the Issue, giving full details such as name, Application Form number, address of the Applicant, number of NCDs applied for, amount paid on application, Depository Participant and the collection centre of the Designated Intermediary where the Application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB, giving full details such as name, address of Applicant, Application Form number, number of NCDs applied for, amount blocked on Application and the Designated Branch or the collection centre of the SCSB where the Application Form was submitted by the Applicant.

All grievances arising out of Applications for the NCDs made through the Online Stock Exchanges Mechanism may be addressed directly to the respective Stock Exchanges.

Lead Managers

Edelweiss Financial Services Limited

Edelweiss House
Off CST Road, Kalina
Mumbai 400 098
Tel: +91 22 4086 3535
Fax: +91 22 4086 3610
Email: muthoot.ncd@edelweissfin.com
Investor Grievance Email:
customerservice.mb@edelweissfin.com
Website: www.edelweissfin.com
Contact Person: Mr. Lokesh Singhi / Mr. Mandeep Singh
Compliance Officer: Mr. B Renganathan
SEBI Registration No.: INM0000010650

A. K. Capital Services Limited

30-39, Free Press House
3rd Floor, Free Press Journal Marg,
215, Nariman Point
Mumbai - 400 021, India
Tel: (91 22) 67546500, 66349300
Fax: (91 22) 66100594
Email: mflncd2019@akgroup.co.in
Investor Grievance Email: investor.grievance@akgroup.co.in
Website: www.akgroup.co.in
Contact Person: Ms. Shilpa Pandey/ Mr. Malay Shah
Compliance Officer: Mr. Tejas Davda
SEBI Registration No.: INM000010411

Debenture Trustee

IDBI Trusteeship Services Limited

Asian Building, Ground Floor
17 R, Kamani Marg, Ballard Estate
Mumbai 400 001, India
Tel: (+91 22) 4080 7000
Fax: (91 22) 6631 1776

Email: anjalee@idbitrustee.com
Website: www.idbitrustee.co.in
Contact Person: Anjalee Athalye
SEBI Registration No.: IND000000460

IDBI Trusteeship Services Limited has by its letter dated January 14, 2019 given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in the Shelf Prospectus and this Tranche I Prospectus and in all the subsequent periodical communications sent to the holders of the NCDs issued pursuant to this Tranche I Issue.

Registrar to the Issue

Link Intime India Private Limited

C 101, 247 Park , L B S Marg
Vikhroli (West),
Mumbai - 400 089, India
Tel: (+91 22) 4918 6200
Fax: (+91 22) 4918 6195
Email: mfl.ncd2019@linkintime.co.in
Investor Grievance Email: mfl.ncd2019@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Shanti Gopalkrishnan
SEBI Registration No.: INR000004058

Link Intime India Private Limited has by its letter dated January 12, 2019 given its consent for its appointment as Registrar to the Issue and for its name to be included in the Shelf Prospectus and this Tranche I Prospectus and in all the subsequent periodical communications sent to the holders of the NCDs issued pursuant to this Tranche I Issue.

Statutory Auditors

Varma & Varma

Chartered Accountants
"Sreeraghavam", Kerala Varma Tower,
Bldg No. 53/2600 B, C, D & E,
Off Kunjanbava Road, Vytila P.O.,
Kochi- 682019
Tel: 91 – 484 – 2302223
Fax: 91 – 484 – 2306046
Email: kochi@varmaandvarma.com
Firm Registration No.: 004532S

Varma & Varma, chartered accountants, has been the statutory auditor of the Company since September 20, 2017. Previously, Rangamani & Co. has been the statutory auditor of the Company since September 2002 and continued as the statutory auditor of the Company till September 20, 2017. Members of the Company in their annual general meeting dated September 20, 2017 appointed Varma & Varma, Chartered Accountants (FRN: 004532S) in place of the retiring auditors M/s. Rangamani & Co.

Credit Rating Agencies

ICRA Limited

Building No. 8, 2nd Floor,
Tower A, DLF Cyber City, Phase II,
Gurgaon – 122 002
Telephone: (+91) (124) 4545 310
Facsimile: (+91) (124) 4050 424
Email: amit.gupta@icraindia.com
Contact Person: Mr. Amit Kumar Gupta
Website: www.icra.in
SEBI Registration Number: IN/CRA/008/2015

CRISIL Limited

CRISIL House, Central Avenue
Hiranandani Business Park, Powai
Mumbai 400 076, India
Telephone: (+91 22) 3342 3000 (B)
Facsimile: (+91 22) 3342 3050
Email: crisilratingdesk@crisl.com
Contact Person: Mr. Krishnan Sitaraman
Website: www.crisil.com
SEBI Registration Number: IN/CRA/001/1999

Credit Rating

The Secured NCDs proposed to be issued under this Tranche I Issue have been rated 'CRISIL AA/Stable' (pronounced as CRISIL double A rating with Stable outlook) for an amount of ₹ 40,000 million, by CRISIL vide their letter dated January 18, 2019 and further revalidated by letter dated January 31, 2019 and '[ICRA]AA(Stable)' (pronounced as ICRA double A) for an amount of ₹ 40,000 million by ICRA Limited vide their letter dated December 31, 2018 and further revalidated by letter dated January 30, 2019. The rating of 'CRISIL AA/Stable' by CRISIL Limited and '[ICRA]AA' by ICRA Limited indicate that instruments with these ratings are considered to have a high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. For the rationale for these ratings, see pages 113 and 125 of this Tranche I Prospectus. These ratings are not recommendations to buy, sell or hold securities and investors should take their own decision. These rating are subject to revision or withdrawal at any time by the assigning rating agencies and should be evaluated independently of any other ratings.

Disclaimer clause of ICRA

"This rating is specific to the terms and conditions of the proposed issue as was indicated to us by you and any change in the terms or size of the issue would require the rating to be reviewed by us. If there is any change in the terms and conditions or size of the instrument rated, as above, the same must be brought to our notice before the issue of the instrument. If there is any such change after the rating is assigned by us and confirmed to use by you, it would be subject to our review and may result in change in the rating assigned.

ICRA reserves the right to suspend, withdraw or revise the above at any time on the basis of new information or unavailability of information or such other circumstances, which ICRA believes, may have an impact on the rating assigned to you.

The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold the bonds to be issued by you. If the instrument rated, as above, is not issued by you within a period of 3 months from the date of this letter communicating this rating, the same would stand withdrawn unless revalidated before the expiry of 3 months."

Disclaimer clause of CRISIL

"CRISIL Limited (CRISIL) has taken due care and caution in preparing the Material based on the information provided by its client and / or obtained by CRISIL from sources which it considers reliable (Information). A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy, sell, or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. The Rating is not a recommendation to invest / disinvest in any entity covered in the Material and no part of the Material should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/distributors of the Material. Without limiting the generality of the foregoing, nothing in the Material is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. The Company will be responsible for ensuring compliances and consequences of non-compliances for use of the Material or part thereof outside India. Current rating status and CRISIL Ratings rating criteria are available without charge to the public on the CRISIL web site, www.crisil.com. For the latest rating information on any instrument of any company rated by CRISIL, please contact Customer Service Helpdesk at 1800-267-1301."

Legal Advisors to the Issue

AZB & Partners

7th Floor, Embassy Icon
Infantry Road,
Bengaluru – 560 001, India
Tel: (+91 80) 4240 0500
Fax: (+91 80) 2221 3947

Public Issue Account Bank and Refund Bank

ICICI Bank Limited

Capital Market Division, 1st Floor
122, Mistry Bhavan, Dinshaw Vachha Road, Backbay Reclamation
Churchgate, Mumbai 400 020 – India
Tel: (91 22) 66818923/924/932
Fax: (91 22) 22611138
Email: shweta.surana@icicibank.com
Contact Person: Shweta Surana
Website: www.icicibank.com
SEBI Registration No.: INBI00000004

Lead Broker(s) to the Issue

Axis Capital Limited

Axis House, Level 1, C-2,
Wadia International Centre,
P.B. Marg, Worli, Mumbai 400 025
Tel: (91 22) 4325 3110
Fax: (91 22) 43253000
Email: ajay.sheth@axiscap.in / vinayak.ketkar@axiscap.in
Contact Person: Ajay Sheth / Vinayak Ketkar
Website: www.axiscapital.co.in
SEBI Registration No.: INM000012029

Edelweiss Securities Limited

Edelweiss House,
Off. C.S.T Road,
Kalina, Mumbai – 400 098
Tel: (91 22) 4063 5569 / (91 22) 4063 5411
Fax: (91 22) 6747 1347
Email: amit.dalvi@edelweissfin.com / pakash.boricha@edelweissfin.com
Contact Person: Amit Dalvi / Prakash Boricha
Website: www.edelweissfin.com
SEBI Registration No.: INZ000166136

HDFC Securities Limited

I Think Techno Campus,
Building B, Alpha, Office Floor 8
Opposite Crompton Greaves, Kanjurmarg East,
Mumbai 400 042
Tel: (91 22) 3075 3400
Fax: (91 22) 3075 3435
Email: customercare@hdfcsec.com
Contact Person: Devan Mhatre
Website: www.hdfcsec.com
SEBI Registration No.: BSE: INB/F011109437; NSE:
INB/F/E231109431

Karvy Stock Broking Limited

'Karvy House', 46,
Avenue 4, Street No. 1,
Banjara Hills,
Hyderabad 500 034,
Tel: (91 40) 2331 2454
Fax: (91 40) 2331 1968
Email: ksbldist@karvy.com
Contact Person: Mr. P.B. Ramapriyan
Website: www.karvy.com
SEBI Registration No.: INB230770138 (NSE), INB010770130 (BSE)

Integrated Enterprises (India) Private Limited

15, First Floor, Modern House
Dr. V B Gandhi Marg, Fort,
Mumbai 400 023, India
Tel: (91 22) 4066 1800
Fax: (91 22) 2287 4676
Email: krishnan@integratedindia.in
Contact Person: V Krishnan
Website: www.integratedindia.in
SEBI Registration No.: INZ000095737

Bajaj Capital Limited

Mezzanine Floor, Bajaj House,
97, Nehru Place,
New Delhi 110 019
Tel: (91 11) 4169 3000
Fax: (91 11) 2647 6638
Email: info@bajajcapital.com
Contact Person: Sumit Kumar Dudani
Website: www.bajajcapital.com
SEBI Registration No.: INZ000007732

Muthoot Securities Limited

1st Floor, Alpha Plaza, KP Vallon Road
Kadavanthara, Kochi
Kerala 682 020, India
Tel: (91 484) 433 7555, 4337587
Fax: Nil
Email: securities@muthootsecurities.com
Contact Person: Ragesh G.R. (Director & CEO)
Website: www.muthootsecurities.com
SEBI Registration No.: BSE: INB011294338;

SMC Global Securities Limited

17, Netaji Subhash Marg,
Opposite Golcha Cinema, Daryaganj,
New Delhi- 110 002
Tel: 91) 98186 20470, (91) 9810059041
Fax: (91 11) 2326 3297
Email: mkg@smcindiaonline.com / neerajkhanna@smcindiaonline.com
Contact Person: Mahesh Gupta / Neeraj Khanna
Website: www.smctradeonline.com
SEBI Registration No.: INB23/07714-31

IIFL Securities Limited

IIFL Centre, Kamala City,
Senapati Bapat Marg, Lower Parel (West),

RR Equity Brokers Private Limited

412-422, Indraprakash Building, 21,
Barakhamba Road,

Lead Broker(s) to the Issue

Mumbai 400 013 Tel: (91 22) 4249 9000 Fax: (91 22) 2495 4313 Email: cs@indiainfoline.com Contact Person: Prasad Umarale Website: www.indiainfoline.com Investor Grievance e-mail ID: customergrievances@indiainfoline.com SEBI Registration No.: INZ000164132	New Delhi – 110001 Tel: (91 11) 2335 4802 Fax: (91 11) 2332 0671 Email: ipo@rrfcl.com Contact Person: Jeetesh Kumar Website: www.rrfinance.com SEBI Registration No.: BSE: INB011219632; NSE: INB231219636
Kotak Securities Limited 4 th Floor, C-12, G Block, Bandra Kurla Complex, Bandra (E), Mumbai 400 051 Tel: (91 22) 6748 5470 Fax: (91 22) 6661 7041 Email: umesh.gupta@kotak.com Contact Person: Umesh Gupta Website: www.kotak.com SEBI Registration No.: BSE: INB010808153; NSE: INB230808130	A. K. Stockmart Private Limited 30-39, Free Press House, 3 rd Floor, Free Press Journal Marg, 215, Nariman Point, Mumbai 400 021. Tel: (91 22) 6754 6500 Fax: (91 22) 6754 4666 Email: ankit@akgroup.co.in / ranjit.dutta@akgroup.co.in Contact Person: Ankit Gupta / Ranjit Dutta Website: www.akgroup.co.in SEBI Registration No.: INB231269532 (NSE) / INB011269538 (BSE)

Impersonation

As a matter of abundant precaution, attention of the investors is specifically drawn to the provisions of sub-section (1) of section 38 of the Companies Act, 2013, relating to punishment for fictitious applications.

Minimum Subscription

In terms of the SEBI Debt Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue, i.e. ₹ 750 million. If our Company does not receive the minimum subscription of 75% of the Base Issue, i.e. ₹ 750 million within the prescribed timelines under Companies Act and any rules thereto, the entire subscription amount shall be refunded to the Applicants within the timelines prescribed under Applicable Law. In the event, there is a delay, by our Company in making the aforesaid refund within the prescribed time limit, our Company will pay interest at the rate of 15% per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard including its circular (bearing CIR/IMD/DF-1/20/2012) dated July 27, 2012.

Arrangers

No arrangers have been appointed for this Tranche I Issue.

Designated Intermediaries*Self-Certified Syndicate Banks*

The banks which are registered with SEBI under Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA, including blocking of an ASBA Account, a list of which is available on <http://www.sebi.gov.in> or at such other website as may be prescribed by SEBI from time to time. A list of the Designated Branches of the SCSBs, with which an Applicant, not applying through the Syndicate, may submit the Application Forms, is available at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> or at such other website as may be prescribed by SEBI from time to time.

Syndicate SCSB Branches

In relation to Applications submitted to the Designated Intermediaries, the list of branches of the SCSBs to receive deposits of ASBA Applications from such Designated Intermediaries is provided on <http://www.sebi.gov.in> or at such

other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Applications from Designated Intermediaries, see the above mentioned web-link.

CRTAs / CDPs

The list of the CRTAs and CDPs, eligible to accept Applications in the Tranche I Issue, including details such as postal address, telephone number and email address, are provided on the websites of the BSE at <http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6> for CRTAs and CDPs, as updated from time to time.

Broker Centres/ Designated CDP Locations/ Designated RTA Locations

In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 4, 2012 and CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, Applicants can submit the Application Forms with the Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the CRTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com. The list of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Application Forms from the Registered Brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Utilisation of Tranche I Issue proceeds

Our Board of Directors certify that:

- all monies received out of this Tranche I Issue shall be credited/transferred to a separate bank account other than the bank account referred to in Section 40 of the Companies Act, 2013;
- the allotment letter shall be issued or application money shall be refunded within fifteen days from the closure of this Tranche I Issue or such lesser time as may be specified by Securities and Exchange Board, or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period;
- details of all utilised and unutilised monies out of previous issues made by way of public offer, if any, shall be disclosed and continued to be disclosed under an appropriate head in our balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilised and the form in which such unutilised monies have been invested;
- we shall utilize the Tranche I Issue proceeds only upon creation of security and obtaining Listing and Trading approval as stated in this Tranche I Prospectus in the section titled “*Issue Structure*” beginning on page 45 of this Tranche I Prospectus; and
- the Tranche I Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any immovable property or in the purchase of any business or in the purchase of an interest in any business.

Tranche I Issue Programme

TRANCHE I ISSUE OPENS ON	February 14, 2019
TRANCHE I ISSUE CLOSES ON	March 14, 2019

The subscription list shall remain open for subscription on Working Days from 10 A.M. to 5 P.M., during the period mentioned above, except that this Tranche I Issue may close on such earlier date or extended date as may be decided by the Board or NCD Committee. In the event of such an early closure of or extension subscription list of this Tranche I Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in a leading daily national newspaper on or before such earlier date or extended date of closure.

Applications Forms for this Tranche I Issue will be accepted only from 10:00 a.m. till 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the BSE, on Working Days during the Tranche I Issue Period. On the Tranche I Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3.00 p.m. (Indian

Standard Time) and uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the BSE.

Due to limitation of time available for uploading the Applications on the electronic platform of the Stock Exchange on the Tranche I Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Tranche I Issue Closing Date and, no later than 3.00 p.m. (Indian Standard Time) on the Tranche I Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Tranche I Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under this Tranche I Issue. Application Forms will only be accepted on Working Days during the Tranche I Issue Period. Neither our Company, nor the Designated Intermediaries are liable for any failure in uploading the Applications due to failure in any software/hardware systems or otherwise. As per the SEBI circular dated October 29, 2013, the allotment in this Tranche I Issue 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, the allotments should be made to the applicants on proportionate basis.

MATERIAL DEVELOPMENTS

Material developments since the date of filing of the Shelf Prospectus:

There are no recent developments in relation to our Company as disclosed in the sections titled “**Risk Factors**”, “**Capital Structure**”, “**About the Issuer and Industry Overview**”, “**Financial Information**”, “**Pending Proceedings and Statutory Defaults**”, “**Regulations and Policies**”, “**Material Developments**” and “**Summary of Key Provisions of Articles of Association**” in the Shelf Prospectus which would make them misleading in any material respect.

All disclosures made in this Tranche I Prospectus, read together with the Shelf Prospectus as the “Prospectus” with respect to this Tranche I Issue are true, fair and adequate to enable the investors to make a well informed decision as to the investment in the proposed Tranche I Issue. The Prospectus 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 material facts, the omission of which makes the Prospectus as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect.

THE ISSUE

The following is a summary of the Tranche I Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in the chapter titled “*Terms of the Issue*” beginning on page 40 of this Tranche I Prospectus.

Common Terms of NCDs**

Issuer	Muthoot Finance Limited												
Lead Managers	Edelweiss Financial Services Limited and A. K. Capital Services Limited												
Debenture Trustee	IDBI Trusteeship Services Limited												
Registrar to the Issue	Link Intime India Private Limited												
Type and nature of instrument	Secured redeemable non-convertible debentures of face value of ₹ 1,000 each												
Base Issue	₹ 1,000 million												
Option to retain Oversubscription Amount	₹ 6,500 million.												
Tranche I Issue Size	₹ 7,500 million												
Shelf Limit	₹ 40,000 million												
Mode of Issue	Public Issue												
Issue	Public issue by our Company of Secured NCDs of face value of ₹ 1,000 each, for an amount up to ₹ 40,000 million (“ Shelf Limit ”), hereinafter referred to as the “ Issue ”. The NCDs will be issued in one or more tranches up to the Shelf Limit, on terms and conditions as set out in the relevant Tranche Prospectus for any Tranche Issue (each a “ Tranche Issue ”)												
Face Value (in ₹ / NCD)	₹ 1,000												
Issue Price (in ₹ / NCD)	₹ 1,000												
Minimum application	₹ 10,000 (10 NCDs) (for all options of NCDs, namely Option I, Option II, Option III, Option IV, Option V, Option VI, Option VII, Option VIII and Option IX).												
In multiples of Seniority	₹ 1,000.00 (1 NCD)												
	Senior (to clarify, the claims of the Secured NCD Holders shall be superior to the claims of any unsecured creditors, subject to applicable statutory and/or regulatory requirements). The Secured NCDs would constitute secured obligations of ours and shall rank <i>pari passu</i> inter se, present and future and subject to any obligations under applicable statutory and/or regulatory requirements, shall also, with regard to the amount invested, be secured by way of first <i>pari passu</i> charge on the identified immovable property and a first <i>pari passu</i> charge on current assets, book debts, loans and advances, and receivables including gold loan receivables, both present and future, of our Company.												
Tranche I Issue	Public Issue by the Company of secured redeemable non-convertible debentures of face value of ₹ 1,000 each (“ NCDs ”) for an amount of ₹ 1,000 million (“ Base Issue ”) with an option to retain oversubscription up to ₹ 6,500 million aggregating upto 7,500,000 NCDs amounting to ₹ 7,500 million (“ Tranche I Issue Limit ”) (“ Tranche I Issue ”) which is within the shelf limit of ₹ 40,000 million and is being offered by way of this Tranche I Prospectus dated February 05, 2019 containing, inter alia, the terms and conditions of this Tranche I Issue (“ Tranche I Prospectus ”), which should be read together with the Shelf Prospectus dated February 05, 2019 (“ Shelf Prospectus ”) filed with the Registrar of Companies, Kerala and Lakshadweep, the Stock Exchange and the SEBI.												
Mode of Issue	Public Issue												
Listing	BSE BSE shall be the Designated Stock Exchange for this Tranche I Issue. The NCDs are proposed to be listed within 6 Working Days from the respective Tranche I Issue Closing Date.												
Lock-in	N.A.												
Mode of Allotment and Trading	NCDs will be issued and traded compulsorily in dematerialised form.												
Mode of settlement	Please refer to the section titled “ <i>Issue Structure</i> ” beginning on page 45 of this Tranche I Prospectus.												
Trading Lot	One (1) NCD												
Depositories	NSDL and CDSL												
Security	Security for the purpose of this Tranche I Issue will be created in accordance with the terms of the Debenture Trust Deed. For further details please refer to the section titled “ <i>Issue Structure</i> ” beginning on page 45 of this Tranche I Prospectus.												
Who can apply/ Eligible Investors	Please refer to the section titled “ <i>Issue Procedure</i> ” beginning on page 61 of this Tranche I Prospectus.												
Credit Ratings	<table border="1"> <thead> <tr> <th>Rating agency</th> <th>Instrument</th> <th>Rating symbol</th> <th>Date of credit rating letter</th> <th>Amount rated</th> <th>Rating definition</th> </tr> </thead> <tbody> <tr> <td>ICRA</td> <td>NCDs</td> <td>"[ICRA] AA(Stable)"</td> <td>December 31, 2018 and further revalidated by letter dated January 30, 2019</td> <td>Secured NCDs for ₹ 40,000.00 million rated "[ICRA] AA (Stable)"</td> <td>Instruments with this rating are considered to have high degree of safety regarding</td> </tr> </tbody> </table>	Rating agency	Instrument	Rating symbol	Date of credit rating letter	Amount rated	Rating definition	ICRA	NCDs	"[ICRA] AA(Stable)"	December 31, 2018 and further revalidated by letter dated January 30, 2019	Secured NCDs for ₹ 40,000.00 million rated "[ICRA] AA (Stable)"	Instruments with this rating are considered to have high degree of safety regarding
Rating agency	Instrument	Rating symbol	Date of credit rating letter	Amount rated	Rating definition								
ICRA	NCDs	"[ICRA] AA(Stable)"	December 31, 2018 and further revalidated by letter dated January 30, 2019	Secured NCDs for ₹ 40,000.00 million rated "[ICRA] AA (Stable)"	Instruments with this rating are considered to have high degree of safety regarding								

					timely servicing of financial obligations. Such instruments carry very low credit risk.
	CRISIL	NCDs	“CRISIL AA/Stable”	January 18, 2019 and further revalidated by letter dated January 31, 2019	Secured NCDs for ₹ 40,000.00 million rated “CRISIL AA/Stable”
					Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.
Pay-in date	Please refer to pages 110 to 135 of this Tranche I Prospectus for rating letter and rationale for the above ratings. Please refer to the disclaimer clause of ICRA and CRISIL on page 14 under the chapter "General Information" of this Tranche I Prospectus.				
Record Date	Application Date. The entire Application Amount is payable on Application.				
	The Record Date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 days prior to the date on which interest is due and payable, and/or the date of redemption. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchange, as the case may be. In case Record Date falls on a day when Stock Exchange is having a trading holiday, the immediate subsequent trading day or a date notified by the Company to the Stock Exchanges, will be deemed as the Record Date.				
Tranche I Issue Schedule*	The Tranche I Issue shall be open from February 14, 2019 to March 14, 2019 with an option to close earlier and/or extend upto a period as may be determined by the NCD Committee				
Objects of the Issue	Please refer to the section titled “ <i>Objects of the Issue</i> ” on page 24 of this Tranche I Prospectus.				
Details of the utilisation of Issue proceeds	Please refer to the section titled “ <i>Objects of the Issue</i> ” on page 24 of this Tranche I Prospectus.				
Coupon rate, coupon payment date and redemption premium/discount	Please refer to the section titled “ <i>Issue Structure</i> ” beginning on page 45 of this Tranche I Prospectus.				
Step up/ Step down interest rates	N.A.				
Interest type	Fixed				
Interest reset process	N.A.				
Tenor	Please refer to the section titled “ <i>Issue Structure</i> ” beginning on page 45 of this Tranche I Prospectus.				
Coupon payment frequency	Please refer to the section titled “ <i>Issue Structure</i> ” beginning on page 45 of this Tranche I Prospectus.				
Redemption date	Please refer to the section titled “ <i>Issue Structure</i> ” beginning on page 45 of this Tranche I Prospectus.				
Redemption Amount	Please refer to the section titled “ <i>Issue Structure</i> ” beginning on page 45 of this Tranche I Prospectus.				
Day count convention	Actual/Actual				
Working Days convention/Day count convention / Effect of holidays on payment	All days excluding the second and the fourth Saturday of every month, Sundays and a public holiday in Kochi or Mumbai or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881, except with reference to Tranche I Issue Period where working days shall mean all days, excluding Saturdays, Sundays and public holidays in India or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881. Furthermore, for the purpose of post issue period, i.e. period beginning from Tranche I Issue Closing Date to the listing of the NCDs, Working Days shall be all trading days of stock exchanges excluding Sundays and bank holidays in Mumbai.				
	Interest shall be computed on a 365 days-a-year basis on the principal outstanding on the NCDs. However, if period from the Deemed Date Of Allotment / anniversary date of Allotment till one day prior to the next anniversary / redemption date includes February 29, interest shall be computed on 366 days a-year basis, on the principal outstanding on the NCDs.				
	If the date of payment of interest or any date specified does not fall on a Working Day, then the succeeding Working Day will be considered as the effective date for such payment of interest, as the case may be (the “ Effective Date ”). Interest or other amounts, if any, will be paid on the Effective Date. For avoidance of doubt, in case of interest payment on Effective Date, interest for period between actual interest payment date and the Effective Date will be paid in normal course in next interest payment date cycle. Payment of interest will be subject to the deduction of tax as per Income Tax Act, 1961 or any statutory modification or re-enactment thereof for the time being in force. In case the Maturity Date falls on a holiday, the maturity proceeds will be paid on the immediately previous Working Day along with the				

Tranche I Issue Opening Date	coupon/interest accrued on the NCDs until but excluding the date of such payment. February 14, 2019
Tranche I Issue Closing Date	March 14, 2019
Default interest rate	In the event of any default in fulfillment of obligations by our Company under the Debenture Trust Deeds, the default interest rate payable to the applicant shall be as prescribed under the Debenture Trust Deeds.
Put/Call Date/Price	N.A.
Option	
Deemed Date of Allotment	The date on which the Board or the duly authorised committee of the Board constituted by resolution of the Board dated May 16, 2018 approves the Allotment of the NCDs for the Tranche I Issue. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs shall be available to the Debenture holders from the Deemed Date of Allotment.
Transaction documents	Issue Agreement dated January 28, 2019 between our Company and the Lead Managers, the Registrar Agreement dated January 28, 2019 with the Registrar to the Issue, the Public Issue Account Agreement dated February 01, 2019 with the Public Issue Account Bank and the Refund Bank, the Lead Managers and the Registrar to the Issue, the Lead Broker Agreement dated February 01, 2019 with the Lead Brokers and Lead Managers, the Debenture Trustee Agreement dated January 28, 2019 executed between our Company and the Debenture Trustee and the Debenture Trust Deed to be executed between our Company and the Debenture Trustee for creating the security over the Secured NCDs issued under the Tranche I Issue and to protect the interest of NCD Holders under the Tranche I Issue.
Conditions precedent and subsequent to the Tranche I Issue	The conditions precedent and subsequent to disbursement will be finalised upon execution of the Debenture Trust Deed.
Events of default	Please refer to the section titled " <i>Issue Structure-Events of default</i> " on pages 60 of this Tranche I Prospectus.
Cross Default	Please refer to the section titled " <i>Issue Structure-Events of default</i> " on pages 60 of this Tranche I Prospectus.
Roles and responsibilities of the Debenture Trustee	Please refer to the section titled " <i>Issue Structure-Trustees for the Secured NCD Holders</i> " on page 59 of this Tranche I Prospectus.
Governing law and jurisdiction	This Tranche I Issue shall be governed in accordance with the laws of the Republic of India and shall be subject to the exclusive jurisdiction of the courts of Mumbai.

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

* The subscription list shall remain open for subscription on Working Days from 10 A.M. to 5 P.M., during the period indicated above, except that the Tranche I Issue may close on such earlier date or extended date as may be decided by the Board or the NCD Committee. In the event of such an early closure of or extension subscription list of the Tranche I Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in a national daily newspaper with wide circulation on or before such earlier date or extended date of closure. Applications Forms for the Tranche I Issue will be accepted only from 10:00 a.m. till 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE, on Working Days during the Tranche I Issue Period. On the Tranche I Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE.

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

Please see pages 62, 61 and 79 of this Tranche I Prospectus under sections "*Issue Procedure – How to apply*", "*Issue Procedure – Who can apply*" and "*Issue Procedure – Basis of allotment*", respectively for details of category wise eligibility and allotment in the Tranche I Issue.

The specific terms of each instrument are set out below:

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

* With respect to Options where interest is to be paid on a monthly basis, relevant interest will be calculated from the first day till the last date of every month during the tenor of such NCDs, and paid on the first day of every subsequent month. For the first interest payment for NCDs under the monthly options, interest from the Deemed Date of Allotment till the last day of the subsequent month will be clubbed and paid on the first day of the month next to that subsequent month.

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

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

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

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

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

OBJECTS OF THE ISSUE

Our Company proposes to utilise the funds which are being raised through the Tranche I Issue, after deducting the Tranche I Issue related expenses to the extent payable by our Company (“**Net Proceeds**”), towards funding the following objects (collectively, referred to herein as the “**Objects**”):

Tranche I Issue proceeds

The details of the proceeds of the Tranche I Issue are summarized below:

Particulars	Estimated amount (in ₹ million)
Gross proceeds to be raised through the Tranche I Issue	7,500
Less: - Tranche I Issue related expenses	75
Net proceeds of the Tranche I Issue after deducting the Tranche I Issue related expenses.	7,425

The Net Proceeds raised through this Tranche I Issue will be utilised for following activities in the ratio provided as below:

- a) For the purpose of lending- 75% of the amount raised and allotted in the Tranche I Issue
- b) For General Corporate Purposes- 25% of the amount raised and allotted in the Tranche I Issue

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

Purpose for which there is a requirement of funds

As stated in this section.

Funding plan

NA

Summary of the project appraisal report

NA

Schedule of implementation of the project

NA

Monitoring of utilisation of funds

There is no requirement for appointment of a monitoring agency in terms of the SEBI Debt Regulations. The Board shall monitor the utilisation of the proceeds of the Tranche I Issue. Our Company will disclose in the Company’s financial statements for the relevant financial year commencing from Financial Year 2018, the utilisation of the proceeds of the Tranche I Issue under a separate head along with details, if any, in relation to all such proceeds of the Tranche I Issue that have not been utilised thereby also indicating investments, if any, of such unutilised proceeds of the Tranche I Issue.

Interim use of proceeds

The management of the Company, in accordance with the policies formulated by it from time to time, will have flexibility in deploying the proceeds received from the Tranche I Issue. Pending utilisation of the proceeds out of the Tranche I Issue for the purposes described above, the Company intends to temporarily invest funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks or temporarily deploy the funds in investment grade interest bearing securities as may be approved by the Board / Committee of Directors of the Company, as the case may be. Such investment would be in accordance with the investment policy of our Company approved by the Board or any committee thereof from time to time and the same shall be disclosed in the balance sheet

as per provisions of the Companies Act, 2013.

Other confirmations

In accordance with the SEBI Debt Regulations, our Company will not utilise the proceeds of the Tranche I Issue for providing loans to or acquisition of shares of any person who is a part of the same group as our Company or who is under the same management as our Company or any subsidiary of our Company.

The Tranche I Issue proceeds shall not be utilised towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property.

No part of the proceeds from this Tranche I Issue will be paid by us as consideration to our Promoter, our Directors, Key Managerial Personnel, or companies promoted by our Promoter except in the usual course of business.

No part of the proceeds from this Tranche I Issue will be utilized for buying, trading or otherwise dealing in equity shares of any other listed company.

Further the Company undertakes that the Tranche I Issue proceeds from NCDs allotted to banks shall not be used for any purpose, which may be in contravention of the RBI guidelines on bank financing to NBFCs including those relating to classification as capital market exposure or any other sectors that are prohibited under the RBI regulations.

The Company confirms that it will not use the proceeds of the Tranche I Issue for the purchase of any business or in the purchase of any interest in any business whereby the Company shall become entitled to the capital or profit or losses or both in such business exceeding 50% thereof, the acquisition of any immovable property or acquisition of securities of any other body corporate.

Utilisation of the proceeds of the Tranche I Issue

- (a) All monies received out of the Tranche I Issue shall be credited/transferred to a separate bank account as referred to in Section 40 of the Companies Act, 2013.
- (b) Details of all monies utilised out of the Tranche I Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised.
- (c) Details of all unutilised monies out of issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.
- (d) the details of all utilized and unutilised monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized, and the securities or other forms of financial assets in which such unutilized monies have been invested;
- (e) We shall utilize the Tranche I Issue proceeds only upon execution of the Debenture Trust Deed as stated in this Tranche I Prospectus, creation of security as stated in this Tranche I Prospectus, receipt of the listing and trading approval from the Stock Exchange and on receipt of the minimum subscription of 75% of the Base Issue, i.e. ₹ 750 million.
- (f) The Tranche I Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property.

**STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE DEBENTURE HOLDERS UNDER
THE APPLICABLE LAWS IN INDIA**

To,

The Board of Directors
Muthoot Finance Limited
2nd Floor, Muthoot Chambers
Opposite Saritha Theatre Complex
Banerji Road, Kochi 682 018
Kerala, India

Dear Sir(s),

We hereby report that the enclosed statement in **Annexure A**, states the possible tax benefits available to the debenture holders of Muthoot Finance Limited (the Company) pursuant to the issue under the Income Tax Act, 1961 (as amended by the Finance Act 2018) presently in force in India.

Several of these tax benefits/consequences are dependent on the debenture holders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the debenture holders to derive the tax benefits is dependent upon fulfilment of such conditions based on business imperatives it faces in the future it may or may not choose to fulfil.

The preparation of the contents in the enclosed annexure is the responsibility of the Company's management. The benefits discussed in the enclosed statement are neither exhaustive nor conclusive. We are informed that the enclosed annexure is only intended to provide general information to the debenture holders and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences and changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

Our views are based on the existing provisions of tax law and its interpretations, which are subject to change or modification by subsequent legislative, regulatory, administrative, or judicial decisions. Any such changes, which could also be retroactive, could have an effect on the validity of our views stated herein. We assume no obligation to update this statement on any events subsequent to its issue, which may have a material effect on the discussions herein.

Our confirmation is based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

We do not express any opinion or provide any assurance as to whether:

- the debenture holders will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits, where applicable have been/would be met with; and
- the revenue authorities/courts will concur with the views expressed herein.

The enclosed annexure is intended solely for your information and for inclusion in the Draft Shelf Prospectus / Shelf Prospectus / Tranche Prospectus in connection with the proposed issue of non-convertible debentures and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For **VARMA & VARMA**
Chartered Accountants
Firm Registration no.: 004532S

(Sd)
Vijay Narayan Govind
Partner
Membership No.: 203094

Place : Kochi
Date : 03.01.2019

ANNEXURE A

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE DEBENTURE HOLDERS

The following tax benefits will be available to the debenture holders as per the existing provisions of law. The tax benefits are given as per the prevailing tax laws and may vary from time to time in accordance with amendments to the law or enactments thereto. The Debenture Holder is advised to consider the tax implications in respect of subscription to the Debentures after consulting his tax advisor as alternate views are possible. We are not liable to the Debenture Holder in any manner for placing reliance upon the contents of this statement of tax benefits.

IMPLICATIONS UNDER THE INCOME-TAX ACT, 1961 ('I.T. ACT')

I. To the Resident Debenture Holder

1. Interest on NCD received by Debenture Holders would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act and tax would need to be withheld at the time of credit/payment as per the provisions of Section 193 of the I.T. Act at the rates prescribed therein being 10%. However, no income tax is deductible at source in respect of the following:
 - a) In case the payment of interest on debentures by the Company in which the public are substantially interested to a resident individual or a Hindu Undivided Family ('HUF') Debenture Holder does not or is not likely to exceed Rs 5,000 in the aggregate during the Financial year and the interest is paid by an account payee cheque.
 - b) On any security issued by a company in a dematerialized form and is listed on recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 and the rules made there under.
 - c) When the Assessing Officer issues a certificate on an application by a Debenture Holder on satisfaction that the total income of the Debenture holder justifies no/lower deduction of tax at source as per the provisions of Section 197(1) of the I.T. Act; and that certificate is filed with the Company before the prescribed date of closure of books for payment of debenture interest.
 - d) i. When the resident Debenture Holder with Permanent Account Number ('PAN') (not being a company or a firm) submits a declaration as per the provisions of Section 197A(1A) of the I.T. Act in the prescribed Form 15G verified in the prescribed manner to the effect that the tax on his estimated total income of the financial year in which such income is to be included in computing his total income will be NIL. However under Section 197A(1B) of the I.T. Act, "Form 15G cannot be submitted nor considered for exemption from tax deduction at source if the dividend income referred to in Section 194, interest on securities, interest, withdrawal from NSS and income from units of mutual fund or of Unit Trust of India as the case may be or the aggregate of the amounts of such incomes credited or paid or likely to be credited or paid during the financial year in which such income is to be included exceeds the maximum amount which is not chargeable to income tax".

To illustrate, as on April 01, 2018:

- the maximum amount of income not chargeable to tax in case of individuals (other than senior citizens and super senior citizens) and HUFs is Rs 2,50,000

- in the case of every individual being a resident in India, who is of the age of 60 years or more but less than 80 years at any time during the Financial year (Senior Citizen) is Rs 3,00,000; and
- in the case of every individual being a resident in India, who is of the age of 80 years or more at any time during the Financial year (Super Senior Citizen) is Rs 5,00,000 for Financial Year 2018-19.

Further, Section 87A provides a rebate of 100 percent of income-tax or an amount of Rs 2,500 whichever is less to a resident individual whose total income does not exceed Rs 350,000

ii. Senior citizens, who are 60 or more years of age at any time during the financial year, enjoy the special privilege to submit a self-declaration in the prescribed Form 15H for non deduction of tax at source in accordance with the provisions of Section 197A(1C) of the I.T. Act even if the aggregate income credited or paid or likely to be credited or paid exceeds the maximum amount not chargeable to tax, provided that the tax due on the estimated total income of the previous year concerned will be NIL.

iii. In all other situations, tax would be deducted at source as per prevailing provisions of the I.T. Act. Form No.15G with PAN / Form No.15H with PAN / Certificate issued u/s 197(1) has to be filed with the Company before the prescribed date of closure of books for payment of debenture interest without any tax withholding.

2. In case where tax has to be deducted at source while paying debenture interest, the Company is not required to deduct surcharge, education cess and secondary and higher education cess
3. As per Section 2(29A) of the IT Act, read with Section 2(42A) of the I.T. Act, a listed debenture is treated as a long term capital asset if the same is held for more than 12 months immediately preceding the date of its transfer.

However as per the third proviso to Section 48 of I.T. Act, benefit of indexation of cost of acquisition under second proviso of Section 48 of I.T. Act, is not available in case of bonds and debenture, except capital indexed bonds issued by the Government and the Sovereign Gold Bond issued by the Reserve Bank of India under the Sovereign Gold Bond Scheme, 2015. Thus, long term capital gains arising out of debentures would be subject to tax at the rate of 10 % computed without indexation.

In case of an individual or HUF, being a resident, where the total income as reduced by such long-term capital gains is below the maximum amount which is not chargeable to income-tax, then, such long-term capital gains shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income-tax and the tax on the balance of such long-term capital gains shall be computed at the rate mentioned above.

4. Short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months would be taxed at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act. The provisions relating to maximum amount not chargeable to tax described as above would also apply to such short term capital gains.

5. In case the debentures are held as stock in trade, by the Debenture holder the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the I.T. Act. Further, where the debentures are sold by the Debenture Holder(s) before maturity, the gains arising therefrom are generally treated as capital gains or business income, as the case may be. However, there is an exposure that the Indian Revenue Authorities (especially at lower level) may seek to challenge the said characterisation and hold such gains/income as interest income in the hands of such Debenture Holder(s). Further, cumulative or regular returns on debentures held till maturity would generally be taxable as interest income taxable under the head Income from other sources where debentures are held as investments or business income where debentures are held as trading asset / stock in trade.
6. As per Section 74 of the I.T. Act, short-term capital loss on debentures suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any could be carried forward for eight years for claiming set-off against subsequent years' short-term as well as long-term capital gains. Long-term capital loss on debentures suffered during the year is allowed to be set-off only against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent year's long-term capital gains.

II. To the Non Resident Debenture Holder.

1. A non-resident Indian has an option to be governed by Chapter XII-A of the I.T. Act, subject to the provisions contained therein which are given in brief as under:
 - a) As per Section 115E of the I.T. Act, interest income from debentures acquired or purchased with or subscribed to in convertible foreign exchange will be taxable at 20%, whereas, long term capital gains on transfer of such Debentures will be taxable at 10% of such capital gains without indexation of cost of acquisition. Short-term capital gains will be taxable at the normal rates of tax in accordance with and subject to the provisions contained therein.
 - b) As per Section 115F of the I.T. Act, long term capital gains arising to a non-resident Indian from transfer of debentures acquired or purchased with or subscribed to in convertible foreign exchange will be exempt from capital gain tax if the net consideration is invested within six months after the date of transfer of the debentures in any specified asset or in any saving certificates referred to in Section 10(4B) of the I.T. Act in accordance with and subject to the provisions contained therein. However, if the new assets are transferred or converted into money within a period of three years from their date of acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the new assets are transferred or converted into money.
 - c) As per Section 115G of the I.T. Act, it shall not be necessary for a non-resident Indian to file a return of income under Section 139(1) of the I.T. Act, if his total income consists only of investment income as defined under Section 115C and/or long term capital gains earned on transfer of such investment acquired out of convertible foreign exchange, and the tax has been deducted at source from such income under the provisions of Chapter XVII-B of the I.T. Act in accordance with and subject to the provisions contained therein.
 - d) As per Section 115H of the I.T. Act, where a non-resident Indian becomes a resident in India in any subsequent year, he may furnish to the Assessing Officer a declaration in writing along with return of income under Section 139 for the assessment year for which he is assessable as a resident, to the effect that the provisions of Chapter XII-A

shall continue to apply to him in relation to the investment income (other than on shares in an Indian Company) derived from any foreign exchange assets in accordance with and subject to the provisions contained therein. On doing so, the provisions of Chapter XII-A shall continue to apply to him in relation to such income for that assessment year and for every subsequent assessment year until the transfer or conversion (otherwise than by transfer) into money of such assets.

2. In accordance with and subject to the provisions of Section 115I of the I.T. Act, a Non-Resident Indian may opt not to be governed by the provisions of Chapter XII-A of the I.T. Act. In that case,
 - a) Long term capital gains on transfer of listed debentures would be subject to tax at the rate of 10% computed without indexation.
 - b) Investment income and Short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months preceding the date of transfer, would be taxed at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act
 - c) Where debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the I.T. Act.
3. Under Section 195 of the I.T. Act, the applicable rate of tax deduction at source is. 20% on investment income and 10% on any long-term capital gains as per Section 115E, and 30% for Short Term Capital Gains if the payee Debenture Holder is a Non Resident Indian.
4. As per Section 74 of the I.T. Act, short-term capital loss suffered during the year is allowed to be setoff against short-term as well as long-term capital gains of the said year. Balance loss, if any could be carried forward for eight years for claiming set-off against subsequent years' short-term as well as long-term capital gains. Long-term capital loss suffered (other than the long-term capital assets whose gains are exempt under Section 10(38) of the I.T. Act) during the year is allowed to be set-off only against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent year's long-term capital gains.
5. Interest on refund would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act and such tax would need to be withheld at the time of credit/payment as per the provisions of Section 195 of the I.T. Act. The income tax deducted shall be increased by surcharge as under:
 - (a) In the case of non-resident Indian surcharge at the rate of 10% of such tax where the income or the aggregate of such income paid or likely to be paid and subject to the deduction exceeds Rs. 50,00,000 and does not exceed Rs 1,00,00,000 and 15 % of such tax where the income or the aggregate of such income paid or likely to be paid and subject to the deduction exceeds Rs. 1,00,00,000.
 - (b) In case of foreign companies, where the income paid or likely to be paid exceeds Rs. 1,00,00,000 but does not exceed Rs. 10,00,00,000 a surcharge of 2% of such tax liability is payable and when such income paid or likely to be paid exceeds Rs. 10,00,00,000, surcharge at 5% of such tax is payable.
 - (c) In case of domestic companies, where the income paid or likely to be paid exceeds Rs. 1,00,00,000 but does not exceed Rs. 10,00,00,000 a surcharge of 7% of such tax liability is

payable and when such income paid or likely to be paid exceeds Rs. 10,00,00,000, surcharge at 12% of such tax is payable.

(d) Further, 4% health and education cess on the total income tax (including surcharge) is also deductible.

6. As per Section 90(2) of the I.T. Act read with the Circular no. 728 dated October 30, 1995 issued by the Central Board of Direct Taxes, in the case of a remittance to a country with which a Double Tax Avoidance Agreement (DTAA) is in force, the tax should be deducted at the rate provided in the Finance Act of the relevant year or at the rate provided in the DTAA, whichever is more beneficial to the assessee. However, submission of tax residency certificate (TRC), is a mandatory condition for availing benefits under any DTAA. If the tax residency certificate does not contain the prescribed particulars as per CBDT Notification 57/2013 dated August 1, 2013, a self-declaration in Form 10F would need to be provided by the assessee along with TRC
7. Alternatively, to ensure non deduction or lower deduction of tax at source, as the case may be, the Debenture Holder should furnish a certificate under Section 195(2) and 195(3) of the I.T. Act, from the Assessing Officer before the prescribed date of closure of books for payment of debenture interest. However, an application for the issuance of such certificate would not be entertained in the absence of PAN as per the provisions of Section 206AA of the I.T. Act.
8. Where, debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the I.T. Act. Further, where the debentures are sold by the Debenture Holder(s) before maturity, the gains arising there from are generally treated as capital gains or business income, as the case may be. However, there is an exposure that the Indian Revenue Authorities (especially at lower level) may seek to challenge the said characterisation and hold such gains/income as interest income in the hands of such Debenture Holder(s). Further, cumulative or regular returns on debentures held till maturity would generally be taxable as interest income taxable under the head Income from other sources where debentures are held as investments or business income where debentures are held as trading asset / stock in trade.

III. To the Foreign Institutional Investors (FIIs)

1. As per Section 2(14) of the I.T. Act, any securities held by FIIs/FPIs which has invested in such securities in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992, shall be treated as capital assets. Accordingly, any gains arising from transfer of such securities shall be chargeable to tax in the hands of FIIs as capital gains.
2. In accordance with and subject to the provisions of Section 115AD of the I.T. Act, long term capital gains exceeding Rs 1 lakh on transfer of debentures by FIIs are taxable at 10% (plus applicable surcharge and cess) and short-term capital gains are taxable at 30% (plus applicable surcharge and cess). The benefit of cost indexation will not be available. Further, benefit of provisions of the first proviso of Section 48 of the I.T. Act will not apply.
3. Income other than capital gains arising out of debentures is taxable at 20% (plus applicable surcharge and cess) in accordance with and subject to the provisions of Section 115AD.
4. Section 194LD in the I.T. Act provides for lower rate of withholding tax at the rate of 5% on payment by way of interest paid by an Indian company to FIIs and Qualified Foreign Investor in respect of rupee denominated bond of an Indian company between June 1, 2013

and July 1, 2020 provided such rate does not exceed the rate as may be notified by the Government. In addition to that, applicable surcharge and cess will also be deducted.

5. In accordance with and subject to the provisions of Section 196D(2) of the I.T. Act, no deduction of tax at source is applicable in respect of capital gains arising on the transfer of debentures by FIIs.
6. The CBDT has issued a Notification No. 9 dated 22 January 2014 which provides that Foreign Portfolio Investors (FPI) registered under SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be treated as FII for the purpose of Section 115AD of the I.T. Act.

IV. To Mutual Funds

All mutual funds registered under Securities and Exchange Board of India or set up by public sector banks or public financial institutions or authorised by the Reserve Bank of India are exempt from tax on all their income, including income from investment in Debentures under the provisions of Section 10(23D) of the I.T. Act subject to and in accordance with the provisions contained therein. Further, as per the provisions of section 196 of the I.T. Act, no deduction of tax shall be made by any person from any sums payable to mutual funds specified under Section 10(23D) of the I.T. Act, where such sum is payable to it by way of interest or dividend in respect of any securities or shares owned by it or in which it has full beneficial interest, or any other income accruing or arising to it.

V. General Anti-Avoidance Rule ('GAAR')

In terms of Chapter XA of the I.T. Act, General Anti-Avoidance Rule may be invoked notwithstanding anything contained in the I.T. Act. By this Rule, any arrangement entered into by an assessee may be declared to be impermissible avoidance arrangement as defined in that Chapter and the consequence would be inter alia denial of tax benefit, applicable w.e.f 1-04-2017. The GAAR provisions can be said to be not applicable in certain circumstances viz. the main purpose of arrangement is not to obtain a tax benefit etc. including circumstances enumerated in CBDT Notification No. 75/2013 dated 23 September 2013.

VI. Exemption under Sections 54EE and 54F of the I.T. Act

1. As per provisions of Section 54 EE, long term capital gains arising to Debenture Holders on transfer of their debentures in the company shall not be chargeable to tax to the extent such capital gains are invested in long term specified assets being units issued before April 1, 2019 of certain notified funds, within six months after the date of transfer. If only part of the capital gain is so invested, the exemption shall be proportionately reduced. However, if the said notified units are transferred within three years from their date of acquisition, the amount of capital gain exempted earlier would become chargeable to tax as long term capital gains in the year in which units are transferred. Further, in case where loan or advance on the security of such notified units is availed, such notified units shall be deemed to have been transferred on the date on which such loan or advance is taken. However, the amount of exemption with respect to the investment made in the aforesaid notified units during the financial year in which such debentures are transferred and the subsequent financial year, should not exceed Rs. 50 lacs.
2. As per the provisions of Section 54F of the I.T. Act, any long-term capital gains on transfer of a long term capital asset (not being residential house) arising to a Debenture Holder who is an individual or Hindu Undivided Family, is exempt from tax if the entire net sales consideration is utilized, within a period of one year before, or two years after the date of transfer, in purchase of a new residential house, or for construction of residential house within three years from the date of transfer subject to conditions. If part of such net sales consideration is invested within the prescribed period in a residential house, then such gains would be chargeable to tax on a proportionate basis.

VII. Requirement to furnish PAN under the I.T. Act

1. Sec.139A(5A)

Section 139A(5A) requires every person from whose income tax has been deducted at source under chapter XVII-B of the I.T. Act to furnish his PAN to the person responsible for deduction of tax at source.

2. Sec.206AA:

(a) Section 206AA of the I.T. Act requires every person entitled to receive any sum, on which tax is deductible under Chapter XVIIB ('deductee') to furnish his PAN to the deductor, failing which attracts tax shall be deducted at the higher of the following rates:

- (i) at the rate specified in the relevant provision of the I.T. Act; or
- (ii) at the rate or rates in force; or
- (iii) at the rate of twenty per cent.

(b) A declaration under Section 197A(1) or 197A(1A) or 197A(1C) shall not be valid unless the person furnishes his PAN in such declaration and the deductor is required to deduct tax as per Para (a) above in such a case.

(c) Where a wrong PAN is provided, it will be regarded as non furnishing of PAN and Para (a) above will apply.

(d) As per Rule 37BC, the higher rate under section 206AA shall not apply to a non resident, not being a company, or to a foreign company, in respect of payment of interest, if the non-resident deductee furnishes the prescribed details inter alia TRC and Tax Identification Number (TIN).

VIII. Taxability of Gifts received for nil or inadequate consideration

As per section 56(2)(x) of the I.T. Act, where an Individual or Hindu Undivided Family receives debentures from any person on or after 1st April 2017:

(i) without any consideration, aggregate fair market value of which exceeds fifty thousand rupees, then the whole of the aggregate fair market value of such debentures or;

(ii) for a consideration which is less than the aggregate fair market value of the debenture by an amount exceeding fifty thousand rupees, then the aggregate fair market value of such debentures computed in the manner prescribed by law as exceeds such consideration;

shall be taxable as the income of the recipient at the normal rates of tax. The above is subject to few exceptions as stated on section 56(2)(x) of the I.T. Act.

Notes forming part of statement of tax benefits

1. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of debentures/bonds.

2. The above statement covers only certain relevant benefits under the Income-tax Act, 1961 and does not cover benefits under any other law.
3. The above statement of possible tax benefits is as per the current direct tax laws relevant for the Assessment Year 2019-20 (considering the amendments made by Finance Act, 2018).
4. This statement is intended only to provide general information to the Debenture Holders and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each Debenture Holder is advised to consult his/her/its own tax advisor with respect to specific tax consequences of his/her/its holding in the debentures of the Company.
5. The stated benefits will be available only to the sole/ first named holder in case the debenture is held by joint holders.
6. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant tax treaty, if any, between India and the country in which the non-resident has fiscal domicile.
7. In respect of non-residents, taxes paid in India could be claimed as a credit in accordance with the provisions of the relevant tax treaty and applicable domestic tax law.
8. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN INDIAN GAAP AND IND AS

The Reformatted Financial Statements of the Issuer included in this Tranche I Prospectus are presented in accordance with Indian GAAP, which differs from Indian Accounting Standards (“**IndAS**”) in certain respects. The Ministry of Corporate Affairs (“**MCA**”), in its press release dated January 18, 2016, issued a roadmap for implementation of IndAS converged with IFRS for non-banking financial companies, scheduled 50 commercial banks, insurers, and insurance companies, which was subsequently confirmed by the RBI through its circular dated February 11, 2016. The notification further explains that NBFCs having a net worth of ₹ 50,000 lakh or more as of March 31, 2016, shall comply with IndAS for accounting periods beginning on or after April 1, 2018, with comparatives for the periods ending on March 31, 2018. Therefore, the Issuer would be subject to this notification.

“*Summary of Significant Differences among Indian GAAP and IndAS*”, does not present all differences between Indian GAAP and IndAS. Consequently, there can be no assurance that those are the only differences in the accounting principles that could have a significant impact on the financial information included in this Tranche I Prospectus. Furthermore, the Issuer has made no attempt to identify or quantify the impact of these differences or any future differences between Indian GAAP and IndAS which may result from prospective changes in accounting standards. The Issuer has not considered matters of Indian GAAP presentation and disclosures, which also differ from IndAS. Further, accounting treatment mentioned hereunder may or may not apply to us partially or fully or may apply in amended form based on additional factors considered at the time of presentation of Audited Financial Statement for the year ended March 31, 2019. In making an investment decision, investors must rely upon their own examination of the Issuer’s business, the terms of the offerings and the financial information included in this Tranche I Prospectus. Potential investors should consult with their own professional advisors for a more thorough understanding of the differences between Indian GAAP and IndAS and how those differences might affect the financial information included in this Tranche I Prospectus. The Issuer cannot assure that it has completed a comprehensive analysis of the effect of IndAS on future financial information or that the application of IndAS will not result in a materially adverse effect on the Issuer’s future financial information.

Sr. No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind-AS
1.	Presentation of Financial Statements	<p><u>Other Comprehensive Income:</u> There is no concept of ‘Other Comprehensive Income’ under Indian GAAP.</p>	<p><u>Other Comprehensive Income:</u> Ind AS 1 introduces the concept of Other Comprehensive Income (“OCI”). Other comprehensive income comprises items of income and expense (including reclassification adjustments) that are not recognized in profit or loss as required or permitted by other Ind AS. Such recognition of income and expenses in OCI is primarily governed by the income recognition norms and classification of financial instruments and assets as “Fair Value through OCI</p>
		<p><u>Extraordinary items:</u> Under Indian GAAP, extraordinary items are disclosed separately in the statement of profit and loss and are included in the determination of net profit or loss for the period. Items of income or expense to be disclosed as extraordinary should be distinct from the ordinary activities and are determined by the nature of the event or transaction in relation to the business ordinarily carried out by an entity.</p>	<p><u>Extraordinary items:</u> Under Ind AS, presentation of any items of income or expense as extraordinary is prohibited.</p>

Sr. No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind-AS
		<p><u>Change in Accounting Policies:</u> Indian GAAP requires changes in accounting policies to be presented in the financial statements on a prospective basis (unless transitional provisions, if any, of an accounting standard require otherwise) together with a disclosure of the impact of the same, if material.</p> <p>If a change in the accounting policy has no material effect on the financial statements for the current period, but is expected to have a material effect in the later periods, the same should be appropriately disclosed.</p>	<p><u>Change in Accounting Policies:</u> Ind AS requires retrospective application of changes in accounting policies by adjusting the opening balance of each affected component of equity for the earliest prior period presented and the other comparative amounts for each period presented as if the new accounting policy had always been applied, unless transitional provisions of an accounting standard require otherwise.</p>
2.	Deferred Taxes	<p>Under Indian GAAP, the Company determines deferred tax to be recognized in the financial statements with reference to the income statement approach i.e. with reference to the timing differences between profit offered for income taxes and profit as per the financial statements.</p>	<p>As per Ind AS 12 Income Taxes, deferred tax is determined with reference to the balance sheet approach i.e. based on the differences between carrying value of the assets/ liabilities and their respective tax base.</p> <p>Using the balance sheet approach, there could be additional deferred tax charge/income on account of all Ind AS opening balance sheet adjustments</p>
3.	Property, plant and equipment – reviewing depreciation and residual value	<p>Under Indian GAAP, the Company currently provides depreciation on straight line method over the useful lives of the assets estimated by the Management.</p>	<p>Ind AS 16 mandates reviewing the method of depreciation, estimated useful life and estimated residual value of an asset at least once in a year. The effect of any change in the estimated useful and residual value shall be taken prospectively.</p> <p>Ind AS 101 allows current carrying value under Indian GAAP for items of property, plant and equipment to be carried forward as the cost under Ind AS</p>
4.	Accounting for Employee benefits	<p>Currently, all actuarial gains and losses are recognized immediately in the statement of profit and loss.</p>	<p>Under Ind AS 19, the change in liability is split into changes arising out of service, interest cost and re-measurements and the change in asset is split between interest income and re-measurements.</p> <p>Changes due to service cost and net interest cost/ income need to be recognized in the income statement and the changes arising out of re-measurements comprising of actuarial gains and losses</p>

Sr. No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind-AS
			representing changes in the present value of the defined benefit obligation resulting from experience adjustment and effects of changes in actuarial assumptions are to be recognized directly in OCI.
5.	Provisions, contingent liabilities and contingent assets	Under Indian GAAP, provisions are recognised only under a legal obligation. Also, discounting of provisions to present value is not permitted	Under IND AS, provisions are recognised for legal as well as constructive obligations. IND AS requires discounting the provisions to present value, if the effect of time value of money is material
6.	Share based payments	Under Indian GAAP, company has an option to account for share based payments on the basis of intrinsic value or fair value. The company followed the intrinsic value method and gave a disclosure for the fair valuation.	Under Ind AS, the share based payments have to be mandatorily accounted basis the fair value and the same has to be recorded in the Statement of Profit or Loss over the vesting period. The fair valuation of the unvested options as on the transition date have to be adjusted against retained earnings
7.	Presentation and classification of Financial Instruments and subsequent measurement	<p>Currently, under Indian GAAP, the financial assets and financial liabilities are recognised at the transaction value. The Company classifies all its financial assets and liabilities as short term or long term. Long term investments are carried at cost less any permanent diminution in the value of such investments determined on a specific identification basis. Current investments are carried at lower of cost and fair value.</p> <p>Financial liabilities are carried at their transaction values. Disclosures under Indian GAAP are limited.</p> <p>Currently under Indian GAAP, loan processing fees and/or fees of similar nature are recognized upfront in the Statement of Profit and Loss.</p>	<p>Ind AS 109 requires all financial assets and financial liabilities to be recognised on initial recognition at fair value. Financial assets have to be either classified as measured at amortized cost or measured at fair value. Where assets are measured at fair value, gains and losses are either recognized entirely in profit or loss, (FVTPL), or recognized in other comprehensive income (FVOCI). Financial assets include equity and debts investments, security receipts, interest free deposits, loans, trade receivables etc. Assets classified at amortized cost and FVOCI and the related revenue (including interest subsidy, processing fees and fees of similar nature) net of related costs have to be measured using the Effective Interest Rate (EIR) method.</p> <p>Loan processing fees and/or fees of similar nature would be measured and recognised using the Effective Interest Rate (EIR) method over the period of loan.</p> <p>There are two measurement categories for financial liabilities – FVTPL and amortized cost. Liabilities classified at amortized cost and the related expenses (processing cost & fees) have to be</p>

Sr. No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind-AS
			<p>measured using the Effective Interest Rate (EIR) method.</p> <p>Fair value adjustment on transition shall be adjusted against opening retained earnings on the date of transition. Disclosures under Ind AS are extensive</p>
8.	Financial Instruments - Impairment	Under Indian GAAP, the Company assesses the provision for doubtful debts at each reporting period, which in practice, is based on relevant information like past experience, financial position of the debtor, cash flows of the debtor, guidelines issued by the regulator etc.	The impairment model in Ind AS is based on expected credit losses and it applies equally to debt instruments measured at amortised cost or FVOCI, financing receivables, lease receivables, trade receivables and certain written loan commitments and financial guarantee contracts.
9.	Segment Reporting	Under Indian GAAP there is a requirement to identify two sets of segments (business and geographical), using a risks and rewards approach, with the entity's system of internal financial reporting to key management personnel serving only as the starting point for the identification of such segments.	Operating segments are identified based on the financial information that is regularly reviewed by the chief operating decision maker in deciding how to allocate resources and in assessing performance.
10.	Financial Instruments - Disclosure	<p>Currently there are no detailed disclosure requirements for financial instruments. However, the ICAI has issued an Announcement in December 2005 requiring the following disclosures to be made in respect of derivative instruments in the financial statements:</p> <ul style="list-style-type: none"> • Category-wise quantitative data about derivative instruments that are outstanding at the balance sheet date; • The purpose, viz., hedging or speculation, for which such derivative instruments have been acquired; and • The foreign currency exposures that are not hedged by a derivative instrument or otherwise. 	<p>Requires disclosure of information about the nature and extent of risks arising from financial instruments:</p> <ul style="list-style-type: none"> • qualitative disclosures about exposures to each type of risk and how those risks are managed; and • quantitative disclosures about exposures to each type of risk, separately for credit risk, liquidity risk and market risk (including sensitivity analysis).

SECTION IV: ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

Authority for the Tranche I Issue

At the meeting of the Board of Directors of our Company, held on May 16, 2018, the Directors approved the issuance to the public of secured redeemable non-convertible debentures of face value of ₹ 1,000 and unsecured redeemable non-convertible debentures of face value of ₹ 1,000 each, aggregating up to ₹ 60,000 million.

The present Issue through the Shelf Prospectus of Secured NCDs of face value of ₹ 1,000 for an amount upto ₹ 40,000 million (“**Shelf Limit**”), hereinafter called the “**Issue**” was approved by NCD Committee meeting dated January 09, 2019.

The present Tranche I Issue through this Tranche I Prospectus of Secured NCDs with a base issue size of ₹ 1,000 million, with an option to retain oversubscription up to an amount of ₹ 6,500 million, aggregating up to ₹ 7,500 million, was approved by the NCD Committee at its meeting dated February 05, 2019.

Further, the present borrowing is within the borrowing limits under Section 180(1)(c) of the Companies Act, 2013 duly approved by the shareholders’ vide their resolution dated September 25, 2014.

Principal terms and conditions of this Tranche I Issue

The NCDs being offered as part of the Tranche I Issue are subject to the provisions of the SEBI Debt Regulations, the relevant provisions of the Companies Act and the Companies Act, 2013, as on the date of this Tranche I Prospectus, our Memorandum and Articles of Association, the terms of this Tranche I Prospectus, the Shelf Prospectus, the terms and conditions of the Debenture Trustee Agreement and the Debenture Trust Deed, other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI/ the GoI/ Stock Exchanges/ RBI, and/or other statutory/regulatory authorities relating to the offer, issue and listing of securities and any other documents that may be executed in connection with the NCDs.

Ranking of the Secured NCDs

The Secured NCDs would constitute secured obligations of ours and shall rank pari passu inter se, and subject to any obligations under applicable statutory and/or regulatory requirements, shall also, with regard to the amount invested, be secured by way of a first pari passu charge on the identified immovable property and first pari passu charge on current assets, book debts, loans and advances, and receivables including gold loan receivables, both present and future. The Secured NCDs proposed to be issued under the Tranche I Issue and all earlier issues of debentures outstanding in the books of our Company having corresponding assets as security, shall rank pari passu without preference of one over the other except that priority for payment shall be as per applicable date of redemption. The Company is required to obtain permissions / consents from the prior creditors in favour of the debenture trustee for creation of such pari passu charge. The Company had applied to the prior creditors for such permissions / consents and has obtained all permissions / consents from such creditors thereby enabling it to file the Shelf Prospectus and this Tranche I Prospectus.

Debenture Redemption Reserve

Section 71 of the Companies Act, 2013, read with Rule 18 made under Chapter IV of the Companies Act, 2013, requires that any company that intends to issue debentures must create a DRR for the purpose of redemption of debentures, in accordance with the following conditions: (a) the DRR shall be created out of the profits of the company available for payment of dividend, (b) the DRR shall be equivalent to at least 25% of the value of the outstanding debentures issued through the public issue in accordance with the SEBI Debt Regulations in case of NBFCs registered with the RBI and no DRR is required in the case of privately placed debentures. Accordingly, our Company is required to create a DRR of 25% of the value of the outstanding NCDs issued through the Tranche I Issue. In addition, as per Rule 18 (7) (e) under Chapter IV of the Companies Act, 2013, the amounts credited to DRR shall not be utilised by our Company except for the redemption of the NCDs. Every company required to create or maintain DRR shall before the 30th day of April of each year, deposit or invest, as the case may be, a sum which shall not be less than 15% of the amount of its debentures maturing during the year ending on the 31st day of March, following any one or more of the following methods: (a) in deposits with any scheduled bank, free from charge or lien; (b) in unencumbered securities of the Central Government or of any State Government; (c) in unencumbered securities mentioned in clauses (a) to (d) and (ee) of section 20 of the Indian Trusts Act, 1882; (d) in unencumbered bonds issued by any other company which is notified under clause (f) of section 20 of the Indian Trusts Act, 1882. The amount deposited or invested, as the case

may be, shall not be utilised for any purpose other than for the repayment of debentures maturing during the year referred to above, provided that the amount remaining deposited or invested, as the case may be, shall not at any time fall below 15% of the amount of debentures maturing during the 31st day of March of that year. This may have a bearing on the timely redemption of the NCDs by our Company.

Face Value

The face value of each of the Secured NCDs shall be ₹ 1,000.00.

NCD Holder not a shareholder

The NCD Holders will not be entitled to any of the rights and privileges available to the equity and/or preference shareholders of our Company, , except to the extent as may be prescribed under the Companies Act, 2013, the SEBI LODR Regulations and any other applicable law.

Rights of the Secured NCD Holders

Some of the significant rights available to the Secured NCD Holders are as follows:

1. The Secured NCDs shall not, except as provided in the Companies Act, 2013 to the extent applicable as on the date of this Tranche I Prospectus, confer upon the Secured NCD Holders thereof any rights or privileges available to our members including the right to receive notices, or to attend and/or vote, at our general meeting. However, if any resolution affecting the rights attached to the Secured NCDs is to be placed before the members, the said resolution will first be placed before the concerned registered Secured NCD Holders for their consideration. In terms of section 136 of the Companies Act, the Secured NCD Holders shall be entitled to inspect a copy of the balance sheet and copy of trust deed at the registered office of the Company during business hours.
2. Subject to applicable statutory/ regulatory requirements, including requirements of the RBI, the rights, privileges and conditions attached to the Secured NCDs 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 Secured NCDs or with the sanction of a special resolution passed at a meeting of the concerned Secured NCD Holders, provided that nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the Secured NCDs, if the same are not acceptable to us.
3. In case of Secured NCDs held in (i) dematerialised form, the person for the time being appearing in the register of beneficial owners of the Depository; and (ii) physical form, the registered Secured NCD Holders or in case of joint-holders, the one whose name stands first in the register of debenture holders shall be entitled to vote in respect of such Secured NCDs, either in person or by proxy, at any meeting of the concerned Secured NCD Holders and every such Secured NCD Holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights on every resolution placed before such meeting of the Secured NCD Holders shall be in proportion to the outstanding nominal value of Secured NCDs held by him/her.
4. The Secured NCDs are subject to the provisions of the SEBI Debt Regulations, the Companies Act, applicable provisions of the Companies Act, 2013, our Memorandum and Articles of Association, the terms of this Tranche I Prospectus, the Shelf Prospectus, the terms and conditions of the Debenture Trust Deed, requirements of the RBI, other applicable statutory and/or regulatory requirements relating to the issue and listing, of securities and any other documents that may be executed in connection with the Secured NCDs.
5. For Secured NCDs in physical form, a register of debenture holders will be maintained in accordance with section 88 of the Companies Act, 2013 and all interest and principal sums becoming due and payable in respect of the Secured NCDs 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 debenture holders as on the Record Date. For Secured NCDs in dematerialized form, all interest and principal sums becoming due and payable in respect of the Secured NCDs will be paid to the person for the time being appearing in the register of beneficial owners of the Depository. In terms of Section 88(3) of the Companies Act, 2013, the register of beneficial owners maintained by a Depository for any Secured NCDs in dematerialized form under Section 11 of the Depositories Act shall be deemed to be a register of debenture holders for this purpose. The same shall be maintained at the Registered Office of the Issuer under Section 94 of the Companies Act, 2013 unless the same has been moved to another location after obtaining the consent of the NCD holders as given thereunder.

6. Subject to compliance with RBI requirements, Secured NCDs can be rolled over only with the consent of the Secured NCD Holders of at least 75.00% of the outstanding amount of the Secured NCDs after providing at least 21 days prior notice for such roll over and in accordance with the SEBI Debt Regulations. Our Company shall redeem the debt securities of all the debt securities holders, who have not given their positive consent to the roll-over.

The aforementioned rights of the Secured NCD Holders are merely indicative. The final rights of the Secured NCD Holders will be as per the terms of this Tranche I Prospectus, the Shelf Prospectus and the Debenture Trust Deed.

Minimum Subscription

If our Company does not receive the minimum subscription of 75 % of the Base Issue, i.e. ₹ 750 million within the prescribed timelines under Companies Act and any rules thereto, the entire subscription amount shall be refunded to the Applicants within the timelines prescribed under Applicable Law. The refunded subscription amount shall be credited only to the account from which the relevant subscription amount was remitted. In the event, there is a delay, by the Issuer in making the aforesaid refund, the Company will pay interest at the rate of 15% per annum for the delayed period.

Under Section 39(3) of the Companies Act 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with the Company and/or Registrar, refunds will be made to the account prescribed. However, where the Company and/or Registrar does not have the necessary information for making such refunds, the Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard including its circular (bearing CIR/IMD/DF-1/20/2012) dated July 27, 2012.

Market Lot and Trading Lot

The NCDs shall be allotted only in dematerialized form. As per the SEBI Debt Regulations, the trading of the NCDs shall be in dematerialised form only. Since trading of the NCDs is in dematerialised form, the tradable lot is one NCD.

Please note that the NCDs shall cease to trade from the Record Date (for payment of the principal amount and the applicable interest for such NCDs) prior to redemption of the NCDs.

Allotment in the Tranche I Issue will be in electronic form in multiples of one NCD. For details of Allotment see the section titled “*Issue Procedure*” at page 61 of this Tranche I Prospectus.

Nomination facility to NCD Holders

In accordance with section 72 of the Companies Act, 2013, the sole NCD Holder or first NCD Holder, along with other joint NCD Holders (being individual(s)) may nominate any one person (being an individual) who, in the event of death of the sole holder or all the joint-holders, as the case may be, shall become entitled to the NCDs. A person, being a nominee, becoming entitled to the NCDs by reason of the death of the NCD Holder(s), shall be entitled to the same rights to which he would be entitled if he were the registered holder of the NCD. Where the nominee is a minor, the NCD Holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to the NCDs, in the event of his death, during the minority. A nomination shall stand rescinded upon sale of the NCDs by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. When the NCDs are held by two or more persons, the nominee shall become entitled to receive the amount only on the demise of all such NCD Holders. Fresh nominations can be made only in the prescribed form available on request at our Registered/ Corporate Office, at such other addresses as may be notified by us, or at the office of the Registrar to the Issue or the transfer agent.

NCD Holders are advised to provide the specimen signature of the nominee to us to expedite the transmission of the NCDs to the nominee in the event of demise of the NCD Holders. The signature can be provided in the Application Form or subsequently at the time of making fresh nominations. This facility of providing the specimen signature of the nominee is purely optional.

In accordance with the Section 72 read with Rules under Chapter IV of Companies Act, 2013, any person who becomes a nominee by virtue of the above said Section, shall upon the production of such evidence as may be required by our Board, elect either:

- (a) To register himself or herself as the holder of the NCDs; or
- (b) To make such transfer of the NCDs, as the deceased holder could have done.

NCD Holders who are holding NCDs in dematerialised form need not make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the NCD Holder will prevail. If the NCD Holders require to changing their nominations, they are requested to inform their respective Depository Participant.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the NCDs, and if the notice is not complied with, within a period of 90 days, our Board may thereafter withhold payment of all interests or other monies payable in respect of the NCDs, until the requirements of the notice have been complied with.

A person, being a nominee, becoming entitled to Secured NCDs by reason of the death of the Secured NCD Holder shall be entitled to the same interests and other advantages to which he would have been entitled to if he were the registered Secured NCD Holder except that he shall not, before being registered as a Secured NCD Holder in respect of such Secured NCDs, be entitled in respect of these Secured NCDs to exercise any right conferred by subscription to the same in relation to meetings of the Secured NCD Holders convened by the Company. Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the Secured NCDs, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of interests, bonuses or other moneys payable in respect of the said Secured NCDs, until the requirements of the notice have been complied with.

A nomination may be cancelled or varied by nominating any other person in place of the present nominee, by the Secured NCD Holder who has made the nomination, by giving a notice of such cancellation or variation in the prescribed manner as per applicable laws. The cancellation or variation shall take effect from the date on which the notice of such variation or cancellation is received.

Since the allotment of Secured NCDs will be made only in dematerialized mode, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective Depository Participant.

Succession

Where NCDs are held in joint names and one of the joint NCD Holder dies, the survivor(s) will be recognized as the NCD Holder(s). It will be sufficient for our Company to delete the name of the deceased NCD Holder after obtaining satisfactory evidence of his death. Provided, a third person may call on our Company to register his name as successor of the deceased NCD Holder after obtaining evidence such as probate of a will for the purpose of proving his title to the NCDs. In the event of demise of the sole or first holder of the NCDs, our Company will recognise the executors or administrator of the deceased NCD Holders, or the holder of the succession certificate or other legal representative as having title to the NCDs only if such executor or administrator obtains and produces probate or letter of administration or is the holder of the succession certificate or other legal representation, as the case may be, from an appropriate court in India. Our Directors, the Board, any committee of the Board or any other person authorised by the Board in their absolute discretion may, in any case, dispense with production of probate or letter of administration or succession certificate or other legal representation. In case of death of NCD Holders who are holding NCDs in dematerialised form, third person is not required to approach the Company to register his name as successor of the deceased NCD holder. He shall approach the respective Depository Participant of the NCD Holder for this purpose and submit necessary documents as required by the Depository Participant. Where a non-resident Indian becomes entitled to the NCDs by way of succession, the following steps have to be complied with:

1. Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the NCDs were acquired by the non-resident Indian as part of the legacy left by the deceased NCD Holder.
2. Proof that the non-resident Indian is an Indian national or is of Indian origin.
3. Such holding by a non-resident Indian will be on a non-repatriation basis.

Jurisdiction

Exclusive jurisdiction for the purpose of this Tranche I Issue is with the competent courts of jurisdiction in Mumbai, India.

Tranche I Issue programme

TRANCHE I ISSUE OPENS ON	February 14, 2019
TRANCHE I ISSUE CLOSSES ON	March 14, 2019

The subscription list shall remain open for subscription on Working Days from 10 A.M. to 5 P.M., during the period indicated above, except that the Tranche I Issue may close on such earlier date or extended date as may be decided by the Board or the NCD Committee. In the event of such an early closure of or extension subscription list of the Tranche I Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in a national daily newspaper with wide circulation on or before such earlier date or extended date of closure.

Applications Forms for this Tranche I Issue will be accepted only from 10:00 a.m. till 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange, on Working Days during the Tranche I Issue Period. On the Tranche I Issue Closing Date, Application Forms will be accepted only from 10:00 a.m. till 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange.

Due to limitation of time available for uploading the Applications on the electronic platform of the Stock Exchange on the Tranche I Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Tranche I Issue Closing Date and, no later than 3.00 p.m. (Indian Standard Time) on the Tranche I Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Tranche I Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Tranche I Issue. Application Forms will only be accepted on Working Days during the Tranche I Issue Period. Neither our Company, nor the Members of the Syndicate are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. As per the SEBI circular dated October 29, 2013, the allotment in the Tranche I Issue 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, the allotments should be made to the applicants on proportionate basis.

Restriction on transfer of NCDs

There are currently no restrictions on transfers and transmission of NCDs and on their consolidation/ splitting except as may be required under applicable statutory and/or regulatory requirements including any RBI requirements and/or as provided in our Articles of Association. Please see the section titled “*Summary of the Key Provisions of the Articles of Association*” at page 239 of the Shelf Prospectus.

ISSUE STRUCTURE

Public issue by the Company of Secured NCDs of face value of ₹ 1,000 for an amount upto ₹ 40,000 million. The Tranche I Issue is with a base issue size of ₹ 1,000 million with an option to retain oversubscription upto an amount of ₹ 6,500 million, aggregating up to ₹ 7,500 million.

The key common terms and conditions of the NCDs are as follows:

Particulars	Terms and Conditions
Minimum Application Size	₹ 10,000 (10 NCDs)
Mode of allotment	Compulsorily in dematerialised form.
Terms of Payment	Full amount on application
Trading Lot	1 (one) NCD
Who can apply	<p>Category I</p> <ul style="list-style-type: none"> • Public financial institutions, statutory corporations, commercial banks, co-operative banks and RRBs and multilateral and bilateral development financial institutions which are authorised to invest in the NCDs; • Provident funds, pension funds, superannuation funds and gratuity funds, which are authorised to invest in the NCDs; • Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012; • Resident Venture Capital Funds registered with SEBI; • Insurance Companies registered with the IRDA; • State industrial development corporations; • Insurance funds set up and managed by the army, navy, or air force of the Union of India; • Insurance funds set up and managed by the Department of Posts, the Union of India; • Systemically Important Non- Banking Financial Company, a nonbanking financial company registered with the Reserve Bank of India and having a net-worth of more than five hundred crore rupees as per the last audited financial statements; • National Investment Fund set up by resolution no. F. No. 2/3/2005 –DDII dated November 23,2005 of the Government of India published in the Gazette of India; and • Mutual Funds registered with SEBI. <p>Category II</p> <ul style="list-style-type: none"> • Companies; bodies corporate and societies registered under the applicable laws in India and authorised to invest in the NCDs; • Public/private charitable/religious trusts which are authorised to invest in the NCDs; • Scientific and/or industrial research organisations, which are authorised to invest in the NCDs; • Partnership firms in the name of the partners; • Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); • Association of Persons; and • Any other incorporated and/ or unincorporated body of persons. <p>Category III</p> <ul style="list-style-type: none"> • High Net-worth Individual Investors ("HNIs") - Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating to above INR 1,000,000 across all options of NCDs in the Tranche I Issue <p>Category IV</p> <ul style="list-style-type: none"> • Retail Individual Investors - Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating up to and including INR 1,000,000 across all options of NCDs in the Tranche I Issue

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

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 Secured NCDs that can be held by them under applicable statutory and/or regulatory provisions.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to the Tranche I Issue.

For further details, please see “*Issue Procedure*” on page 61 of this Tranche I Prospectus.

TERMS AND CONDITIONS IN CONNECTION WITH THE NCDs**

Common Terms of NCDs

Issuer	Muthoot Finance Limited						
Lead Managers	Edelweiss Financial Services Limited and A. K. Capital Services Limited						
Debenture Trustee	IDBI Trusteeship Services Limited						
Registrar to the Issue	Link Intime India Private Limited						
Type and nature of instrument	Secured redeemable non-convertible debentures of face value of ₹ 1,000 each						
Base Issue	₹ 1,000 million						
Option to retain Oversubscription Amount	₹ 6,500 million.						
Tranche I Issue Size	₹ 7,500 million						
Shelf Limit	₹ 40,000 million						
Mode of Issue	Public Issue						
Issue	Public issue by our Company of Secured NCDs of face value of ₹ 1,000 each, for an amount up to ₹ 40,000 million (“ Shelf Limit ”), hereinafter referred to as the “ Issue ”. The NCDs will be issued in one or more tranches up to the Shelf Limit, on terms and conditions as set out in the relevant Tranche Prospectus for any Tranche Issue (each a “ Tranche Issue ”)						
Face Value (in ₹ / NCD)	₹ 1,000						
Issue Price (in ₹ / NCD)	₹ 1,000						
Minimum application	₹ 10,000 (10 NCDs) (for all options of NCDs, namely Option I, Option II, Option III, Option IV, Option V, Option VI, Option VII, Option VIII and Option IX).						
In multiples of Seniority	₹ 1,000.00 (1 NCD)						
	Senior (to clarify, the claims of the Secured NCD Holders shall be superior to the claims of any unsecured creditors, subject to applicable statutory and/or regulatory requirements). The Secured NCDs would constitute secured obligations of ours and shall rank <i>pari passu</i> inter se, present and future and subject to any obligations under applicable statutory and/or regulatory requirements, shall also, with regard to the amount invested, be secured by way of first <i>pari passu</i> charge on the identified immovable property and a first <i>pari passu</i> charge on current assets, book debts, loans and advances, and receivables including gold loan receivables, both present and future, of our Company.						
Tranche I Issue	Public Issue by the Company of secured redeemable non-convertible debentures of face value of ₹ 1,000 each (“ NCDs ”) for an amount of ₹ 1,000 million (“ Base Issue ”) with an option to retain oversubscription up to ₹ 6,500 million aggregating upto 7,500,000 NCDs amounting to ₹ 7,500 million (“ Tranche I Issue Limit ”) (“ Tranche I Issue ”) which is within the shelf limit of ₹ 40,000 million and is being offered by way of this Tranche I Prospectus dated February 05, 2019 containing, inter alia, the terms and conditions of this Tranche I Issue (“ Tranche I Prospectus ”), which should be read together with the Shelf Prospectus dated February 05, 2019 (“ Shelf Prospectus ”) filed with the Registrar of Companies, Kerala and Lakshadweep, the Stock Exchange and the SEBI.						
Mode of Issue	Public Issue						
Listing	BSE BSE shall be the Designated Stock Exchange for this Tranche I Issue. The NCDs are proposed to be listed within 6 Working Days from the respective Tranche I Issue Closing Date.						
Lock-in	N.A.						
Mode of Allotment and Trading	NCDs will be issued and traded compulsorily in dematerialised form.						
Mode of settlement	Please refer to the section titled “ <i>Issue Structure</i> ” beginning on page 45 of this Tranche I Prospectus.						
Trading Lot	One (1) NCD						
Depositories	NSDL and CDSL						
Security	Security for the purpose of this Tranche I Issue will be created in accordance with the terms of the Debenture Trust Deed. For further details please refer to the section titled “ <i>Issue Structure</i> ” beginning on page 45 of this Tranche I Prospectus.						
Who can apply/ Eligible Investors	Please refer to the section titled “ <i>Issue Procedure</i> ” beginning on page 61 of this Tranche I Prospectus.						
Credit Ratings							
	<table border="1"> <thead> <tr> <th>Rating agency</th> <th>Instrument</th> <th>Rating symbol</th> <th>Date of credit rating letter</th> <th>Amount rated</th> <th>Rating definition</th> </tr> </thead> </table>	Rating agency	Instrument	Rating symbol	Date of credit rating letter	Amount rated	Rating definition
Rating agency	Instrument	Rating symbol	Date of credit rating letter	Amount rated	Rating definition		

	ICRA	NCDs	"[ICRA] AA(Stable)"	December 31, 2018 and further revalidated by letter dated January 30, 2019	Secured NCDs for ₹ 40,000.00 million rated "[ICRA] AA (Stable)"	Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.
	CRISIL	NCDs	"CRISIL AA/Stable"	January 18, 2019 and further revalidated by letter dated January 31, 2019	Secured NCDs for ₹ 40,000.00 million rated "CRISIL AA/Stable"	Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.
	Please refer to pages 110 to 135 of this Tranche I Prospectus for rating letter and rationale for the above ratings. Please refer to the disclaimer clause of ICRA and CRISIL on page 14 under the chapter " <i>General Information</i> " of this Tranche I Prospectus.					
Pay-in date	Application Date. The entire Application Amount is payable on Application.					
Record Date	The Record Date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 days prior to the date on which interest is due and payable, and/or the date of redemption. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchange, as the case may be. In case Record Date falls on a day when Stock Exchange is having a trading holiday, the immediate subsequent trading day or a date notified by the Company to the Stock Exchanges, will be deemed as the Record Date.					
Tranche I Issue Schedule*	The Tranche I Issue shall be open from February 14, 2019 to March 14, 2019 with an option to close earlier and/or extend upto a period as may be determined by the NCD Committee					
Objects of the Issue	Please refer to the section titled " <i>Objects of the Issue</i> " on page 24 of this Tranche I Prospectus.					
Details of the utilisation of Issue proceeds	Please refer to the section titled " <i>Objects of the Issue</i> " on page 24 of this Tranche I Prospectus.					
Coupon rate, coupon payment date and redemption premium/discount	Please refer to the section titled " <i>Issue Structure</i> " beginning on page 45 of this Tranche I Prospectus.					
Step up/ Step down interest rates	N.A.					
Interest type	Fixed					
Interest reset process	N.A.					
Tenor	Please refer to the section titled " <i>Issue Structure</i> " beginning on page 45 of this Tranche I Prospectus.					
Coupon payment frequency	Please refer to the section titled " <i>Issue Structure</i> " beginning on page 45 of this Tranche I Prospectus.					
Redemption date	Please refer to the section titled " <i>Issue Structure</i> " beginning on page 45 of this Tranche I Prospectus.					
Redemption Amount	Please refer to the section titled " <i>Issue Structure</i> " beginning on page 45 of this Tranche I Prospectus.					
Day count convention	Actual/Actual					
Working Days convention/Day count convention / Effect of holidays on payment	All days excluding the second and the fourth Saturday of every month, Sundays and a public holiday in Kochi or Mumbai or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881, except with reference to Tranche I Issue Period where working days shall mean all days, excluding Saturdays, Sundays and public holidays in India or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881. Furthermore, for the purpose of post issue period, i.e. period beginning from Tranche I Issue Closing Date to the listing of the NCDs, Working Days shall be all trading days of stock exchanges excluding Sundays and bank holidays in Mumbai.					
	Interest shall be computed on a 365 days-a-year basis on the principal outstanding on the NCDs. However, if period from the Deemed Date Of Allotment / anniversary date of Allotment till one day prior to the next anniversary / redemption date includes February 29, interest shall be computed on 366 days a-year basis, on the principal outstanding on the NCDs.					

		If the date of payment of interest or any date specified does not fall on a Working Day, then the succeeding Working Day will be considered as the effective date for such payment of interest, as the case may be (the “ Effective Date ”). Interest or other amounts, if any, will be paid on the Effective Date. For avoidance of doubt, in case of interest payment on Effective Date, interest for period between actual interest payment date and the Effective Date will be paid in normal course in next interest payment date cycle. Payment of interest will be subject to the deduction of tax as per Income Tax Act, 1961 or any statutory modification or re-enactment thereof for the time being in force. In case the Maturity Date falls on a holiday, the maturity proceeds will be paid on the immediately previous Working Day along with the coupon/interest accrued on the NCDs until but excluding the date of such payment.
Tranche I Issue Opening Date		February 14, 2019
Tranche I Issue Closing Date		March 14, 2019
Default interest rate		In the event of any default in fulfillment of obligations by our Company under the Debenture Trust Deeds, the default interest rate payable to the applicant shall be as prescribed under the Debenture Trust Deeds.
Put/Call Date/Price	Option	N.A.
Deemed Date of Allotment		The date on which the Board or the duly authorised committee of the Board constituted by resolution of the Board dated May 16, 2018 approves the Allotment of the NCDs for the Tranche I Issue. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs shall be available to the Debenture holders from the Deemed Date of Allotment.
Transaction documents		Issue Agreement dated January 28, 2019 between our Company and the Lead Managers, the Registrar Agreement dated January 28, 2019 with the Registrar to the Issue, the Public Issue Account Agreement dated February 01, 2019 with the Public Issue Account Bank and the Refund Bank, the Lead Managers and the Registrar to the Issue, the Lead Broker Agreement dated February 01, 2019 with the Lead Brokers and Lead Managers, the Debenture Trustee Agreement dated January 28, 2019 executed between our Company and the Debenture Trustee and the Debenture Trust Deed to be executed between our Company and the Debenture Trustee for creating the security over the Secured NCDs issued under the Tranche I Issue and to protect the interest of NCD Holders under the Tranche I Issue.
Conditions precedent and subsequent to the Tranche I Issue		The conditions precedent and subsequent to disbursement will be finalised upon execution of the Debenture Trust Deed.
Events of default		Please refer to the section titled “ <i>Issue Structure-Events of default</i> ” on pages 60 of this Tranche I Prospectus.
Cross Default		Please refer to the section titled “ <i>Issue Structure-Events of default</i> ” on pages 60 of this Tranche I Prospectus.
Roles and responsibilities of the Debenture Trustee		Please refer to the section titled “ <i>Issue Structure-Trustees for the Secured NCD Holders</i> ” on page 59 of this Tranche I Prospectus.
Governing law and jurisdiction		This Tranche I Issue shall be governed in accordance with the laws of the Republic of India and shall be subject to the exclusive jurisdiction of the courts of Mumbai.

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

* The subscription list shall remain open for subscription on Working Days from 10 A.M. to 5 P.M., during the period indicated above, except that the Tranche I Issue may close on such earlier date or extended date as may be decided by the Board or the NCD Committee. In the event of such an early closure of or extension subscription list of the Tranche I Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in a national daily newspaper with wide circulation on or before such earlier date or extended date of closure. Applications Forms for the Tranche I Issue will be accepted only from 10:00 a.m. till 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE, on Working Days during the Tranche I Issue Period. On the Tranche I Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE.

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

Nature of the Secured NCDs****

We are offering Secured NCDs which shall have a fixed rate of interest. The Secured NCDs will be issued at a face value of ₹ 1,000.00 per NCD. Interest on the Secured NCDs shall be payable in the manner, as set out hereinafter. The terms of the Secured NCDs offered pursuant to the Tranche I Issue are as follows:

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

* With respect to Options where interest is to be paid on a monthly basis, relevant interest will be calculated from the first day till the last date of every month during the tenor of such NCDs, and paid on the first day of every subsequent month. For the first interest payment for NCDs under the monthly options, interest from the Deemed Date of Allotment till the last day of the subsequent month will be clubbed and paid on the first day of the month next to that subsequent month.

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

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

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

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

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

Interest and Payment of Interest

For avoidance of doubt, with respect to Option I, Option II, Option III for Secured NCDs where interest is to be paid on a monthly basis, relevant interest will be calculated from the first day till the last date of every month during the tenor of such Secured NCDs, and paid on the first day of every subsequent month. For the first interest payment for Secured NCDs under the monthly options, interest from the Deemed Date of Allotment till the last day of the subsequent month will be clubbed and paid on the first day of the month next to that subsequent month.

With respect to Option IV, Option V and Option VI where interest is to be paid on an annual basis, relevant interest will be paid on each anniversary of the Deemed Date of Allotment on the face value of the Secured NCDs. The last interest payment under Annual options will be made at the time of redemption of the Secured NCDs.

A. Interest

In case of Option I Secured NCDs, interest would be paid on a monthly basis at 9.25% per annum to all categories of investors. Option I Secured NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 24 months from the Deemed Date of Allotment.

In case of Option II Secured NCDs, interest would be paid on a monthly basis at 9.50% per annum to all categories of investors. Option II Secured NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 38 months from the Deemed Date of Allotment.

In case of Option III Secured NCDs, interest would be paid on a monthly basis at 9.75% per annum to all categories of investors. Option III Secured NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 60 months from the Deemed Date of Allotment.

In case of Option IV Secured NCDs, interest would be paid on an annual basis at 9.50% per annum to all categories of investors. Option IV Secured NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 24 months from the Deemed Date of Allotment.

In case of Option V Secured NCDs, interest would be paid on an annual basis at 9.75% per annum to all categories of investors. Option V Secured NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 38 months from the Deemed Date of Allotment.

In case of Option VI Secured NCDs, interest would be paid on an annual basis at 10.00% per annum to all categories of investors. Option VI Secured NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 60 months from the Deemed Date of Allotment.

Option VII Secured NCDs shall be redeemed at ₹ 1,193.56 for all categories of investors at the end of 24 months from the Deemed Date of Allotment.

Option VIII Secured NCDs shall be redeemed at ₹ 1,333.72 for all categories of investors at the end of 38 months from the Deemed Date of Allotment.

Option IX Secured NCDs shall be redeemed at ₹ 1,592.29 for all categories of investors at the end of 60 months from the Deemed Date of Allotment.

If the date of interest payment falls on the second or fourth Saturday of any month, Sunday or a public holiday in Kochi or Mumbai or any other payment centre notified in terms of the Negotiable Instruments Act, 1881, then interest as due and payable on such day, would be paid on the next Working Day. Payment of interest would be subject to the deduction as prescribed in the

I.T. Act or any statutory modification or re-enactment thereof for the time being in force.

Please note that in case the Secured NCDs are transferred and/or transmitted in accordance with the provisions of this Tranche I Prospectus read with the provisions of the Articles of Association of our Company, the transferee of such Secured NCDs or the deceased holder of Secured NCDs, as the case may be, shall be entitled to any interest which may have accrued on the Secured NCDs subject to such Transferee holding the Secured NCDs on the Record Date.

Taxation

As per clause (ix) of Section 193 of the I.T. Act, no tax is required to be withheld on 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 (42 of 1956) and the rules made thereunder. Accordingly, no tax will be deducted at source from the interest on listed Secured NCDs held in the dematerialised form.

However in case of Secured NCDs held in physical form, as per the current provisions of the IT Act, tax will not be deducted at source from interest payable on such Secured NCDs held by the investor, if such interest does not exceed ₹ 5,000 in any financial year. If interest exceeds the prescribed limit of ₹ 5,000 on account of interest on the Secured NCDs, then the tax will be deducted at applicable rate. However in case of Secured NCD Holders claiming non-deduction or lower deduction of tax at source, as the case may be, the Secured NCD Holder should furnish either (a) a declaration (in duplicate) in the prescribed form i.e. (i) Form 15H which can be given by individuals who are of the age of 60 years or more (ii) Form 15G which can be given by all applicants (other than companies, and firms), or (b) a certificate, from the Assessing Officer which can be obtained by all applicants (including companies and firms) by making an application in the prescribed form i.e. Form No.13. The aforesaid documents, as may be applicable, should be submitted at the office of the Registrar quoting the name of the sole/ first Secured NCD Holder, NCD folio number and the distinctive number(s) of the Secured NCD held, at least seven days prior to the Record Date to ensure non-deduction/lower deduction of tax at source from interest on the Secured NCD. The investors need to submit Form 15H/ 15G/certificate in original with the Assessing Officer for each financial year during the currency of the Secured NCD to ensure non-deduction or lower deduction of tax at source from interest on the Secured NCD.

Tax exemption certificate/document, if any, must be lodged at the office of the Registrar at least seven days prior to the Record Date or as specifically required, failing which tax applicable on interest will be deducted at source on accrual thereof in our Company's books and/or on payment thereof, in accordance with the provisions of the IT Act and/or any other statutory modification, enactment or notification as the case may be. A tax deduction certificate will be issued for the amount of tax so deducted.

Payment of Interest

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

On Option VII, Option VIII and Option IX, NCDs shall be redeemed at the end of 24 months, 38 months and 60 months from the Deemed Date of Allotment.

Amount of interest payable shall be rounded off to the nearest Rupee. If the date of interest payment falls on the second or fourth Saturday on any month, Sunday or a public holiday in Kochi or Mumbai or any other payment centre notified in terms of the Negotiable Instruments Act, 1881, then interest as due and payable on such day, would be paid on the next Working Day. Payment of interest would be subject to the deduction as prescribed in the I.T. Act or any statutory modification or re-enactment thereof for the time being in force.

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

Payment of Interest to Secured NCD Holders

Payment of interest will be made to (i) in case of Secured NCDs in dematerialised form the persons who for the time being appear in the register of beneficial owners of the Secured NCD as per the Depositories as on the Record Date and (ii) in case of Secured NCDs in physical form, the persons whose names appear in the register of debenture holders maintained by us (or to first holder in case of joint-holders) as on the Record Date.

We may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the Secured NCD Holders. In such cases, interest, on the interest payment date, would be directly credited to the account of those investors who have given their bank mandate.

We may offer the facility of NACH, NEFT, RTGS, Direct Credit and any other method permitted by RBI and SEBI from time to time to effect payments to Secured NCD Holders. The terms of this facility (including towns where this facility would be available) would be as prescribed by RBI. For further details see the section titled “*Issue Structure - Manner of Payment of Interest / Refund / Redemption*” beginning at pages 54 of this Tranche I Prospectus.

Maturity and Redemption

For Secured NCDs subscribed under Option I, Option II, Option III, Option IV, Option V, Option VI the relevant interest will be paid in the manner set out in “*Issue Structure- Payment of Interest*” at page 51. The last interest payment will be made at the time of redemption of the Secured NCD. On Option VII, Option VIII and Option IX shall be redeemed at the end of 24 months, 38 months and 60 months from the Deemed Date of Allotment.

Options	Maturity period/Redemption (as applicable)
I	24 months from the Deemed Date of Allotment
II	38 months from the Deemed Date of Allotment
III	60 months from the Deemed Date of Allotment
IV	24 months from the Deemed Date of Allotment
V	38 months from the Deemed Date of Allotment
VI	60 months from the Deemed Date of Allotment
VII	24 months from the Deemed Date of Allotment
VIII	38 months from the Deemed Date of Allotment
IX	60 months from the Deemed Date of Allotment

Deemed Date of Allotment

Deemed Date of Allotment shall be the date on which the Board or the NCD Committee of the Board constituted by resolution of the Board dated May 16, 2018 approves the Allotment of the NCDs for the Tranche I Issue. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs shall be available to the Debenture holders from the Deemed Date of Allotment.

Application Size

Each application should be for a minimum of 10 NCDs and multiples of 1 NCD thereafter (for all options of NCDs, namely Option I, Option II, Option III, Option IV, Option V, Option VI, Option VII, Option VIII and Option IX either taken individually or collectively). The minimum application size for each application for Secured NCDs would be ₹ 10,000.00 and in multiples of ₹ 1,000.00 thereafter.

Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of Secured NCDs that can be held by them under applicable statutory and or regulatory provisions.

Terms of Payment

The entire issue price per NCD, as specified in this Tranche I Prospectus, is blocked in the ASBA Account on application itself. In case of Allotment of lesser number of NCDs than the number of NCDs applied for, our Company shall unblock the excess amount paid on application to the applicant in accordance with the terms of this Tranche I Prospectus.

Record Date

The Record Date for payment of interest in connection with the Secured NCDs or repayment of principal in connection therewith shall be 15 (fifteen) days prior to the date on which interest is due and payable, and/or the date of redemption. Provided that trading in the Secured NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of Secured NCDs and the date of redemption or as prescribed by the relevant stock exchange(s), as the case may be. In case Record Date falls on a day when stock exchanges are having a trading holiday, the immediate subsequent trading day, or a date notified by the Company to the Stock Exchanges, will be deemed as the Record Date.

Manner of Payment of Interest / Refund / Redemption*

The manner of payment of interest / refund / redemption in connection with the Secured NCDs is set out below*:

For Secured NCDs applied / held in electronic form

The bank details will be obtained from the Depositories for payment of interest / refund / redemption as the case may be. Applicants who have applied for or are holding the NCDs in electronic form, are advised to immediately update their bank account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in credit of interest / refund / redemption amounts to the Applicant at the Applicant's sole risk, and neither the Lead Managers our Company nor the Registrar to the Issue shall have any responsibility and undertake any liability for the same.

The Registrar to the Issue will issue requisite instructions to the relevant SCSBs to un-block amounts in the ASBA Accounts of the Applicants representing the amounts to be refunded to the Applicants.

For Secured NCDs held in physical form due to rematerialisation

The bank details will be obtained from the Registrar to the Issue for payment of interest / refund / redemption as the case may be.

**In the event, the interest / payout of total coupon / redemption amount is a fraction and not an integer, such amount will be rounded off to the nearest integer. By way of illustration if the redemption amount is ₹1,837.50, then the amount shall be rounded off to ₹1,838.*

The mode of interest / refund / redemption payments shall be undertaken in the following order of preference:

1. Direct Credit

Investors having their bank account with the Refund Bank, shall be eligible to receive refunds, if any, through direct credit. The refund amount, if any, would be credited directly to their bank account with the Refund Banker. Interest / redemption amount would be credited directly to the bank accounts of the Investors, if held with the same bank as the Company.

2. NACH

National Automated Clearing House which is a consolidated system of ECS. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been

made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

3. **RTGS**

Applicants having a bank account with a participating bank and whose interest payment/ refund/ redemption amounts exceed ₹ 200,000, or such amount as may be fixed by RBI from time to time, have the option to receive refund through RTGS. Such eligible Applicants who indicate their preference to receive interest payment/ refund/ redemption through RTGS are required to provide the IFSC code in the Application Form or intimate our Company and the Registrar to the Issue at least seven days prior to the Record Date. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant. In the event the same is not provided, interest payment/ refund/ redemption shall be made through NACH subject to availability of complete bank account details for the same as stated above.

4. **NEFT**

Payment of interest/ refunds/ redemption shall be undertaken through NEFT wherever the Applicants' banks have been assigned the Indian Financial System Code ("IFSC"), which can be linked to a Magnetic Ink Character Recognition ("MICR"), if any, available to that particular bank branch. The IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of interest/ refund/ redemption will be made to the applicants through this method.

5. **Registered Post/Speed Post**

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 through speed post/ registered post.

Please note that applicants are eligible to receive payments through the modes detailed in (1), (2) (3), and (4) herein above provided they provide necessary information for the above modes and where such payment facilities are allowed / available.

Please note that our Company shall not be responsible to the holder of Secured NCD, for any delay in receiving credit of interest / refund / redemption so long as our Company has initiated the process of such request in time.

Printing of Bank Particulars on Interest Warrants

As a matter of precaution against possible fraudulent encashment of refund orders and interest/ redemption warrants due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to be given for printing on the orders/ warrants. In relation to Secured NCDs applied and held in dematerialized form, these particulars would be taken directly from the depositories. In case of Secured NCDs held in physical form either on account of rematerialisation or transfer, the Secured NCD Holders are advised to submit their bank account details with our Company/ Registrar to the Issue at least seven days prior to the Record Date failing which the orders/ warrants will be dispatched to the postal address of the Secured NCD Holders as available in the records of our Company either through speed post or registered post.

Bank account particulars will be printed on the orders/ warrants which can then be deposited only in the account specified.

Loan against Secured NCDs

As per the RBI circular dated June 27, 2013, the Company is not permitted to extend loans against the security of its debentures issued by way of private placement or public issues. However, if the RBI subsequently permits the extension of loans by NBFCs against the security of its debentures issued by way of private placement or public issues, the Company may consider granting loans against the security of such Secured NCDs, subject to terms and conditions as may be decided by the Company at the relevant time, in compliance with applicable law.

Buy Back of Secured NCDs

Our Company may, at its sole discretion, from time to time, consider, subject to applicable statutory and/or regulatory requirements, buy-back the Secured NCDs, upon such terms and conditions as may be decided by our Company.

Form and Denomination

In case of Secured NCDs held in physical form, a single certificate will be issued to the Secured NCD Holder for the aggregate amount of the Secured NCDs held (“**Consolidated Certificate**”). The Applicant can also request for the issue of Secured NCD certificates in denomination of one NCD (“**Market Lot**”). In case of NCDs held under different Options by a Secured NCD Holder, separate Consolidated Certificates will be issued to the NCD Holder for the aggregate amount of the Secured NCDs held under each Option.

It is however distinctly to be understood that the Secured NCDs pursuant to this Tranche I Issue shall be traded only in demat form.

In respect of Consolidated Certificates, we will, only upon receipt of a request from the Secured NCD Holder, split such Consolidated Certificates into smaller denominations subject to the minimum of Market Lot. No fees would be charged for splitting of Secured NCD certificates in Market Lots, but stamp duty payable, if any, would be borne by the Secured NCD Holder. The request for splitting should be accompanied by the original NCD certificate which would then be treated as cancelled by us.

Procedure for Redemption by Secured NCD holders

The procedure for redemption is set out below:

Secured NCDs held in physical form:

No action would ordinarily be required on the part of the Secured NCD Holder at the time of redemption and the redemption proceeds would be paid to those Secured NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of Redemption. However, our Company may require that the Secured NCD certificate(s), duly discharged by the sole holder/all the joint-holders (signed on the reverse of the Secured NCD certificates) be surrendered for redemption on maturity and should be sent by the Secured NCD Holders by Registered Post with acknowledgment due or by hand delivery to our office or to such persons at such addresses as may be notified by us from time to time. Secured NCD Holders may be requested to surrender the Secured NCD certificates in the manner as stated above, not more than three months and not less than one month prior to the redemption date so as to facilitate timely payment.

We may at our discretion redeem the Secured NCDs without the requirement of surrendering of the Secured NCD certificates by the holder(s) thereof. In case we decide to do so, the holders of Secured NCDs need not submit the Secured NCD certificates to us and the redemption proceeds would be paid to those Secured NCD holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of redemption of Secured NCDs. In such case, the Secured NCD certificates would be deemed to have been cancelled. Also see the para “*Payment on Redemption*” given below.

Secured NCDs held in electronic form:

No action is required on the part of Secured NCD holder(s) at the time of redemption of Secured NCDs.

Payment on Redemption

The manner of payment of redemption is set out below* .

Secured NCDs held in physical form

The payment on redemption of the Secured NCDs will be made by way of cheque/pay order/ electronic modes. However, if our Company so requires, the aforementioned payment would only be made on the surrender of Secured NCD certificates, duly discharged by the sole holder/ all the joint-holders (signed on the reverse of the Secured NCD certificates). Despatch of cheques/ pay orders, etc. in respect of such payment will be made on the redemption date or (if

so requested by our Company in this regard) within a period of 30 days from the date of receipt of the duly discharged NCD certificate.

In case we decide to do so, the redemption proceeds in the manner stated above would be paid on the redemption date to those Secured NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of Redemption. Hence the transferees, if any, should ensure lodgment of the transfer documents with us at least seven days prior to the Record Date. In case the transfer documents are not lodged with us at least seven days prior to the Record Date and we dispatch the redemption proceeds to the transferor, claims in respect of the redemption proceeds should be settled amongst the parties inter se and no claim or action shall lie against us or the Registrar to the Issue.

Our liability to Secured NCD Holders towards their rights including for payment or otherwise shall stand extinguished from the redemption in all events and when we dispatch the redemption amounts to the Secured NCD Holders.

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the Secured NCDs.

Secured NCDs held in electronic form

On the redemption date, redemption proceeds would be paid by cheque/ pay order/ electronic mode to those Secured NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us. These names would be as per the Depositories' records on the Record Date fixed for the purpose of redemption. These Secured NCDs will be simultaneously extinguished to the extent of the amount redeemed through appropriate debit corporate action upon redemption of the corresponding value of the Secured NCDs. It may be noted that in the entire process mentioned above, no action is required on the part of Secured NCD Holders.

Our liability to Secured NCD Holders towards his/their rights including for payment/ redemption in all events shall end when we dispatch the redemption amounts to the Secured NCD Holders.

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the Secured NCDs.

* In the event, the interest / payout of total coupon / redemption amount is a fraction and not an integer, such amount will be rounded off to the nearest integer. By way of illustration if the redemption amount is ₹1,837.5, then the amount shall be rounded off to ₹ 1,838.

Right to reissue Secured NCD(s)

Subject to the provisions of the Companies Act, 1956 and the Companies Act, 2013, as applicable on the date of this Tranche I Prospectus, where we have fully redeemed or repurchased any Secured NCDs, we shall have and shall be deemed always to have had the right to keep such Secured NCDs in effect without extinguishment thereof, for the purpose of resale or re-issue and in exercising such right, we shall have and be deemed always to have had the power to resell or reissue such Secured NCDs either by reselling or re-issuing the same Secured NCDs or by issuing other Secured NCDs in their place. The aforementioned right includes the right to reissue original Secured NCDs.

Transfer/Transmission of Secured NCD(s)

For Secured NCDs held in physical form

The Secured NCDs shall be transferred or transmitted freely in accordance with the applicable provisions of the Companies Act/ the Companies Act, 2013 applicable as on the date of this Tranche I Prospectus and all other applicable laws including FEMA and the rules and regulations thereunder. The provisions relating to transfer and transmission and other related matters in respect of our shares contained in the Articles, the Companies Act/the relevant provisions of the Companies Act, 2013 applicable as on the date of this Tranche I Prospectus, and all applicable laws including FEMA and the rules and regulations thereunder, shall apply, *mutatis mutandis* (to the extent applicable to debentures) to the Secured NCDs as well. In respect of the Secured NCDs held in physical form, a common form of transfer shall be used for the same. The Secured NCDs held in dematerialised form shall be transferred subject to and in accordance with the rules/ procedures as prescribed by NSDL/CDSL and the relevant Depository Participants of the transferor and the transferee and any other applicable laws and rules notified in respect thereof. The transferees should ensure that the transfer formalities are completed at 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 register of debenture holders or the records as

maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferors and not with the Issuer or Registrar.

For Secured NCDs held in electronic form

The normal procedure followed for transfer of securities held in dematerialised form shall be followed for transfer of the NCDs held in electronic form. The seller should give delivery instructions containing details of the buyer's Depository Participant account to his depository participant.

In case the transferee does not have a Depository Participant account, the transferor can rematerialise the NCDs and thereby convert his dematerialised holding into physical holding. Thereafter these NCDs can be transferred in the manner as stated above for transfer of NCDs held in physical form.

In case the recipient of the NCDs in physical form wants to hold the NCDs in dematerialized form, he can choose to dematerialize the securities through his DP.

Any trading of the NCDs issued pursuant to this Tranche I Issue shall be compulsorily in dematerialized form only.

Title

In case of:

- Secured NCDs held in the dematerialised form, the person for the time being appearing in the register of beneficial owners maintained by the Depository; and
- the Secured NCDs held in physical form, the person for the time being appearing in the register of NCD Holders as Secured NCD holder,

shall be treated for all purposes by our Company, the Debenture 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 NCD Certificates issued in respect of the Secured NCDs and no person will be liable for so treating the Secured NCD holder.

No transfer of title of a NCD will be valid unless and until entered on the register of NCD 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 the NCD Holders maintained by the Depositories and/or our Company and/or the Registrar, as the case may be. In such cases, claims, if any, by the purchasers of the Secured NCDs will need to be settled with the seller of the Secured NCDs and not with our Company or the Registrar. The provisions relating to transfer and transmission and other related matters in respect of our Company's shares contained in the Articles of Association of our Company and the Companies Act/ the relevant provisions of the Companies Act, 2013 applicable as on the date of this Tranche I Prospectus shall apply, mutatis mutandis (to the extent applicable) to the Secured NCD(s) as well.

Common form of transfer

The Issuer undertakes that there shall be a common form of transfer for the Secured NCDs and the provisions of the Companies Act, 2013 and all applicable laws including the FEMA and the rules and regulations thereunder shall be duly complied with in respect of all transfer of debentures and registration thereof.

Joint-holders

Where two or more persons are holders of any Secured NCD(s), they shall be deemed to hold the same as joint holders with benefits of survivorship subject to other provisions contained in the Articles.

Sharing of information

We may, at our option, use on our own, as well as exchange, share or part with any financial or other information about

the Secured NCD Holders available with us, with our subsidiaries, if any and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither we or our affiliates nor their agents shall be liable for use of the aforesaid information.

Notices

All notices to the Secured NCD Holders required to be given by us or the Debenture Trustee will be sent by speed post or registered post or through email or other electronic media to the registered Secured NCD Holders from time to time.

Issue of Duplicate NCD Certificate(s) issued in physical form

If NCD certificate(s) is/ are mutilated or defaced or the cages for recording transfers of Secured NCDs are fully utilised, the same may be replaced by us against the surrender of such certificate(s). Provided, where the NCD certificate(s) are mutilated or defaced, the same will be replaced as aforesaid only if the certificate numbers and the distinctive numbers are legible.

If any NCD certificate is destroyed, stolen or lost then upon production of proof thereof to our satisfaction and upon furnishing such indemnity/ security and/or documents as we may deem adequate, duplicate Secured NCD certificates shall be issued. Upon issuance of a duplicate NCD certificate, the original NCD certificate shall stand cancelled.

Security

The principal amount of the Secured NCDs to be issued in terms of this Tranche I Prospectus together with all interest due on the Secured 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 first *pari passu* charge on the identified immovable property and a first *pari passu* charge on current assets, book debts, loans and advances, and receivables including gold loan receivables, both present and future, of our Company.

Our Company will create the security for the Secured NCDs in favour of the Debenture Trustee for the Secured NCD Holders on the assets to ensure 100.00% security cover of the amount outstanding in respect of Secured NCDs, including interest thereon, at any time.

Our Company has entered into an agreement with the Debenture Trustee, (**'Debenture Trust Deed'**), the terms of which governs the appointment of the Debenture Trustee and the issue of the Secured NCDs. Our Company proposes to complete the execution of the Debenture Trust Deed before finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange and utilize the funds only after the stipulated security has been created and upon receipt of listing and trading approval from the Designated Stock Exchange.

Under the terms of the Debenture Trust Deed, our Company will covenant with the Debenture Trustee that it will pay the Secured NCD Holders the principal amount on the Secured NCDs on the relevant redemption date and also that it will pay the interest due on Secured NCDs on the rate specified in this Tranche I Prospectus and in the Debenture Trust Deed.

The Debenture Trust Deed will also provide that our Company may withdraw any portion of the security and replace with another asset of the same or a higher value.

Trustees for the Secured NCD holders

We have appointed IDBI Trusteeship Services Limited to act as the Debenture Trustees for the Secured NCD Holders. The Debenture Trustee and us will execute a Debenture Trust Deed, *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and us. The Secured NCD Holders shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorised officials to do all such acts, deeds, matters and things in respect of or relating to the Secured NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the Secured NCD Holders. Any payment made by us to the Debenture Trustee on behalf of the Secured NCD Holders shall discharge us pro tanto to the Secured NCD Holders.

The Debenture Trustee will protect the interest of the Secured NCD Holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost.

Events of Default:

Subject to the terms of the Debenture Trust Deed, the Debenture Trustee at its discretion may, or if so requested in writing by the holders of at least three-fourths of the outstanding amount of the Secured NCDs or with the sanction of a special resolution, passed at a meeting of the NCD Holders, (subject to being indemnified and/or secured by the NCD Holders to its satisfaction), give notice to our Company specifying that the NCDs and/or any particular series of Secured NCDs, in whole but not in part are and have become due and repayable on such date as may be specified in such notice inter alia if any of the events listed below occurs. The description below is indicative and a complete list of events of default and its consequences will be specified in the Debenture Trust Deed:

- (i) default is committed in payment of the principal amount of the Secured NCDs on the due date(s); and
- (ii) two consecutive defaults are committed in payment of any interest on the NCDs on the due date(s).

Lien

As per the RBI circular dated June 27, 2013, the Company is not permitted to extend loans against the security of its debentures issued by way of private placement or public issues. The Company shall have the right of set-off and lien, present as well as future on the moneys due and payable to the Secured NCD holders or deposits held in the account of the Secured NCD holders, whether in single name or joint name, to the extent of all outstanding dues by the Secured NCD holders to the Company, subject to applicable law.

Lien on pledge of Secured NCDs

The Company may, at its discretion note a lien on pledge of Secured NCDs if such pledge of Secured NCD is accepted by any third party bank/institution or any other person for any loan provided to the Secured NCD holder against pledge of such Secured NCDs as part of the funding, subject to applicable law.

Future Borrowings

We shall be entitled to make further issue of secured debentures and/or raise term loans or raise further funds from time to time from any persons, banks, financial institutions or bodies corporate or any other agency without the consent of, or notification to or consultation with the holder of Secured NCDs or the Debenture Trustee by creating a charge on any assets, provided the stipulated security cover is maintained.

We shall be entitled to make further issue of unsecured debentures and/or raise unsecured term loans or raise further unsecured funds from time to time from any persons, banks, financial institutions or bodies corporate or any other agency without the consent of, or notification to or in consultation with the holder of Secured NCDs or the Debenture Trustee.

Illustration for guidance in respect of the day count convention and effect of holidays on payments.

The illustration for guidance in respect of the day count convention and effect of holidays on payments, as required by SEBI Circular No. CIR/IMD/DF/18/2013 October 29, 2013 and SEBI Circular No. CIR/IMD/DF-1/122/2016 dated November 11, 2016 is disclosed in Schedule A.

ISSUE PROCEDURE

This section applies to all Applicants. Please note that all Applicants are required to ensure that the ASBA Account has sufficient credit balance such that the entire Application Amount can be blocked by the SCSB while making an Application. An amount equivalent to the full Application Amount will be blocked by the SCSBs in the relevant ASBA Accounts.

Applicants should note that they may submit their Applications to the Designated Intermediaries.

Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable law or as specified in this Tranche I Prospectus.

Please note that this section has been prepared based on the circular no. CIR/IMD/DF-1/20/2012 dated July 27, 2012 issued by SEBI as modified by circular (No. CIR/IMD/DF/18/2013) dated October 29, 2013 (“Debt Application Circular”) issued by SEBI and circular no. CIR/DDHS/P/121/2018 dated August 16, 2018 issued by SEBI (“Debt ASBA Circular”). The procedure mentioned in this section is subject to the Stock Exchanges putting in place the necessary systems and infrastructure for implementation of the provisions of the abovementioned circular, including the systems and infrastructure required in relation to Applications made through the Direct Online Application Mechanism and the online payment gateways to be offered by Stock Exchanges and accordingly is subject to any further clarifications, notification, modification, direction, instructions and/or correspondence that may be issued by the Stock Exchanges and/or SEBI. Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchange and the Stock Exchange has confirmed that the necessary infrastructure and facilities for the same have not been implemented by the Stock Exchange. Hence, the Direct Online Application facility will not be available for this Tranche I Issue.

PLEASE NOTE THAT ALL TRADING MEMBERS OF THE STOCK EXCHANGE(S) WHO WISH TO COLLECT AND UPLOAD APPLICATION IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGES WILL NEED TO APPROACH THE RESPECTIVE STOCK EXCHANGE(S) AND FOLLOW THE REQUISITE PROCEDURES AS MAY BE PRESCRIBED BY THE RELEVANT STOCK EXCHANGE. THE FOLLOWING SECTION MAY CONSEQUENTLY UNDERGO CHANGE BETWEEN THE DATES OF THE TRANCHE I PROSPECTUS, THE TRANCHE I ISSUE OPENING DATE AND THE TRANCHE I ISSUE CLOSING DATE.

THE MEMBERS OF THE SYNDICATE AND THE COMPANY SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR OMISSIONS ON THE PART OF THE DESIGNATED INTERMEDIARIES IN CONNECTION WITH THE RESPONSIBILITY OF SUCH DESIGNATED INTERMEDIARIES IN RELATION TO COLLECTION AND UPLOAD OF APPLICATIONS IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGES. FURTHER, THE RELEVANT STOCK EXCHANGE SHALL BE RESPONSIBLE FOR ADDRESSING INVESTOR GREIVANCES ARISING FROM APPLICATIONS THROUGH DESIGNATED INTERMEDIARIES REGISTERED WITH SUCH STOCK EXCHANGE.

Please note that for the purposes of this section, the term “Working Day” shall mean with reference to Tranche I Issue Period where working days shall mean all days excluding the second and the fourth Saturday of every month, Sundays and a public holiday in Kochi or Mumbai or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881, except with reference to Tranche I Issue Period where working days shall mean all days, excluding Saturdays, Sundays and public holidays in India or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881. Furthermore, for the purpose of post issue period, i.e. period beginning from Tranche I Issue Closing Date to listing of the NCDs, Working Days shall mean all trading days of Stock Exchange excluding Sundays and bank holidays in Mumbai.

Who can apply?

The following categories of persons are eligible to apply in the Tranche I Issue.

Category I

- Public financial institutions, statutory corporations, commercial banks, co-operative banks and RRBs and multilateral and bilateral development financial institutions which are authorised to invest in the NCDs;
- Provident funds, pension funds, superannuation funds and gratuity funds, which are authorised to invest in the NCDs;
- Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
- Resident Venture Capital Funds registered with SEBI;
- Insurance Companies registered with IRDA;
- State industrial development corporations;
- Insurance funds set up and managed by the army, navy, or air force of the Union of India;
- Insurance funds set up and managed by the Department of Posts, the Union of India;
- Systemically Important Non- Banking Financial Company, a nonbanking financial company registered with the Reserve Bank of India and having a net-worth of more than five hundred crore rupees as per the last audited financial statements;
- National Investment Fund set up by resolution no. F. No. 2/3/2005 –DDII dated November 23,2005 of the Government of India published in the Gazette of India; and
- Mutual Funds registered with SEBI.

Category II

- Companies; bodies corporate and societies registered under the applicable laws in India and authorised to invest in the NCDs;
- Public/ private charitable/ religious trusts which are authorised to invest in the NCDs;
- Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;
- Partnership firms in the name of the partners;
- Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009);
- Association of Persons; and
- Any other incorporated and/ or unincorporated body of persons.

Category III

- High Net-worth Individual Investors ("**HNI**s") - Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating to above INR 1,000,000 across all options of NCDs in the Tranche I Issue

Category IV

- Retail Individual Investors - Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating up to and including INR 1,000,000 across all options of NCDs in the Tranche I Issue.

Participation of any of the aforementioned categories of persons or entities is subject to the applicable statutory and/or regulatory requirements in connection with the subscription to Indian securities by such categories of persons or entities.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to the Tranche I Issue.

The Lead Managers and their respective associates and affiliates are permitted to subscribe in the Tranche I Issue.

The information below is given for the benefit of Applicants. Our Company and the Lead Managers are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of the Shelf Prospectus and this Tranche 1 Prospectus.

How to apply?

Availability of the Draft Shelf Prospectus, the Shelf Prospectus, the Tranche I Prospectus, Abridged

Prospectus and Application Forms

Please note that there is a single Application Form for all Applicants.

Copies of the Abridged Prospectus containing the salient features of the Shelf Prospectus, this Tranche I Prospectus together with Application Forms and copies of the Shelf Prospectus may be obtained from our Registered Office, the Lead Managers, the Registrar, the Lead Brokers and the Designated Branches of the SCSBs. Additionally the Shelf Prospectus, this Tranche I Prospectus and the Application Forms will be available

- (i) for download on the website of BSE at www.bseindia.com, and the website of the Lead Managers at www.edelweissfin.com and www.akgroup.co.in.
- (ii) at the designated branches of the SCSB and the Designated Intermediaries at the Syndicate ASBA Application Locations.

Electronic Application Forms will also be available on the website of the Stock Exchange. A hyperlink to the website of the Stock Exchange for this facility will be provided on the website of the Lead Managers and the SCSBs. Further, Application Forms will also be provided to Designated Intermediaries at their request.

Methods of Application

An eligible investor desirous of applying in the Tranche I Issue can make Applications only through the ASBA process

Applicants are requested to note that in terms of the Debt Application Circular, SEBI has mandated issuers to provide, through a recognized stock exchange which offers such a facility, an online interface enabling direct application by investors to a public issue of debt securities with an online payment facility (“**Direct Online Application Mechanism**”). In this regard, SEBI has, through the Debt Application Circular, directed recognized stock exchanges in India to put in necessary systems and infrastructure for the implementation of the Debt Application Circular and the Direct Online Application Mechanism infrastructure for the implementation of the Debt Application Circular and the Direct Online Application Mechanism. Please note that the Applicants will not have the option to apply for NCDs under the Tranche I Issue, through the direct online applications mechanism of the Stock Exchange. Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchange and the Stock Exchange has confirmed that the necessary infrastructure and facilities for the same have not been implemented by the Stock Exchange. Hence, the Direct Online Application facility will not be available for this Tranche I Issue.

Applicants intending to subscribe in the Tranche I Issue shall submit a duly filled Application form to any of the Designated Intermediaries.

Applicants should submit the Application Form only at the Bidding Centres, i.e. to the respective Members of the Syndicate at the Specified Locations, the SCSBs at the Designated Branches, the Registered Broker at the Broker Centres, the CRTAs at the Designated RTA Locations or CDPs at the Designated CDP Locations. Kindly note that Application Forms submitted by Applicants at the Specified Locations will not be accepted if the SCSB with which the ASBA Account, as specified in the Application Form is maintained has not named at least one branch at that location for the Designated Intermediaries for deposit of the Application Forms. A list of such branches is available at <http://www.sebi.gov.in>.

The relevant Designated Intermediaries, upon receipt of physical Application Forms from ASBA Applicants, shall upload the details of these Application Forms to the online platform of the Stock Exchange and submit these Application Forms with the SCSB with whom the relevant ASBA Accounts are maintained.

An Applicant shall submit the Application Form, which shall be stamped at the relevant Designated Branch of the SCSB. Application Forms in physical mode, which shall be stamped, can also be submitted to be the Designated Intermediaries at the Specified Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form.

Our Company, the Directors, affiliates, associates and their respective directors and officers, Lead Managers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions

etc. in relation to ASBA Applications accepted by the Designated Intermediaries, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount has been blocked in the relevant ASBA Account. Further, all grievances against Designated Intermediaries in relation to this Tranche I Issue should be made by Applicants directly to the relevant Stock Exchange.

Application Size

Each Application should be for a minimum of 10 NCDs and in multiples of one NCD thereafter for all options of NCDs, (namely Option I, Option II, Option III, Option IV, Option V, Option VI, Option VII, Option VIII and Option IX either taken individually or collectively).

APPLICATIONS BY VARIOUS APPLICANT CATEGORIES

Applications by Mutual Funds

A mutual fund scheme cannot invest more than 15.00% of its NAV in debt instruments issued by a single company which are rated not below investment grade by a credit rating agency authorised to carry out such activity. Such investment limit may be extended to 20.00% of the NAV of the scheme with the prior approval of the board of trustees and the board of asset management company.

A separate Application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such Applications shall not be treated as multiple Applications. Applications made by the AMCs or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which the Application is being made. An Application Form by a mutual fund registered with SEBI for Allotment of the NCDs must be also accompanied by certified true copies of (i) its SEBI registration certificates (ii) the trust deed in respect of such mutual fund (ii) a resolution authorising investment and containing operating instructions and (iii) specimen signatures of authorized signatories. Failing this, our Company reserves the right to accept or reject any Application from a Mutual Fund for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Application by Scheduled Banks, Co-operative Banks and RRBs

Scheduled Banks, Co-operative Banks and RRBs can apply in this Tranche I Issue based upon their own investment limits and approvals. Applications by them for Allotment of the NCDs must be accompanied by certified true copies of (i) a board resolution authorising investments; and (ii) a letter of authorisation. Failing this, our Company reserves the right to accept or reject any Application for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Application by Insurance Companies

In case of Applications for Allotment of the NCDs made by an Insurance Company, a certified copy of its certificate of registration issued by IRDA must be lodged along with Application Form. The Applications must be accompanied by certified copies of (i) its Memorandum and Articles of Association; (ii) a power of attorney (iii) a resolution authorising investment and containing operating instructions; and (iv) specimen signatures of authorized signatories. Failing this, our Company reserves the right to accept or reject any Application for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Applications by Alternative Investments Funds

Applications made by an Alternative Investments Fund eligible to invest in accordance with the Securities and Exchange Board of India (Alternate Investment Funds) Regulations, 2012, must be accompanied by certified true copies of: (i) the SEBI registration certificate of such Alternative Investment Fund; (ii) a resolution authorising the investment and containing operating instructions; and (iii) specimen signatures of authorised persons. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason thereof. Alternative Investment Funds applying for Allotment of the NCDs shall at all time comply with the conditions for categories as per their SEBI registration certificate and the Securities and Exchange Board of India (Alternate Investment Funds) Regulations, 2012.

Applications by Trusts

In case of Applications for Allotment of the NCDs made by trusts, settled under the Indian Trusts Act, 1882, or any other statutory and/or regulatory provision governing the settlement of trusts in India, Applicants must submit a (i) a certified copy of the registered instrument for creation of such trust; (ii) a power of attorney, if any, in favour of one or more trustees thereof; (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to the Tranche I Issue must ensure that (a) they are authorised under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures; (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures; and (c) 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. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Applications by Public Financial Institutions or statutory corporations, which are authorized to invest in the NCDs

Applications by Public Financial Institutions or statutory corporation for Allotment of the NCDs must be accompanied by certified true copies of: (i) any Act/rules under which such Applicant is incorporated; (ii) a resolution of the board of directors of such Applicant authorising investments; and (iii) specimen signature of authorized persons of such Applicant. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Applications made by companies, bodies corporate and societies registered under the applicable laws in India

Applications made by companies, bodies corporate and registered societies for Allotment of the NCDs must be accompanied by certified true copies of: (i) any Act/rules under which such Applicant is incorporated; (ii) a resolution of the board of directors of such Applicant authorising investments; and (iii) specimen signature of authorized persons of such Applicant. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Indian scientific and/ or industrial research organizations, which are authorized to invest in the NCDs

Applications by scientific and/ or industrial research organisations which are authorised to invest in the NCDs must be accompanied by certified true copies of: (i) any Act/rules under which such Applicant is incorporated; (ii) a resolution of the board of directors of such Applicant authorising investments; and (iii) specimen signature of authorized persons of such Applicant. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Partnership firms formed under applicable Indian laws in the name of the partners and Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008

Applications made by partnership firms and limited liability partnerships formed and registered under the Limited Liability Partnership Act, 2008 must be accompanied by certified true copies of: (i) the partnership deed for such Applicants; (ii) any documents evidencing registration of such Applicant thereof under applicable statutory/regulatory requirements; (iii) a resolution authorizing the investment and containing operating instructions; and (iv) specimen signature of authorized persons of such Applicant. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Applications under a power of attorney by limited companies, corporate bodies and registered societies

In case of Applications made pursuant to a power of attorney by Applicants from Category I, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the

Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

In case of Applications made pursuant to a power of attorney by Applicants from Category II and Category III, a certified copy of the power of attorney must be lodged along with the Application Form.

In case of physical Applications made pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the Application Form. Failing this, our Company, in consultation with the Lead Managers, reserves the right to reject such Applications.

Our Company, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney along with the Application Forms subject to such terms and conditions that our Company and the Lead Managers may deem fit.

Applications by provident funds, pension funds, superannuation funds and gratuity funds which are authorized to invest in the NCDs

Applications by provident funds, pension funds, superannuation funds and gratuity funds which are authorised to invest in the NCDs, for Allotment of the NCDs must be accompanied by certified true copies of: (i) any Act/rules under which they are incorporated; (ii) a power of attorney, if any, in favour of one or more trustees thereof, (iii) a board resolution authorising investments; (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements; (iv) specimen signature of authorized person; (v) a certified copy of the registered instrument for creation of such fund/trust; and (vi) any tax exemption certificate issued by Income Tax authorities. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Applications by National Investment Funds

Application made by a National Invest Fund for Allotment of the NCDs must be accompanied by certified true copies of: (i) a resolution authorising investment and containing operating instructions; and (ii) specimen signatures of authorized persons. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Applications cannot be made by:

- (a) Minors without a guardian name (A guardian may apply on behalf of a minor. However, the name of the guardian will need to be mentioned on the Application Form);
- (b) Foreign nationals;
- (c) Persons resident outside India;
- (d) Foreign Institutional Investors;
- (e) Non Resident Indians;
- (f) Qualified Foreign Investors;
- (g) Overseas Corporate Bodies;
- (h) Foreign Venture Capital Funds;
- (i) Persons ineligible to contract under applicable statutory/ regulatory requirements.

The Registrar shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchanges by the Designated Intermediaries.

APPLICATIONS FOR ALLOTMENT OF NCDs

Submission of Applications

This section is for the information of the Applicants proposing to subscribe to the Tranche I Issue. The Lead Managers and our Company are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Tranche I Prospectus. Applicants are advised to make their independent investigations and to ensure that the Application Form is correctly filled up.

Our Company, our directors, affiliates, associates and their respective directors and officers, Lead Managers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by and/or uploaded by and/or accepted but not uploaded by Lead Brokers, Trading Members, Registered Brokers, CDPs, CRTAs and SCSBs who are authorised to collect Application Forms from the Applicants in the Tranche I Issue, or Applications accepted and uploaded without blocking funds in the ASBA Accounts by SCSBs. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount payable on Application has been blocked in the relevant ASBA Account. The list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive Application Forms from the Members of the Syndicate is available on the website of SEBI (<http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>) and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Application Forms from the Members of the Syndicate at Specified Locations, see the website of the SEBI <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> as updated from time to time or any such other website as may be prescribed by SEBI from time to time. The list of Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the CRTAs at the Designated CRTA Locations, respective lists of which, including details such as address and telephone number, are available at the websites of the Stock Exchange at www.bseindia.com. The list of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Application Forms from the Registered Brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Applications can be submitted through either of the following modes:

- (a) Physically or electronically to the Designated Branches of the SCSB(s) with whom an Applicant's ASBA Account is maintained. In case of Application in physical mode, the Applicant shall submit the Application Form at the relevant Designated Branch of the SCSB(s). The Designated Branch shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account and shall also verify that the signature on the Application Form matches with the Applicant's bank records, as mentioned in the Application Form, prior to uploading such Application into the electronic system of the Stock Exchange. If sufficient funds are not available in the ASBA Account, the respective Designated Branch shall reject such Application and shall not upload such Application in the electronic system of the Stock Exchange. If sufficient funds are available in the ASBA Account, the Designated Branch shall block an amount equivalent to the Application Amount and upload details of the Application in the electronic system of the Stock Exchange. The Designated Branch of the SCSBs shall stamp the Application Form and issue an acknowledgement as proof of having accepted the Application.

In case of Application being made in the electronic mode, the Applicant shall submit the Application either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for application and blocking funds in the ASBA Account held with SCSB, and accordingly registering such Application.

- (b) Physically through the Designated Intermediaries at the respective Bidding Centres. Kindly note that above Applications submitted to any of the Designated Intermediaries will not be accepted if the SCSB where the ASBA Account is maintained, as specified in the Application Form, has not named at least one branch at that Bidding Center where the Application Form is submitted (a list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>).

Upon receipt of the Application Form by the Designated Intermediaries, an acknowledgement shall be issued by the relevant Designated Intermediary, giving the counter foil of the Application Form to the Applicant as proof of having accepted the Application. Thereafter, the details of the Application shall be uploaded in the electronic system of the Stock Exchanges and the Application Form shall be forwarded to the relevant branch of the SCSB, in the relevant Collection Center, named by such SCSB to accept such Applications from the Designated Intermediaries (a list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>). Upon receipt of the Application Form, the relevant branch of the SCSB shall perform verification procedures including verification of the Applicant's signature with his bank records and check if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form. If sufficient funds are not available in the ASBA Account, the relevant Application Form is liable to be rejected. If sufficient funds are available in the ASBA Account, the relevant branch of the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form. The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public

Issue Account(s), or until withdrawal/ failure of this Tranche I Issue or until withdrawal/ rejection of the Application Form, as the case may be.

Applicants must note that:

- (a) Physical Application Forms will be available with the Designated Branches of the SCSBs and with the Designated Intermediaries (other than Trading Members of the Stock Exchanges) at the respective Collection Centers; and electronic Application Forms will be available on the websites of the SCSBs and the Stock Exchanges at least one day prior to the Tranche I Issue Opening Date. Physical Application Forms will also be provided to the Trading Members of the Stock Exchanges at their request. The Application Forms would be serially numbered. Further, the SCSBs will ensure that the electronic version of this Tranche I Prospectus is made available on their websites. The physical Application Form submitted to the Designated Intermediaries shall bear the stamp of the relevant Designated Intermediary. In the event the Application Form does not bear any stamp, the same shall be liable to be rejected.
- (b) The Designated Branches of the SCSBs shall accept Applications directly from Applicants only during the Tranche I Issue Period. The SCSB shall not accept any Application directly from Applicants after the closing time of acceptance of Applications on the Tranche I Issue Closing Date. However, the relevant branches of the SCSBs at Specified Locations can accept Application Forms from the Designated Intermediaries, after the closing time of acceptance of Applications on the Tranche I Issue Closing Date, if the Applications have been uploaded. For further information on the Tranche I Issue programme, please refer to “*Issue Structure*” on page 54 of this Tranche I Prospectus.
- (c) Physical Application Forms directly submitted to SCSBs should bear the stamp of SCSBs, if not, the same are liable to be rejected.

Please note that Applicants can make an Application for Allotment of NCDs in the dematerialized form only.

Submission of Direct Online Applications

Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchanges.

In the event the Direct Online Application facility is implemented by the Stock Exchanges, relevant “know your customer” details of such Applicants will be validated online from the Depositories, on the basis of the DP ID and Client ID provided by them in the Application Form. On successful submission of a Direct Online Application, the Applicant will receive a system-generated unique application number (“UAN”) and an SMS or an e-mail confirmation on credit of the requisite Application Amount paid through the online payment facility with the Direct Online Application. On Allotment, the Registrar to the Issue shall credit NCDs to the beneficiary account of the Applicant and in case of refund, the refund amount shall be credited directly to the Applicant’s bank account. Applicants applying through the Direct Online Application facility must preserve their UAN and quote their UAN in: (a) any cancellation/withdrawal of their Application; (b) in queries in connection with Allotment of Secured NCDs and/or refund(s); and/or (c) in all investor grievances/complaints in connection with the Tranche I Issue.

As per the Debt Application Circular issued by SEBI, the availability of the Direct Online Applications facility is subject to the Stock Exchanges putting in place the necessary systems and infrastructure, and accordingly the aforementioned disclosures are subject to any further clarifications, notification, modification deletion, direction, instructions and/or correspondence that may be issued by the Stock Exchanges and/or SEBI.

Payment instructions

An Applicant shall specify details of the ASBA Account Number in the Application Form and the relevant SCSB shall block an amount equivalent to the Application Amount in the ASBA Account specified in the Application Form. Upon receipt of intimation from the Registrar to this Tranche I Issue, the SCSBs shall, on the Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Account in terms of the Public Issue Account Agreement. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective

SCSB within 6 (six) Working Days of the Tranche I Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Tranche I Issue or until rejection of the Application, as the case may be.

Additional information for Applicants

1. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected.
2. No separate receipts will be issued for the money blocked on the submission of Application Form. However, the collection centre of the Designated Intermediaries, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicant the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant.
3. Applications should be submitted through the Application Form only. In the event that physical Application Forms do not bear the stamp of the Designated Intermediary or the relevant Designated Branch, they are liable to be rejected.
4. Application Forms submitted by Applicants shall be for allotment of NCDs only in dematerialized form.

Filing of the Shelf Prospectus and Tranche I Prospectus with ROC

A copy of the Shelf Prospectus and the Tranche I Prospectus has been filed with the ROC in accordance with section 26 and section 31 of the Companies Act, 2013.

Pre-Issue Advertisement

Our Company will issue a statutory advertisement on or before the Tranche I Issue Opening Date. This advertisement will contain the information as prescribed under the SEBI Debt Regulations and Section 30 of the Companies Act, 2013. Material updates, if any, between the date of filing of this Tranche I Prospectus with the ROC and the date of release of this statutory advertisement will be included in the statutory advertisement.

INSTRUCTIONS FOR FILLING-UP THE APPLICATION FORM

General Instructions

A. General instructions for completing the Application Form

- Applications must be made in prescribed Application Form only;
- Application Forms must be completed in block letters in English, as per the instructions contained in the Draft Shelf Prospectus, the Shelf Prospectus, this Tranche I Prospectus, the Abridged Prospectus and the Application Form.
- If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names.
- Applications must be for a minimum of 10 (Ten) NCDs and in multiples of 1 NCD thereafter. For the purpose of fulfilling the requirement of minimum application size of 10 (Ten) NCDs, an Applicant may choose to apply for 10 (Ten) NCDs or more in a single Application Form.
- If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.
- Applications should be made by Karta in case of HUFs. Applicants are required to ensure that the PAN details of the HUF are mentioned and not those of the Karta.
- Thumb impressions and signatures other than in English/Hindi/Gujarati/Marathi or any other languages specified in the 8th Schedule of the Constitution needs to be attested by a Magistrate or Notary Public or a Special Executive Magistrate under his/her seal;
- The Designated Intermediaries or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicants the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for

the records of the Applicant. Applicants must ensure that the requisite documents are attached to the Application Form prior to submission and receipt of acknowledgement from the relevant Designated Intermediaries or the Designated Branch of the SCSBs, as the case may be.

- Every Applicant should hold a valid PAN and mention the same in the Application Form.
- All Applicants are required to tick the relevant column of “Category of Investor” in the Application Form.
- Applicants should correctly mention the ASBA Account number and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form and also ensure that the signature in the Application Form matches with the signature in Applicant’s bank records, otherwise the Application is liable to be rejected
- Applicants must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of such Applicant’s active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of Stock Exchanges by SCSBs, the Designated Intermediaries, the Registrar will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs. If the ASBA Account holder is different from the Applicant, the Application Form should be signed by the ASBA Account holder, in accordance with the instructions provided in the Application Form. Not more than five Applications can be made from one single ASBA Account;
- For Applicants, the Applications in physical mode should be submitted to the SCSBs or a member of the Syndicate or to the Trading Members of the Stock Exchanges on the prescribed Application Form. SCSBs may provide the electronic mode for making Application either through an internet enabled banking facility or such other secured, electronically enabled mechanism for Application and blocking funds in the ASBA Account;
- Application Forms should bear the stamp of the Member of the Syndicate, Trading Member of the Stock Exchanges, Designated Intermediaries and/or Designated Branch of the SCSB. Application Forms which do not bear the stamp will be rejected.

The series, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Designated Intermediaries in the data entries as such data entries will be considered for allotment.

Applicants should note that neither the Designated Intermediaries nor the SCSBs, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms.

B. Applicant’s Beneficiary Account Details

Applicants must mention their DP ID and Client ID in the Application Form and ensure that the name provided in the Application Form is exactly the same as the name in which the beneficiary account is held. In case the Application Form is submitted in the first Applicant’s name, it should be ensured that the beneficiary account is held in the same joint names and in the same sequence in which they appear in the Application Form. In case the DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the Stock Exchanges do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form is liable to be rejected. Further, Application Forms submitted by Applicants whose beneficiary accounts are inactive, will be rejected. On the basis of the Demographic details as appearing on the records of the DP, the Registrar to the Issue will issue Allotment Advice to the Applicants. Hence, Applicants are advised to immediately update their Demographic Details as appearing on the records of the DP and ensure that they are true and correct, and carefully fill in their beneficiary account details in the Application Form. Failure to do so could result in delays in delivery of Allotment Advice at the Applicants’ sole risk, and neither our Company, the Lead Managers, Trading Members of the Stock Exchanges, Members of the Syndicate, Designated Intermediaries, Bankers to the Issue, SCSBs, Registrar to the Issue nor the Stock Exchanges will bear any responsibility or liability for the same. In case of Applications made under power of attorney, our Company in its absolute discretion, reserves the right to permit the holder of power of attorney to request the Registrar that for the purpose of printing particulars on the Allotment Advice, the demographic details obtained from the Depository of the Applicant shall be used.

By signing the Application Form, the Applicant would have deemed to have authorized the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records. The Demographic Details given by Applicant in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to the Tranche I Issue.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not

been verified shall be suspended for credit and no credit of Secured NCDs pursuant to the Tranche I Issue will be made into the accounts of such Applicants. **Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, Client ID and PAN, then such Application are liable to be rejected.**

C. Permanent Account Number (PAN)

The Applicant should mention his or her PAN allotted under the IT Act. For minor Applicants, applying through the guardian, it is mandatory to mention the PAN of the minor Applicant. However, Applications on behalf of the central or state government officials and the officials appointed by the courts in terms of a SEBI circular dated June 30, 2008 and Applicants residing in the state of Sikkim who in terms of a SEBI circular dated July 20, 2006 may be exempt from specifying their PAN for transacting in the securities market. In accordance with Circular No. MRD/DOP/Cir-05/2007 dated April 27, 2007 issued by SEBI, the PAN would be the sole identification number for the participants transacting in the securities market, irrespective of the amount of transaction. **Any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction. It is to be specifically noted that the Applicants should not submit the general index register number i.e. GIR number instead of the PAN as the Application is liable to be rejected on this ground.**

However, the exemption for the central or state government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Applications, the Registrar to the Issue will check under the Depository records for the appropriate description under the PAN field i.e. either Sikkim category or exempt category.

D. Joint Applications

Applications made in joint names (not exceeding three). In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to first named in the Application whose name appears in the Application Form and at the address mentioned therein. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.

E. Additional/ Multiple Applications

An Applicant is allowed to make one or more Applications for the NCDs, subject to a minimum application size of ₹ 10,000/- and in multiples of ₹ 1,000 thereafter as specified in this Tranche I Prospectus. **Any Application for an amount below the aforesaid minimum application size will be deemed as an invalid application and shall be rejected.** Any Application made by any person in his individual capacity and an Application made by such person in his capacity as a karta of a HUF and/or as Applicant (second or third Applicant), shall not be deemed to be a multiple Application. For the purposes of allotment of NCDs under the Tranche I Issue, Applications shall be grouped based on the PAN, i.e. Applications under the same PAN shall be grouped together and treated as one Application. Two or more Applications will be deemed to be multiple Applications if the sole or first Applicant is one and the same. For the sake of clarity, two or more applications shall be deemed to be a multiple Application for the aforesaid purpose if the PAN number of the sole or the first Applicant is one and the same.

Do's and Don'ts

Applicants are advised to take note of the following while filling and submitting the Application Form:

Do's

1. Check if you are eligible to apply as per the terms of the Draft Shelf Prospectus, the Shelf Prospectus, this Tranche I Prospectus and applicable law;
2. Read all the instructions carefully and complete the Application Form in the prescribed form;
3. Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory

- authorities to apply for, subscribe to and/or seek Allotment of NCDs pursuant to the Tranche I Issue;
4. Ensure that the DP ID and Client ID and PAN mentioned in the Application Form, which shall be entered into the electronic system of the Stock Exchange are correct and match with the DP ID, Client ID and PAN available in the Depository database. Ensure that the DP ID and Client ID are correct and beneficiary account is activated. The requirement for providing Depository Participant details shall be mandatory for all Applicants;
 5. Ensure that you have mentioned the correct ASBA Account number in the Application Form;
 6. Ensure that the Application Form is signed by the ASBA Account holder in case the Applicant is not the ASBA account holder;
 7. Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form to the respective Designated Branch of the SCSB, or to the Designated Intermediaries, as the case may be;
 8. Ensure that the Application Forms are submitted at the Designated Branches of SCSBs or the Bidding Centres provided in the Application Forms, bearing the stamp of the relevant Designated Intermediaries/Designated branch of the SCSB as the case may be;
 9. Before submitting the Application Form with the Designated Intermediaries ensure that the SCSB, whose name has been filled in the Application Form, has named a branch in that relevant Bidding Centre;
 10. Ensure that you have been given an acknowledgement as proof of having accepted the Application Form;
 11. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic application platform of the Stock Exchanges as per the procedures and requirements prescribed by each relevant Stock Exchanges, ensure that you have first withdrawn your original Application and submit a fresh Application. For instance, as per the notice No: 20120831-22 dated August 31, 2012 issued by the BSE, fields namely, quantity, series, application no., sub-category codes will not be allowed for modification during the Tranche I Issue. In such a case the date of the fresh Application will be considered for date priority for allotment purposes;
 12. Ensure that signatures other than in the languages specified in the 8th Schedule to the Constitution of India is attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
 13. Ensure that you mention your PAN in the Application Form. In case of joint Applicants, the PAN of all the Applicants should be provided, and for HUFs, PAN of the HUF should be provided. Any Application Form without the PAN is liable to be rejected. Applicants should not submit the GIR Number instead of the PAN as the Application is liable to be rejected on this ground;
 14. In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta. However, the PAN number of the HUF should be mentioned in the Application Form and not that of the Karta;
 15. Ensure that the Applications are submitted to the Designated Intermediaries, or Designated Branches of the SCSBs, as the case may be, before the closure of application hours on the Tranche I Issue Closing Date. For further information on the Tranche I Issue programme, please refer to "**Issue Structure**" on page 54 of this Tranche I Prospectus.
 16. **Permanent Account Number:** Except for Application (i) on behalf of the central or state government and officials appointed by the courts, and (ii) (subject to SEBI circular dated April 3, 2008) from the residents of the state of Sikkim, each of the Applicants should provide their PAN. Application Forms in which the PAN is not provided will be rejected. The exemption for the central or state government and officials appointed by the courts and for investors residing in the state of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same;
 17. Ensure that if the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form;
 18. All Applicants are requested to tick the relevant column "Category of Investor" in the Application Form.

In terms of SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account.

SEBI Circular No. CIR/DDHS/P/121/2018 dated August 16, 2018 stipulating the time between closure of the Tranche I Issue and listing at 6 (six) Working Days. In order to enable compliance with the above timelines, investors are advised to use ASBA facility only to make payment.

Don'ts:

1. Do not apply for lower than the minimum application size;
2. Do not pay the Application Amount in cash, by cheque, by money order or by postal order or by stock invest;
3. Do not send Application Forms by post instead submit the same to the Designated Intermediaries or Designated Branches of the SCSBs, as the case may be;
4. Do not submit the Application Form to any non-SCSB bank or our Company.
5. Do not submit an Application Form that does not have the stamp of the relevant Designated Intermediary or the Designated Branch of the SCSB, as the case may be.
6. Do not fill up the Application Form such that the NCDs applied for exceeds the Tranche I Issue size and/or investment limit or maximum number of NCDs that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
7. Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground;
8. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
9. Do not submit the Application Forms without ensuring that funds equivalent to the entire Application Amount are available for blocking in the relevant ASBA Account;
10. Do not submit Applications on plain paper or on incomplete or illegible Application Forms;
11. Do not apply if you are not competent to contract under the Indian Contract Act, 1872;
12. Do not submit an Application in case you are not eligible to acquire NCDs under applicable law or your relevant constitutional documents or otherwise;
13. Do not submit Application Forms to a Designated Intermediary at a location other than Collection Centers;
14. Do not submit an Application that does not comply with the securities law of your respective jurisdiction;
15. Do not apply if you are a person ineligible to apply for NCDs under the Tranche I Issue including Applications by persons resident outside india, NRI (*inter-alia* including NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA); and
16. Do not make an application of the NCD on multiple copies taken of a single form.
17. Payment of Application Amount in any mode other than through blocking of Application Amount in the ASBA Accounts shall not be accepted in the Tranche I Issue; and
18. Do not submit more than five Application Forms per ASBA Account.

Kindly note that Applications submitted to the Designated Intermediaries will not be accepted if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that location for the Designated Intermediaries to deposit such Application Forms. (A list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>).

Please refer to “*Rejection of Applications*” on page 76 of this Tranche I Prospectus for information on rejection of Applications.

TERMS OF PAYMENT

The Application Forms will be uploaded onto the electronic system of the Stock Exchanges and deposited with the relevant branch of the SCSB at the Specified City named by such SCSB to accept such Applications from the Designated Intermediaries, (a list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>). The relevant branch of the SCSB shall perform verification procedures and block an amount in the ASBA Account equal to the Application Amount specified in the Application.

The entire Application Amount for the NCDs is payable on Application only. The relevant SCSB shall block an amount equivalent to the entire Application Amount in the ASBA Account at the time of upload of the Application Form. In case of Allotment of lesser number of NCDs than the number applied, the Registrar to the Issue shall instruct the SCSBs to unblock the excess amount in the ASBA Account. For Applications submitted directly to the SCSBs, the relevant SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application, before entering the Application into the electronic system of the Stock Exchanges. SCSBs may provide the electronic mode of application either through an internet enabled application and banking facility or such other secured, electronically enabled mechanism for application and blocking of funds in the ASBA Account. **Applicants should ensure that they have funds equal to the Application Amount in the ASBA Account before submitting the Application to the Designated Intermediaries, or to the Designated Branches of the SCSBs. An Application where the corresponding ASBA Account does not have sufficient funds equal to the Application Amount at the time of blocking the ASBA Account is liable to be rejected.**

The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of the Tranche I Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is approved and upon receipt of intimation from the Registrar, the controlling branch of the SCSB shall, on the Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Account. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB within 6 (six) Working Days of the Tranche I Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Tranche I Issue or until rejection of the Application, as the case may be.

Payment mechanism for Direct Online Applicants

Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchanges.

SUBMISSION OF COMPLETED APPLICATION FORMS

Mode of Submission of Application Forms	To whom the Application Form has to be submitted
Applications	<p>(i) <i>If using <u>physical Application Form</u>, (a) to the Designated Intermediaries at relevant Bidding Centres or (b) to the Designated Branches of the SCSBs where the ASBA Account is maintained; or</i></p> <p>(ii) <i>If using <u>electronic Application Form</u>, to the SCSBs, electronically through internet banking facility, if available.</i></p>

Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchanges.

No separate receipts will be issued for the Application Amount payable on submission of Application Form.

However, the Designated Intermediaries, will acknowledge the receipt of the Application Forms by stamping the date and returning to the Applicants an acknowledgement slips which will serve as a duplicate Application Form for the records of the Applicant.

Electronic Registration of Applications

- (a) The Designated Intermediaries and Designated Branches of the SCSBs, as the case may be, will register the Applications using the on-line facilities of the Stock Exchanges. Direct Online Applications will be registered by Applicants using the online platform offered by the Stock Exchanges. **The Lead Managers, our Company and the Registrar to the Issue are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the SCSBs,**

(ii) the Applications uploaded by the SCSBs, (iii) the Applications accepted but not uploaded by the SCSBs, (iv) with respect to Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts, or (v) any Applications accepted and uploaded and/or not uploaded by the Trading Members of the Stock Exchange or (vi) the Applications accepted by and/or uploaded by and/or accepted but not uploaded by Lead Brokers, Trading Members, Registered Brokers, CDPs, CRTAs and SCSBs who are authorised to collect Application Forms

In case of apparent data entry error by the Designated Intermediaries or Designated Branches of the SCSBs, as the case may be, in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchanges. However, the series, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Designated Intermediaries or Designated Branches of the SCSBs in the data entries as such data entries will be considered for allotment/rejection of Application.

- (b) The Stock Exchanges will offer an electronic facility for registering Applications for the Tranche I Issue. This facility will be available on the terminals of the Designated Intermediaries and the SCSBs during the Tranche I Issue Period. The Designated Intermediaries can also set up facilities for off-line electronic registration of Applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Applications on a regular basis, and before the expiry of the allocated time on the Tranche I Issue Closing Date. On the Tranche I Issue Closing Date, the Designated Intermediaries and the Designated Branches of the SCSBs shall upload the Applications till such time as may be permitted by the Stock Exchanges. This information will be available with the Designated Intermediaries and the Designated Branches of the SCSBs on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Tranche I Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation. For further information on the Tranche I Issue programme, please refer to “*Issue Structure*” on page 45 of this Tranche I Prospectus.
- (c) With respect to Applications submitted directly to the SCSBs at the time of registering each Application, other than Direct Online Applications, the Designated Branches of the SCSBs shall enter the requisite details of the Applicants in the on-line system including:
- Application Form number
 - PAN (of the first Applicant, in case of more than one Applicant)
 - Investor category and sub-category
 - DP ID
 - Client ID
 - Number of NCDs applied for
 - Price per NCD
 - Bank code for the SCSB where the ASBA Account is maintained
 - Bank account number
 - Application amount
- (d) With respect to Applications submitted to the Designated Intermediaries at the time of registering each Application, the requisite details of the Applicants shall be entered in the on-line system including:
- Application Form number
 - PAN (of the first Applicant, in case of more than one Applicant)
 - Investor category and sub-category
 - DP ID
 - Client ID
 - Number of NCDs applied for
 - Price per NCD
 - Bank code for the SCSB where the ASBA Account is maintained
 - Location
 - Application amount
- (e) A system generated acknowledgement will be given to the Applicant as a proof of the registration of each

Application. **It is the Applicant's responsibility to obtain the acknowledgement from the Designated Intermediaries and the Designated Branches of the SCSBs, as the case may be. The registration of the Application by the Designated Intermediaries and the Designated Branches of the SCSBs, as the case may be, does not guarantee that the NCDs shall be allocated/ Allotted by our Company. The acknowledgement will be non-negotiable and by itself will not create any obligation of any kind.**

- (f) Applications can be rejected on the technical grounds listed on page 76 of this Tranche I Prospectus or if all required information is not provided or the Application Form is incomplete in any respect.
- (g) The permission given by the Stock Exchanges to use their network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Lead Managers are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Tranche I Prospectus; nor does it warrant that the NCDs will be listed or will continue to be listed on the Stock Exchanges.
- (h) **Only Applications that are uploaded on the online system of the Stock Exchanges shall be considered for allocation/ Allotment.** The Lead Managers, Designated Intermediaries and the Designated Branches of the SCSBs shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Application data in the electronic systems of the Stock Exchanges. In order that the data so captured is accurate the, Designated Intermediaries and the Designated Branches of the SCSBs will be given up to one Working Day after the Tranche I Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Tranche I Issue Period after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

REJECTION OF APPLICATIONS

Applications would be liable to be rejected on the technical grounds listed below or if all required information is not provided or the Application Form is incomplete in any respect. The Board of Directors and/or any committee of our 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 may be rejected on one or more technical grounds, including but not restricted to:

- (i) Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- (ii) Applications accompanied by cash, draft, cheques, money order or any other mode of payment other than amounts blocked in the Applicant's ASBA Account maintained with an SCSB;
- (iii) Applications not being signed by the sole/joint Applicant(s);
- (iv) Investor Category in the Application Form not being ticked;
- (v) Application Amount blocked being higher or lower than the value of NCDs Applied for. However, our Company may allot NCDs up to the number of NCDs Applied for, if the value of such NCDs Applied for exceeds the minimum Application size;
- (vi) Applications where a registered address in India is not provided for the Applicant;
- (vii) In case of partnership firms (except LLPs), NCDs applied for in the name of the partnership and not the names of the individual partner(s);
- (viii) Minor Applicants (applying through the guardian) without mentioning the PAN of the minor Applicant;
- (ix) PAN not mentioned in the Application Form, except for Applications by or on behalf of the central or state government and the officials appointed by the courts and by investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participants. In case of minor Applicants applying through guardian, when PAN of the Applicant is not mentioned;
- (x) DP ID and Client ID not mentioned in the Application Form;
- (xi) GIR number furnished instead of PAN;
- (xii) Applications by OCBs;

- (xiii) Applications for an amount below the minimum application size;
- (xiv) Submission of more than five Application per ASBA Account;
- (xv) Applications by persons who are not eligible to acquire NCDs of our Company in terms of applicable laws, rules, regulations, guidelines and approvals;
- (xvi) Applications under power of attorney or by limited companies, corporate, trust etc., submitted without relevant documents;
- (xvii) Applications accompanied by Stockinvest/ cheque/ money order/ postal order/ cash;
- (xviii) Signature of sole Applicant missing, or, in case of joint Applicants, the Application Forms not being signed by the first Applicant (as per the order appearing in the records of the Depository);
- (xix) Applications by persons debarred from accessing capital markets, by SEBI or any other regulatory authority.
- (xx) Date of birth for first/sole Applicant (in case of Category III) not mentioned in the Application Form.
- (xxi) Application Forms not being signed by the ASBA Account holder, if the account holder is different from the Applicant
- (xxii) Signature of the ASBA Account holder on the Application Form does not match with the signature available on the SCSB bank's records where the ASBA Account mentioned in the Application Form is maintained;
- (xxiii) Application Forms submitted to the Designated Intermediaries or to the Designated Branches of the SCSBs does not bear the stamp of the SCSB and/or the Designated Intermediaries, as the case may be;
- (xxiv) Applications not having details of the ASBA Account to be blocked;
- (xxv) In case no corresponding record is available with the Depositories that matches three parameters namely, DP ID, Client ID and PAN or if PAN is not available in the Depository database;
- (xxvi) Inadequate funds in the ASBA Account to enable the SCSB to block the Application Amount specified in the Application Form at the time of blocking such Application Amount in the ASBA Account or no confirmation is received from the SCSB for blocking of funds;
- (xxvii) SCSB making an Application (a) through an ASBA account maintained with its own self or (b) through an ASBA Account maintained through a different SCSB not in its own name or (c) through an ASBA Account maintained through a different SCSB in its own name, where clear demarcated funds are not present or (d) through an ASBA Account maintained through a different SCSB in its own name which ASBA Account is not utilised solely for the purpose of applying in public issues;
- (xxviii) Applications for amounts greater than the maximum permissible amount prescribed by the regulations and applicable law;
- (xxix) Authorization to the SCSB for blocking funds in the ASBA Account not provided;
- (xxx) Applications by persons prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority;
- (xxxi) Applications by any person outside India;
- (xxxii) Applications by other persons who are not eligible to apply for NCDs under the Tranche I Issue under applicable Indian or foreign statutory/regulatory requirements;
- (xxxiii) Applications not uploaded on the online platform of the Stock Exchanges;
- (xxxiv) Applications uploaded after the expiry of the allocated time on the Tranche I Issue Closing Date, unless extended by the Stock Exchanges, as applicable;
- (xxxv) Application Forms not delivered by the Applicant within the time prescribed as per the Application Form and the Tranche I Prospectus and as per the instructions in the Application Form, the Draft Shelf Prospectus, the Shelf Prospectus and this Tranche I Prospectus;
- (xxxvi) Applications by Applicants whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;
- (xxxvii) Where PAN details in the Application Form and as entered into the electronic system of the Stock Exchanges, are not as per the records of the Depositories;
- (xxxviii) Applications providing an inoperative demat account number;
- (xxxix) Applications submitted to the Designated Intermediaries, at locations other than the Specified Cities or at a Designated Branch of a SCSB where the ASBA Account is not maintained, and Applications submitted directly to the Public Issue Account Bank (assuming that such bank is not a SCSB), to our Company or the Registrar to the Issue;
- (xl) Category not ticked;
- (xli) Forms not uploaded on the electronic software of the Stock Exchanges; and/or
- (xlii) In case of cancellation of one or more orders within an Application, leading to total order quantity falling under the minimum quantity required for a single Application.

Kindly note that Applications submitted to the Lead Managers, or Trading Members of the Stock Exchanges, Members of the Syndicate, Designated Intermediaries at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has not named at least one branch at that Specified City for the Lead Managers, or Trading Members of the Stock Exchanges, Members of the Syndicate, Designated Intermediaries, as the case may be, to deposit Applications.

Mode of making refunds

The mode of refund payments may be undertaken in the following modes:

i. **Direct Credit**

Investors having their bank account with the Refund Bank, shall be eligible to receive refunds, if any, through direct credit. The refund amount, if any, would be credited directly to their bank account with the Refund Banker.

ii. **NACH**

National Automated Clearing House which is a consolidated system of ECS. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

iii. **RTGS**

Applicants having a bank account with a participating bank and whose interest payment / redemption amounts exceed ₹ 200,000, or such amount as may be fixed by RBI from time to time, have the option to receive refund through RTGS. Such eligible Applicants who indicate their preference to receive interest payment / redemption through RTGS are required to provide the IFSC code in the Application Form or intimate our Company and the Registrar to the Issue at least seven days prior to the Record Date. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant. In the event the same is not provided, interest payment / redemption shall be made through NACH subject to availability of complete bank account details for the same as stated above.

iv. **NEFT**

Payment of interest / redemption shall be undertaken through NEFT wherever the Applicants' banks have been assigned the Indian Financial System Code ("IFSC"), which can be linked to a Magnetic Ink Character Recognition ("MICR"), if any, available to that particular bank branch. The IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of interest / redemption will be made to the applicants through this method.

The Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful Applications within 5 (five) Working Days of the Tranche I Issue Closing Date.

Our Company and the Registrar shall credit the allotted NCDs to the respective beneficiary accounts, within 5 (five) Working Days from the Tranche I Issue Closing Date.

Further,

- (a) Allotment of NCDs in the Tranche I Issue shall be made within a time period of 4 (four) Working Days from the Tranche I Issue Closing Date;
- (b) Credit to dematerialised accounts will be given within one Working Day from the Date of Allotment;
- (c) Interest at a rate of 15% per annum will be paid if the Allotment has not been made and/or the refund has not been effected within 5 (five) Working Days from the Tranche I Issue Closing Date, for the delay beyond 5 (five) Working Days; and
- (d) Our Company will provide adequate funds to the Registrar for this purpose.

Retention of oversubscription

Our Company shall have the option to retain oversubscription up to ₹ 6,500 million.

Basis of Allotment

The Registrar to the Issue will aggregate the Applications based on the Applications received through an electronic book from the Stock Exchange and determine the valid Applications for the purpose of drawing the Basis Of Allotment. Grouping of the Applications received will be then done in the following manner:

Grouping of Applications and allocation ratio

For the purposes of the basis of allotment of Secured NCDs:

- A. Applications received from Category I Applicants: Applications received from Applicants belonging to Category I shall be grouped together, (“**Institutional Portion**”);
- B. Applications received from Category II Applicants: Applications received from Applicants belonging to Category II, shall be grouped together, (“**Non-Institutional Portion**”).
- C. Applications received from Category III Applicants: Applications received from Applicants belonging to Category III shall be grouped together, (“**High Net Worth Individual Investors Portion**”).
- D. Applications received from Category IV Applicants: Applications received from Applicants belonging to Category IV shall be grouped together, (“**Retail Individual Investors Portion**”).

For removal of doubt, the terms "**Institutional Portion**", "**Non-Institutional Portion**", "**High Net Worth Individual Investors Portion**" and "**Retail Individual Investors Portion**" are individually referred to as "**Portion**" and collectively referred to as "**Portions**".

For the purposes of determining the number of Secured NCDs available for allocation to each of the abovementioned Portions, our Company shall have the discretion of determining the number of NCDs to be Allotted over and above the Base Issue, in case our Company opts to retain any oversubscription in the Tranche I Issue up to the Tranche I Issue Limit i.e. aggregating up to ₹ 7,500 million. The aggregate value of Secured NCDs decided to be Allotted over and above the Base Issue, (in case our Company opts to retain any oversubscription in the Tranche I Issue), and/or the aggregate value of NCDs up to the Base Issue shall be collectively termed as the “Tranche I Issue Limit”.

Basis of Allotment for Secured NCDs

Allocation Ratio:

Institutional Portion	Non-Institutional Portion	High Net Worth Individual Investors Portion	Retail Individual Investors Portion
20%	20%	30%	30%

- (a) Allotments in the first instance:

- (i) Applicants belonging to the Institutional Portion, in the first instance, will be allocated Secured NCDs upto 20% of Overall Tranche I Issue Size on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchange;
- (ii) Applicants belonging to the Non-Institutional Portion, in the first instance, will be allocated Secured NCDs upto 20% of Overall Tranche I Issue Size on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchange;
- (iii) Applicants belonging to the High Net Worth Individual Investors Portion, in the first instance, will be allocated Secured NCDs upto 30% of Overall Tranche I Issue Size on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchange;
- (iv) Applicants belonging to the Retail Individual Investors Portion, in the first instance, will be allocated Secured NCDs upto 30% of Overall Tranche I Issue Size on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchange;

Allotments, in consultation with the Designated Stock Exchange, shall be made on date priority basis i.e. a first-come first-serve basis, based on the date of upload of each Application in to the Electronic Book with Stock Exchange, in each Portion subject to the Allocation Ratio indicated at the section titled “*Issue Procedure – Basis of Allotment – Allotments in the first instance*” at page 79.

As per the SEBI circular dated October 29, 2013, the allotment in this Tranche I Issue is required to 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, the allotments should be made to the applicants on proportionate basis.

- (b) Under Subscription: If there is any under subscription in any Category, priority in Allotments will be given to the Retail Individual Investors Portion, High Net Worth Individual Investors Portion, and balance, if any, shall be first made to applicants of the Non Institutional Portion, followed by the Institutional Portion on a first come first serve basis, on proportionate basis.
- (c) For each Category, all Applications uploaded on the same day onto the electronic platform of the Stock Exchange would be treated at par with each other. Allotment would be on proportionate basis, where Secured NCDs uploaded into the platform of the Stock Exchange on a particular date exceeds Secured NCDs to be Allotted for each portion respectively.
- (d) Minimum Allotments of 1 Secured NCD and in multiples of 1 Secured NCD thereafter would be made in case of each valid Application to all Applicants.
- (e) Allotments in case of oversubscription: In case of an oversubscription, allotments to the maximum extent, as possible, will be made on a first-come first-serve basis and thereafter on proportionate basis, i.e. full allotment of the Secured NCDs to the Applicants on a first come first basis up to the date falling 1 (one) day prior to the date of oversubscription and proportionate allotment of Secured NCDs to the applicants on the date of oversubscription (based on the date of upload of each Application on the electronic platform of the Stock Exchange, in each Portion).
- (f) Proportionate Allotments: For each Portion, on the date of oversubscription:
 - (i) Allotments to the Applicants shall be made in proportion to their respective Application size, rounded off to the nearest integer.
 - (ii) If the process of rounding off to the nearest integer results in the actual allocation of Secured NCDs being higher than the Tranche I Issue size, not all Applicants will be allotted the number of Secured NCDs arrived at after such rounding off. Rather, each Applicant whose Allotment size, prior to rounding off, had the highest decimal point would be given preference.
 - (iii) In the event, there are more than one Applicant whose entitlement remain equal after the

manner of distribution referred to above, our Company will ensure that the basis of allotment is finalised by draw of lots in a fair and equitable manner.

- (g) Applicant applying for more than one Options of Secured NCDs: If an Applicant has applied for more than one Option of Secured NCDs and in case such Applicant is entitled to allocation of only a part of the aggregate number of Secured NCDs applied for, the Option-wise allocation of Secured NCDs to such Applicants shall be in proportion to the number of Secured NCDs with respect to each Options, applied for by such Applicant, subject to rounding off to the nearest integer, as appropriate in consultation with the Lead Manager and the Designated Stock Exchange. Further, in the aforesaid scenario, wherein the Applicant has applied for all the nine Options and in case such Applicant cannot be allotted all the nine series, then the Applicant would be allotted Secured NCDs, at the discretion of the Company, the Registrar and the Lead Managers wherein the Secured NCDs with the least tenor i.e. Allotment of Secured NCDs with tenor of 24 months followed by Allotment of Secured NCDs with tenor of 36 months and so on.
- (h) Unblocking of Funds for withdrawn, rejected or unsuccessful or partially successful Applications: The Registrar shall, pursuant to preparation of Basis of Allotment, instruct the relevant SCSB to unblock the funds in the relevant ASBA Account for withdrawn, rejected or unsuccessful or partially successful Applications within 6 (six) Working Days of the Tranche I Issue Closing Date.

All decisions pertaining to the basis of allotment of Secured NCDs pursuant to the Tranche 1 Issue shall be taken by our Company in consultation with the Lead Managers and the Designated Stock Exchanges and in compliance with the aforementioned provisions of this Tranche I Prospectus. Any other queries / issues in connection with the Applications will be appropriately dealt with and decided upon by our Company in consultation with the Lead Managers.

Our Company would allot Option IV Secured NCDs to all valid applications, wherein the applicants have selected only Secured NCDs, but have not indicated their choice of the relevant options of the Secured NCDs (Option I, Option II, Option III, Option IV, Option V, Option VI, Option VII, Option VIII or Option IX).

Applications where the Application Amount received is greater than the minimum Application Amount, and the Application Amount paid does not tally with the number of NCDs applied for may be considered for Allotment, to the extent of the Application Amount paid rounded down to the nearest ₹ 1,000.

Investor Withdrawals and Pre-closure

Investor Withdrawal: Applicants are allowed to withdraw their Applications at any time prior to the Tranche I Issue Closing Date.

Pre-closure: Our Company, in consultation with the Lead Managers reserves the right to close the Tranche I Issue at any time prior to the Tranche I Issue Closing Date, subject to receipt of minimum subscription which is 75% of the Base Issue, i.e. ₹ 750 million before the Tranche I Issue Closing Date. Our Company shall allot NCDs with respect to the Applications received at the time of such pre-closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements.

Further, the Tranche I Issue will also be withdrawn by our Company in the event that the aggregate Applications received for the NCDs is lesser than the minimum subscription which is 75% of the Base Issue, i.e. ₹ 750 million before the Tranche I Issue Closing Date.

In the event of such early closure of the Tranche I Issue, our Company shall ensure that public notice of such early closure is published on or before such early date of closure or the Tranche I Issue Closing Date of the Tranche I Issue, as applicable, through advertisement(s) in all those newspapers in which pre-issue advertisement and advertisement for opening or closure of the Tranche I Issue have been given.

ISSUANCE OF ALLOTMENT ADVICE

Our Company shall ensure dispatch/and/or mail the Allotment Advice within 6 (six) Working Days of the Tranche I Issue Closing Date to the Applicants. The Allotment Advice for successful Applicants will be mailed to their addresses as per the Demographic Details received from the Depositories. Instructions for

credit of NCDs to the beneficiary account with Depository Participants shall be made within 6 (six) Working Days of the Tranche I Issue Closing Date.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for commencement of trading at the Stock Exchanges where the NCDs are proposed to be listed are taken within 6 (six) Working Days from the Tranche I Issue Closing Date.

Allotment Advices shall be issued, or Application Amount shall be unblocked within 15 (fifteen) days from the Tranche I Issue Closing Date or such lesser time as may be specified by SEBI or else the Application Amount shall be unblocked in the ASBA Accounts of the Applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period.

Our Company will provide adequate funds required for dispatch of Allotment Advice, as applicable, to the Registrar to the Issue.

Revision of Applications

As per the notice No: 20120831-22 dated August 31, 2012 issued by the BSE, cancellation of one or more orders within an Application is permitted during the Tranche I Issue Period as long as the total order quantity does not fall under the minimum quantity required for a single Application. Please note that in case of cancellation of one or more orders within an Application, leading to total order quantity falling under the minimum quantity required for a single Application will be liable for rejection by the Registrar.

Applicants may revise/ modify their Application details during the Tranche I Issue Period, as allowed/permitted by the Stock Exchange(s), by submitting a written request to the Designated Intermediaries/the Designated branch of the SCSBs, as the case may be. However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/modification. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic Application platform of the Stock Exchange(s) as per the procedures and requirements prescribed by each relevant Stock Exchanges, Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes.

Revision of Applications is not permitted after the expiry of the time for acceptance of Application Forms on Tranche I Issue Closing Date. However, in order that the data so captured is accurate, the Designated Intermediaries and/or the Designated Branches of the SCSBs will be given up to one Working Day after the Tranche I Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Tranche I Issue Period, after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

Depository Arrangements

We have made depository arrangements with NSDL and CDSL. Please note that Tripartite Agreements have been executed between our Company, the Registrar and both the depositories.

As per the provisions of the Depositories Act, the NCDs issued by us can be held in a dematerialized form. In this context:

- (i) Tripartite Agreements dated December 8, 2010 and August 25, 2006, between us, the Registrar and CDSL and NSDL, respectively have been executed, for offering depository option to the Applicants.
- (ii) An Applicant must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the Application.
- (iii) The Applicant must necessarily provide the DP ID and Client ID details in the Application Form.
- (iv) Secured NCDs Allotted to an Applicant in the electronic form will be credited directly to the Applicant's respective beneficiary account(s) with the DP.
- (v) Non-transferable Allotment Advice will be directly sent to the Applicant by the Registrar to this Issue.
- (vi) It may be noted that Secured NCDs in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL or CDSL. The Stock Exchanges has connectivity with NSDL and CDSL.
- (vii) Interest or other benefits with respect to the Secured NCDs held in dematerialized form would be paid

to those Secured NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us as on Record Date. In case of those Secured NCDs for which the beneficial owner is not identified by the Depository as on the Record Date/ book closure date, we would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to us, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.

- (viii) The trading of the Secured NCDs on the floor of the Stock Exchanges shall be in dematerialized form only.

Please note that the Secured NCDs shall cease to trade from the Record Date (for payment of the principal amount and the applicable premium and interest for such Secured NCDs) prior to redemption of the Secured NCDs.

PLEASE NOTE THAT TRADING OF SECURED NCDs ON THE FLOOR OF THE STOCK EXCHANGES SHALL BE IN DEMATERIALIZED FORM ONLY IN MULTIPLE OF ONE SECURED NCD.

Allottees will have the option to re-materialize the Secured NCDs Allotted under the Tranche I Issue as per the provisions of the Companies Act, 2013 and the Depositories Act.

Communications

All future communications in connection with Applications made in this Tranche I Issue (except the Applications made through the Trading Members of the Stock Exchanges) should be addressed to the Registrar to the Issue with a copy to the relevant SCSB, quoting the full name of the sole or first Applicant, Application Form number, Applicant's DP ID and Client ID, Applicant's PAN, number of NCDs applied for, date of the Application Form, name and address of the Designated Intermediaries, or Designated Branch, as the case may be, where the Application was submitted and, ASBA Account number in which the amount equivalent to the Application Amount was blocked. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSB. Applicants may contact the Lead Managers, our Compliance Officer and Company Secretary or the Registrar to the Issue in case of any pre-Tranche I Issue or post-Tranche I Issue related problems such as non-receipt of Allotment Advice or credit of NCDs in the respective beneficiary accounts, as the case may be.

Grievances relating to Direct Online Applications may be addressed to the Registrar to the Issue, with a copy to the relevant Stock Exchanges.

Interest in case of Delay

Our Company undertakes to pay interest, in connection with any delay in Allotment and demat credit beyond the time limit as may be prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated under such applicable statutory and/or regulatory requirements.

Undertaking by the Issuer

Statement by the Board:

- (a) All monies received pursuant to the Tranche I Issue of Secured NCDs to public shall be transferred to a separate bank account as referred to in sub-section (3) of section 40 of the Companies Act, 2013.
- (b) Details of all monies utilised out of Tranche I Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised; and
- (c) Details of all unutilised monies out of issue of Secured NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.
- (d) the details of all utilized and unutilised monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized, and the securities or other forms of financial assets in which such unutilized monies have been invested;

- (e) We shall utilize the Tranche I Issue proceeds only upon allotment of the Secured NCDs, execution of the Debenture Trust Deed as stated in this Tranche I Prospectus and on receipt of the minimum subscription of 75% of the Base Issue and receipt of listing and trading approval from the Stock Exchanges.
- (f) The Tranche I Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property.
- (g) The allotment letter shall be issued, or Application Amount shall be unblocked within 15 days from the closure of the Tranche I Issue or such lesser time as may be specified by SEBI, or else the Application Amount shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period;

Other Undertakings by our Company

Our Company undertakes that:

- (a) Complaints received in respect of the Tranche I Issue will be attended to by our Company expeditiously and satisfactorily;
- (b) Necessary cooperation to the relevant credit rating agency(ies) will be extended in providing true and adequate information until the obligations in respect of the Secured NCDs are outstanding;
- (c) Our Company will take necessary steps for the purpose of getting the Secured NCDs listed within the specified time, i.e., within 6 Working Days of the Tranche I Issue Closing Date;
- (d) Funds required for dispatch of Allotment Advice will be made available by our Company to the Registrar to the Issue;
- (e) Our Company will forward details of utilisation of the proceeds of the Tranche I Issue, duly certified by the Statutory Auditor, to the Debenture Trustee;
- (f) Our Company will provide a compliance certificate to the Debenture Trustee on an annual basis in respect of compliance with the terms and conditions of the Tranche I Issue as contained in this Tranche I Prospectus.

Our Company will disclose the complete name and address of the Debenture Trustee in its annual report

Utilisation of Application Amounts

The sum received in respect of a Tranche I Issue will be kept in separate bank accounts and we will have access to such funds as per applicable provisions of law(s), regulations and approvals.

Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of section 38 of the Companies Act, 2013, which is reproduced below:

“Any person who:

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447.”*

Listing

The NCDs proposed to be offered in pursuance of the Shelf Prospectus and this Tranche I Prospectus will be listed on the BSE. We have received the in-principle approval dated February 05, 2019 from the BSE. The application for listing of the NCDs will be made to the Stock Exchange at an appropriate stage.

If permissions to deal in and for an official quotation of our NCDs are not granted by the Stock Exchange, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of

this Tranche I Prospectus. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange are taken within 6 (six) Working Days from the date of Allotment.

For the avoidance of doubt, it is hereby clarified that in the event of non subscription to any one or more of the Options, such NCDs with Option(s) shall not be listed.

Guarantee/Letter of Comfort

This Tranche I Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent.

SECTION V: LEGAL AND OTHER INFORMATION

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Tranche I Issue

At the meeting of the Board of Directors of our Company, held on May 16, 2018, the Directors approved the issuance to the public of Secured NCDs and unsecured redeemable non-convertible debentures of face value of ₹ 1,000 each, aggregating up to ₹ 60,000 million.

The present Issue through the Shelf Prospectus of Secured NCDs is for an amount upto ₹ 40,000 million (“**Shelf Limit**”), hereinafter called the “Issue” was approved by NCD Committee meeting dated January 09, 2019.

The present Tranche I Issue through this Tranche I Prospectus of Secured NCDs for an amount up to ₹ 1,000 million, with an option to retain oversubscription up to an amount of ₹ 6,500 million, aggregating up to ₹ 7,500 million, was approved by the NCD Committee at its meeting dated February 05, 2019.

Further, the present borrowing is within the borrowing limits under Section 180(1)(c) of the Companies Act, 2013 duly approved by the shareholders’ vide their resolution dated September 25, 2014.

Prohibition by SEBI

Our Company, persons in control of our Company and/or our Promoters and/or our Directors have not been restrained, prohibited or debarred by SEBI from accessing the securities market or dealing in securities and no such order or direction is in force. Further, no member of our promoter group has been prohibited or debarred by SEBI from accessing the securities market or dealing in securities due to fraud.

Disclaimer Clause of SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED 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 THE OFFER DOCUMENT. THE LEAD MERCHANT BANKERS, EDELWEISS FINANCIAL SERVICES LIMITED AND A. K. CAPITAL SERVICES LIMITED, HAVE CERTIFIED THAT DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUE IS PRIMARILY RESPONSIBLE FOR CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKERS, EDELWEISS FINANCIAL SERVICES LIMITED AND A. K. CAPITAL SERVICES LIMITED, HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED FEBRUARY 05, 2019 WHICH READS AS FOLLOWS:

“We confirm that neither the issuer nor its promoters or directors have been prohibited from accessing the capital market under any order or direction passed by the Board. We also confirm that none of the intermediaries named in the offer document have been debarred from functioning by any regulatory authority.

We confirm that all the material disclosures in respect of the issuer have been made in the offer document and certify that any material development in the issue or relating to the issue up to the commencement of listing and trading of the NCDs offered through this issue shall be informed through public notices / advertisements in all those newspapers in which pre-issue advertisement and advertisement for opening or closure of the issue will be given.

We confirm that the offer document contains all disclosures as specified in the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended.

We also confirm that all relevant provisions of the Companies Act, 2013 (to the extent notified as on the date of the Shelf Prospectus), Securities Contracts, (Regulation) Act, 1956, Securities and Exchange Board of India Act, 1992 and the Rules, Regulations, Guidelines, Circulars issued thereunder are complied with.

We confirm that no comments / complaints were received on the Draft Shelf Prospectus dated January 28, 2019 filed with BSE Limited.

Disclaimer Clause of the BSE

BSE Limited ("the Exchange") has given, vide its letter dated February 05, 2019, permission to this Company to use the Exchange's name in this offer document as one of the stock exchanges on which this company's securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- a) warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- b) warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or
- c) take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

And it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to Independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by any 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 for any other reason whatsoever.

Disclaimer Clause of the RBI

THE COMPANY IS HAVING A VALID CERTIFICATE OF REGISTRATION DATED DECEMBER 12, 2008 ISSUED BY THE RESERVE BANK OF INDIA UNDER SECTION 45 IA OF THE RESERVE BANK OF INDIA ACT, 1934. HOWEVER, THE RBI DOES NOT ACCEPT ANY RESPONSIBILITY OR GUARANTEE ABOUT THE PRESENT POSITION AS TO THE FINANCIAL SOUNDNESS OF THE COMPANY OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS OR REPRESENTATIONS MADE OR OPINIONS EXPRESSED BY THE COMPANY AND FOR REPAYMENT OF DEPOSITS/ DISCHARGE OF LIABILITY BY THE COMPANY.

Listing

Application will be made to the BSE simultaneously with the filing of the Shelf Prospectus and the Tranche I Prospectus for permission to deal in and for official quotation in NCDs. If permission to deal in and for an official quotation of our NCDs is not granted by the BSE, our Company will forthwith repay, without interest, all monies received from the applications in pursuance of this Tranche I Prospectus.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the stock exchange mentioned above are taken within 6 Working Days from the date of closure of the Tranche I Issue.

For the avoidance of doubt, it is hereby clarified that in the event of non subscription to any one or more of the Options, such NCDs with Option(s) shall not be listed.

Track record of past public issues handled by the Lead Managers

The track record of past issues handled by the Lead Managers, as required by SEBI circular number CIR/MIRSD/1/2012 dated January 10, 2012, are available at the following websites:

Name of lead manager	Website
A. K. Capital Services Limited	www.akgroup.co.in
Edelweiss Financial Services Limited	www.edelweissfin.com

Consents

Consents in writing of: (a) the Directors, (b) our Company Secretary and Compliance Officer, (c) Chief Financial Officer, (d) Lead Managers, (e) the Registrar to the Issue, (f) Legal Advisor to the Issue, (g) Credit Rating Agencies, (h) the Debenture Trustee, (i) IMACS for the inclusion of the industry report; (j) Statutory Auditor; (k) lenders of the Company; (l) Lead Brokers; and (m) Banker to the Issue, to act in their respective capacities, have been obtained and the same will be filed along with a copy of the Shelf Prospectus and Tranche I Prospectus with the ROC, stock exchange and SEBI.

The consent of the Statutory Auditors of our Company, namely Varma & Varma, Chartered Accountants for (a) inclusion of their names as the Statutory Auditors, (b) examination reports on Reformatted Financial Statements in the form and context in which they appear in this Tranche I Prospectus, (c) the statement of tax benefits available to the debenture holders in the form and context in which they appear in this Tranche I Prospectus; (d) report on limited review of unaudited standalone financials for the quarter and six months ended September 30, 2018; and (e) report on limited review of unaudited standalone financial statements for the quarter ended June 30, 2018 have been obtained and has not withdrawn such consent and the same will be filed along with a copy of the the Shelf Prospectus and Tranche I Prospectus with the ROC, stock exchange and SEBI.

Expert Opinion

Except the: (i) Auditors report on Financial Statements issued by Varma & Varma, Chartered Accountants dated January 03, 2019, report on limited review of the unaudited financial statements for the quarter and three months ended June 30, 2018 and the half-year ended September 30, 2018 and Statement of Tax Benefits issued by Varma & Varma, Chartered Accountants dated January 03, 2019; and (ii) IMAcS Industry Report-Gold Loan Market in India 2018 and IMAcS Industry Report-Gold Loan Market in India 2017, the Company has not obtained any expert opinions.

Common form of Transfer

All trading / transfers of NCDs will only be in demat form and as per the provisions of the Companies Act, 2013 applicable as on the date of this Tranche I Prospectus and all applicable laws shall be duly complied with in respect of all transfer of debentures and registration thereof.

Minimum Subscription

If our Company does not receive the minimum subscription of 75 % of the Base Issue, i.e. ₹ 750 million within the prescribed timelines under Companies Act and any rules thereto, the entire subscription amount shall be refunded to the Applicants within the timelines prescribed under Applicable Law. The refunded subscription amount shall be credited only to the account from which the relevant subscription amount was remitted. In the event, there is a delay, by the issuer in making the aforesaid refund, the Company will pay interest at the rate of 15% per annum for the delayed period.

Filing of the Draft Shelf Prospectus

A copy of the Draft Shelf Prospectus has been filed with the Designated Stock Exchange in terms of Regulation 7 of the SEBI Debt Regulation for dissemination on their website and the SEBI.

Filing of the Shelf Prospectus and Tranche I Prospectus with the RoC

A copy of the Shelf Prospectus and the Tranche I Prospectus has been filed with the Registrar of Companies in accordance with Section 26 and Section 31 of the Companies Act, 2013.

Debenture Redemption Reserve

Section 71 of the Companies Act, 2013, read with Rule 18 made under Chapter IV of the Companies Act, 2013, requires that any company that intends to issue debentures must create a DRR for the purpose of redemption of debentures, in accordance with the following conditions: (a) the DRR shall be created out of the profits of the company available for payment of dividend, (b) the DRR shall be equivalent to at least 25% of the value of the outstanding debentures raised through the public issue in accordance with the SEBI Debt Regulations in case of NBFCs registered with the RBI. Accordingly, our Company is required to create a DRR of 25% of the value of the outstanding NCDs issued through the Tranche I Issue. In addition, as per Rule 18 (7) (e) under Chapter IV of the Companies Act, 2013, the amounts credited to DRR shall not be utilised by our Company except for the redemption of the NCDs. Every company required to create or maintain DRR shall before the 30th day of April of each year, deposit or invest, as the case may be, a sum which shall not be less than 15% of the amount of its debentures maturing during the year ending on the 31st day of March, following any one or more of the following methods: (a) in deposits with any scheduled bank, free from charge or lien; (b) in unencumbered securities of the Central Government or of any State Government; (c) in unencumbered securities mentioned in clauses (a) to (d) and (ee) of section 20 of the Indian Trusts Act, 1882; (d) in unencumbered bonds issued by any other company which is notified under clause (f) of section 20 of the Indian Trusts Act, 1882. The amount deposited or invested, as the case may be, shall not be utilised for any purpose other than for the repayment of debentures maturing during the year referred to above, provided that the amount remaining deposited or invested, as the case may be, shall not at any time fall below 15% of the amount of debentures maturing during the 31st day of March of that year. This may have a bearing on the timely redemption of the NCDs by our Company.

Issue Related Expenses

The expenses for the Tranche I Issue include, inter alia, lead management fees and selling commission to the lead managers, lead-brokers, fees payable to debenture trustees, underwriters, the Registrar to the Issue, SCSBs' commission/ fees, printing and distribution expenses, legal fees, advertisement expenses and listing fees. The Tranche I Issue expenses and listing fees will be paid by our Company.

The estimated breakdown of the total expenses for the Tranche I Issue are as follows:

	<i>(₹ in million)</i>
Activity	Expenses
Fees to intermediaries (Lead Management Fee, brokerage, rating agency, registrar, legal advisors, Debenture Trustees etc.)	60
Advertising and Marketing Expenses	10
Printing and Stationery	5
Total	75

Underwriting

This Tranche I Issue has not been underwritten.

Identification as wilful defaulter

Neither our Company nor any Promoter or Director is a wilful defaulter identified by the RBI or any other governmental authority nor in default of payment of interest or repayment of principal amount in respect of debt securities issued by it to the public, if any, for a period of more than six months.

Reservation

No portion of this Tranche I Issue has been reserved.

Details regarding the Company and other listed companies under the same management within the meaning of section 370(1B) of the Companies Act, 1956, which made any capital issue during the last three years

On May 03, 2011, our Company issued and allotted 51,500,000 equity shares at a price of ₹ 175 per such Equity Share, amounting to an aggregate of ₹ 9,012,500,000 pursuant to an initial public offer under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“**SEBI ICDR Regulations**”) which opened on April 18, 2011 and closed on April 21, 2011. The electronic credit of the equity shares to investors pursuant to the initial public offer was completed on May 04, 2011.

On April 29, 2014, our Company issued and allotted 25,351,062 Equity Shares at a price of ₹ 165 per Equity Share, amounting to an aggregate of ₹ 4,182.93 million pursuant to an institutional placement programme under Chapter VIII – A of the SEBI ICDR Regulations which opened and closed on April 25, 2014. The electronic credit of the Equity Shares to investors pursuant to the institutional placement programme was completed on April 29, 2014. There are no listed companies under the same management within the meaning of Section 370(1) (B) of the Companies Act, 1956.

On January 06, 2015, ESOP Committee of Board of Directors of our company has allotted 6,48,581 equity shares of face value of ₹ 10 each under Muthoot ESOP 2013 pursuant to exercise of 4,85,181 options of ₹ 10 each for Loyalty Options (face value ₹ 10 each) and 163,400 options of ₹ 50/- each for Growth Options (face value ₹ 10 each) by Employees of the Company.

On March 06, 2015, ESOP Committee of Board of Directors of our company has allotted 2,54,008 equity shares of face value of ₹ 10 each under Muthoot ESOP 2013 pursuant to exercise of 1,68,960 options of ₹ 10 each for Loyalty Options (face value ₹ 10 each) and 85,048 options of ₹ 50/- each for Growth Options (face value ₹ 10 each) by Employees of the Company.

On June 4, 2015, ESOP Committee of Board of Directors of our company has allotted 33,541 equity shares of face value of ₹ 10 each under Muthoot ESOP 2013 pursuant to exercise of 21,641 options of ₹ 10 each for Loyalty Options (face value ₹ 10 each) and 11,900 options of ₹ 50/- each for Growth Options (face value ₹ 10 each) by Employees of the Company.

On September 15, 2015, the ESOP Committee of Board of Directors of the Company has allotted 44,036 equity shares of face value of ₹ 10 each under Muthoot ESOP 2013 pursuant to exercise of 9,394 options of ₹ 10 each for Loyalty Options (face value ₹ 10 each) and 34,642 options of ₹ 50 each for Growth Options (face value ₹ 10 each) by Employees of the Company.

On March 16, 2016, Nomination and Remuneration Committee of Board of Directors of the Company has allotted 9,58,336 equity shares of face value of ₹ 10 each under Muthoot ESOP 2013 pursuant to exercise of 6,02,106 options of ₹ 10 each for Loyalty Options (face value ₹ 10 each) and 3,56,230 options of ₹ 50 each for Growth Options (face value ₹ 10 each) by Employees of the Company.

On June 27, 2016, Nomination and Remuneration Committee of Board of Directors of the Company has allotted 48,602 equity shares of face value of ₹ 10 each under Muthoot ESOP 2013 pursuant to exercise of 23,782 options of ₹ 10 each for Loyalty Options (face value ₹ 10 each) and 24,820 options of ₹ 50/- each for Growth Options (face value ₹ 10 each) by Employees of the Company.

On December 21, 2016, Nomination and Remuneration Committee of Board of Directors of the Company has allotted 404,805 equity shares of face value of ₹ 10 each under the Muthoot ESOP 2013 pursuant to exercise of 12,525 options of ₹ 10 each for Loyalty Options (face value ₹ 10 each) and 392,280 options of ₹ 50/- each for Growth Options (face value ₹ 10 each) by Employees of the Company.

On March 23, 2017, Nomination and Remuneration Committee of Board of Directors of the Company has allotted 19,810 equity shares of face value of ₹ 10 each under the Muthoot ESOP 2013 pursuant to exercise 19,810 options of ₹ 50 each for Growth Options (face value ₹ 10 each) by Employees of the Company.

On May 09, 2017, Nomination and Remuneration Committee of Board of Directors of the Company has allotted 60,747 equity shares of face value of ₹ 10 each under the Muthoot ESOP 2013 pursuant to exercise 3,512 options of ₹ 10 each for Loyalty Options (face value ₹ 10 each) and 57,235 options of ₹ 50/- each for Growth Options (face value ₹ 10 each) by Employees of the Company.

On August 07, 2017, Nomination and Remuneration Committee of Board of Directors of the Company has allotted 30,393 equity shares of face value of ₹ 10 each under the Muthoot ESOP 2013 pursuant to exercise 4,113 options of ₹ 10 each for Loyalty Options (face value ₹ 10 each) and 26,280 options of ₹ 50/- each for Growth Options (face value ₹ 10 each) by Employees of the Company.

On December 11, 2017, Nomination and Remuneration Committee of Board of Directors of the Company has allotted 347,225 equity shares of face value of ₹ 10 each under the Muthoot ESOP 2013 pursuant to exercise 2,575 options of ₹ 10 each for Loyalty Options (face value ₹ 10 each) and 344,650 options of ₹ 50/- each for Growth Options (face value ₹ 10 each) by Employees of the Company.

On March 29, 2018, Nomination and Remuneration Committee of Board of Directors of the Company has allotted 127,325 equity shares of face value of ₹ 10 each under the Muthoot ESOP 2013 pursuant to exercise 3,225 options of ₹ 10 each for Loyalty Options (face value ₹ 10 each) and 124,100 options of ₹ 50/- each for Growth Options (face value ₹ 10 each) by Employees of the Company.

On May 15, 2018, Nomination and Remuneration Committee of Board of Directors of the Company has allotted 50,205 equity shares of face value of ₹ 10 each under the Muthoot ESOP 2013 pursuant to exercise 1,925 options of ₹ 10 each for Loyalty Options (face value ₹ 10 each) and 48,280 options of ₹ 50/- each for Growth Options (face value ₹ 10 each) by Employees of the Company.

On September 19, 2018, Nomination and Remuneration Committee of Board of Directors of the Company has allotted 120,327 equity shares of face value of ₹ 10 each under the Muthoot ESOP 2013 pursuant to exercise 3,237 options of ₹ 10 each for Loyalty Options (face value ₹ 10 each) and 117,090 options of ₹ 50/- each for Growth Options (face value ₹ 10 each) by Employees of the Company.

On December 18, 2018, Nomination and Remuneration Committee of Board of Directors of the Company has allotted 371,510 equity shares of face value of ₹ 10 each under the Muthoot ESOP 2013 pursuant to exercise 2,125 options of ₹ 10 each for Loyalty Options (face value ₹ 10 each) and 369,385 options of ₹ 50/- each for Growth Options (face value ₹ 10 each) by Employees of the Company.

Public/ Rights Issues

On May 03, 2011, our Company issued and allotted 51,500,000 Equity Shares at a price of ₹ 175 per Equity Share, amounting to an aggregate of ₹ 9,012,500,000 pursuant to an initial public offer under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“**SEBI ICDR Regulations**”) which opened on April 18, 2011 and closed on April 21, 2011. The electronic credit of the Equity Shares to investors pursuant to the initial public offer was completed on May 04, 2011.

On September 14, 2011, our Company issued and allotted 6.93 million secured, redeemable non-convertible debentures (“**PL- I NCDs**”) at a price of ₹ 1,000 per PL- I NCD, amounting to an aggregate of ₹ 6,932.81 million pursuant to a public offer under the SEBI Debt Regulations which opened on August 23, 2011 and closed on September 05, 2011. The electronic credit of the PL-I NCDs to investors pursuant to this public offer was completed on September 16, 2011.

On January 18, 2012, our Company issued and allotted 4.59 million secured, redeemable non-convertible debentures (“**PL- II NCDs**”) at a price of ₹ 1,000.00 per PL- II NCD, amounting to an aggregate of ₹ 4,593.20 million pursuant to a public offer under the SEBI Debt Regulations which opened on December 22, 2011 and closed on January 07, 2012. The electronic credit of the PL-II NCDs to investors pursuant to this public offer was completed on January 19, 2012.

On April 18, 2012, our Company issued and allotted 2.60 million secured, redeemable non-convertible debentures (“**PL- III NCDs**”) at a price of ₹ 1,000.00 per PL- III NCD, amounting to an aggregate of ₹ 2,597.52 million pursuant to a public offer under the SEBI Debt Regulations which opened on March 02, 2012 and closed on

April 09, 2012. The electronic credit of the PL-III NCDs to investors pursuant to this public offer was completed on April 19, 2012.

On November 01, 2012, our Company issued and allotted 2.75 million secured, redeemable non-convertible debentures (“**PL- IV NCDs**”) at a price of ₹ 1,000.00 per PL- IV NCD, amounting to an aggregate of ₹ 2,749.40 million pursuant to a public offer under the SEBI Debt Regulations which opened on September 17, 2012 and closed on October 22, 2012. The electronic credit of the PL-IV NCDs to investors pursuant to this public offer was completed on November 02, 2012.

On September 25, 2013, our Company issued and allotted 2.79 million secured, redeemable non-convertible debentures and 0.21 million unsecured, redeemable non-convertible debentures in the nature of subordinated debt (“**PL- V NCDs**”) at a price of ₹ 1,000.00 per PL- V NCD, amounting to an aggregate of ₹ 3,000 million pursuant to a public offer under the SEBI Debt Regulations which opened on September 02, 2013 and closed on September 16, 2013. The electronic credit of the PL-V NCDs to investors pursuant to this public offer was completed on September 26, 2013.

On December 04, 2013, our Company issued and allotted 2.77 million secured, redeemable non-convertible debentures and 0.23 million unsecured, redeemable non-convertible debentures in the nature of subordinated debt (“**PL- VI NCDs**”) at a price of ₹ 1,000.00 per PL- VI NCD, amounting to an aggregate of ₹ 3,000 million pursuant to a public offer under the SEBI Debt Regulations which opened on November 18, 2013 and closed on November 25, 2013. The electronic credit of the PL-VI NCDs to investors pursuant to this public offer was completed on December 05, 2013.

On February 04, 2014, our Company issued and allotted 4.56 million secured, redeemable non-convertible debentures and 0.44 million unsecured, redeemable non-convertible debentures in the nature of subordinated debt (“**PL- VII NCDs**”) at a price of ₹ 1,000.00 per PL- VII NCD, amounting to an aggregate of ₹ 5,000 million pursuant to a public offer under the SEBI Debt Regulations which opened on December 27, 2013 and closed on January 27, 2014. The electronic credit of the PL-VII NCDs to investors pursuant to this public offer was completed on February 05, 2014.

On April 02, 2014, our Company issued and allotted 1.79 million secured, redeemable non-convertible debentures and 0.19 million unsecured, redeemable non-convertible debentures in the nature of subordinated debt (“**PL- VIII NCDs**”) at a price of ₹ 1,000.00 per PL- VIII NCD, amounting to an aggregate of ₹ 1,979.28 million pursuant to a public offer under the SEBI Debt Regulations which opened on March 10, 2014 and closed on March 21 2014. The electronic credit of the PL-VIII NCDs to investors pursuant to this public offer was completed on April 03, 2014.

On April 29, 2014, our Company issued and allotted 25,351,062 Equity Shares at a price of ₹ 165 per Equity Share, amounting to an aggregate of ₹ 4,182.93 million pursuant to an institutional placement programme under Chapter VIII – A of the SEBI ICDR Regulations which opened and closed on April 25, 2014. The electronic credit of the Equity Shares to investors pursuant to the institutional placement programme was completed on April 29, 2014.

On July,04, 2014, our Company issued and allotted 4.29 million secured, redeemable non-convertible debentures and 0.36 million unsecured, redeemable non-convertible debentures in the nature of subordinated debt (“**PL-IX NCDs**”) at a price of ₹ 1,000.00 per PL-IX NCD, amounting to an aggregate of ₹ 4,661.94 million pursuant to a public offer under the SEBI Debt Regulations which opened on May 26, 2014 and closed on June 26 2014. The electronic credit of the PL-IX NCDs to investors pursuant to this public offer was completed on July 07, 2014.

On September, 26, 2014, our Company issued and allotted 3.67 million secured, redeemable non-convertible debentures and 0.30 million unsecured, redeemable non-convertible debentures in the nature of subordinated debt (“**PL-X NCDs**”) at a price of ₹ 1,000.00 per PL-X NCD, amounting to an aggregate of ₹ 3,977.82 million pursuant to a public offer under the SEBI Debt Regulations which opened on August 18, 2014 and closed on September 18 2014. The electronic credit of the PL-X NCDs to investors pursuant to this public offer was completed on September 30 2014.

On December 29, 2014, our Company issued and allotted 3.61 million secured, redeemable non-convertible debentures and 0.39 million unsecured, redeemable non-convertible debentures in the nature of

subordinated debt (“**PL-XI NCDs**”) at a price of ₹ 1,000.00 per PL-XI NCD, amounting to an aggregate of ₹ 4,000 million pursuant to a public offer under the SEBI Debt Regulations which opened on November 19, 2014 and closed on December 18, 2014. The electronic credit of the PL-XI NCDs to investors pursuant to this public offer was completed on December 31, 2014.

On April 23, 2015, our Company issued and allotted 2.71 million secured, redeemable non-convertible debentures and 0.29 million unsecured, redeemable non-convertible debentures in the nature of subordinated debt (“**PL-XII NCDs**”) at a price of ₹ 1,000.00 per PL-XII NCD, amounting to an aggregate of ₹ 3,000 million pursuant to a public offer under the SEBI Debt Regulations which opened on March 25, 2015 and closed on April 15, 2015. The electronic credit of the PL-XII NCDs to investors pursuant to this public offer was completed on April 27, 2015.

On October 14, 2015, our Company issued and allotted 4.64 million secured, redeemable non-convertible debentures and 0.36 million unsecured, redeemable non-convertible debentures in the nature of subordinated debt (“**PL-XIII NCDs**”) at a price of ₹ 1,000.00 per PL-XIII NCD, amounting to an aggregate of ₹ 5,000 million pursuant to a public offer under the SEBI Debt Regulations which opened on September 07, 2015 and closed on October 05, 2015. The electronic credit of the PL-XIII NCDs to investors pursuant to this public offer was completed on October 15, 2015.

On January 20, 2016, our Company issued and allotted 4.15 million secured, redeemable non-convertible debentures and 0.23 million unsecured, redeemable non-convertible debentures in the nature of subordinated debt (“**PL-XIV NCDs**”) at a price of ₹ 1,000.00 per PL-XIV NCD, amounting to an aggregate of ₹ 4385.24 million pursuant to a public offer under the SEBI Debt Regulations which opened on December 07, 2015 and closed on January 11, 2016. The electronic credit of the PL-XIV NCDs to investors pursuant to this public offer was completed on January 22, 2016.

On May 12, 2016, our Company issued and allotted 4.76 million secured, redeemable non-convertible debentures and 0.24 million unsecured, redeemable non-convertible debentures in the nature of subordinated debt (“**PL-XV NCDs**”) at a price of ₹ 1,000.00 per PL-XV NCD, amounting to an aggregate of ₹ 5000.00 million pursuant to a public offer under the SEBI Debt Regulations which opened on April 04, 2016 and closed on May 03, 2016. The electronic credit of the PL-XV NCDs to investors pursuant to this public offer was completed on May 13, 2016.

On January 30, 2017, our Company issued and allotted 13.00 million secured, redeemable non-convertible debentures and 0.31 million unsecured, redeemable non-convertible debentures in the nature of subordinated debt (“**PL-XVI NCDs**”) at a price of ₹ 1,000.00 per PL-XVI NCD, amounting to an aggregate of ₹ 13317.76 million pursuant to a public offer under the SEBI Debt Regulations which opened on January 17, 2017 and closed on January 18, 2017. The electronic credit of the PL-XVI NCDs to investors pursuant to this public offer was completed on January 31, 2017.

On April 24, 2017, our Company issued and allotted 19.50 million secured, redeemable non-convertible debentures and 0.19 million unsecured, redeemable non-convertible debentures in the nature of subordinated debt (“**PL-XVII NCDs**”) at a price of ₹ 1,000.00 per PL-XVII NCD, amounting to an aggregate of ₹ 19687.17 million pursuant to a public offer under the SEBI Debt Regulations which opened on April 11, 2017 and closed on April 12, 2017. The electronic credit of the PL-XVII NCDs to investors pursuant to this public offer was completed on April 25, 2017.

On April 19, 2018, our Company issued and allotted 30.00 million secured, redeemable non-convertible debentures (“**PL-XVIII NCDs**”) at a price of ₹ 1,000.00 per PL-XVIII NCD, amounting to an aggregate of ₹ 30,000.00 million pursuant to a public offer under the SEBI Debt Regulations which opened on April 09, 2018 and closed on April 10, 2018. The electronic credit of the PL-XVIII NCDs to investors pursuant to this public offer was completed on April 20, 2018.

Previous Issue

Except as stated in the sections titled “*Capital Structure*” and “*Disclosures on existing financial indebtedness*” on pages 47 and 138 of the Shelf Prospectus respectively, our Company has not made any other issue of non convertible debentures.

Other than as specifically disclosed in the Shelf Prospectus, our Company has not issued any securities for consideration other than cash.

Utilisation details of Previous Issues

S.No	Instrument	Issue Open Date	Allotment date	Gross proceeds raised through the Issue(Rs.in Million)	Issue Related Expenses (Rs. In Million)	Net proceeds of the issue after deducting the issue related expenses (Rs.in Million)	Objects of the Issue as per respective Prospectus	Net Utilisation of Proceeds
1.	Equity Shares	18/04/2011	03/05/2011	9012.50	151.30	8861.20	The Proceeds raised through the issue after meeting issue related expenses will be utilised to augment our capital base to meet future capital requirements to provide for funding of loans to our customers and general corporate purposes	Fully utilised according to the objects of the issue
2.	Secured, redeemable non-convertible debentures	23/08/2011	14/09/2011	6932.81	127.70	6805.11	The funds raised through this Issue will be utilised for our various financing activities including lending and investments, to repay our existing liabilities or loans and towards our business operations including for our capital expenditure and working capital requirements and general corporate purposes, after meeting the expenditures of and related to the Issue and subject to applicable statutory/regulatory requirements.	Fully utilised according to the objects of the issue
3.	Secured, redeemable non-convertible debentures	22/12/2011	18/01/2012	4593.20	75.10	4518.10	The funds raised through this Issue will be utilised for our various financing activities including lending and investments, to repay our existing liabilities or loans and	Fully utilised according to the objects of the issue

							towards our business operations including for our capital expenditure and working capital requirements and general corporate purposes, after meeting the expenditures of and related to the Issue and subject to applicable statutory/regulatory requirements.	
4.	Secured, redeemable non-convertible debentures	02/03/2012	18/04/2012	2597.52	36.30	2561.22	The funds raised through this Issue will be utilised for our various financing activities including lending and investments, to repay our existing liabilities or loans and towards our business operations including for our capital expenditure and working capital requirements and general corporate purposes, after meeting the expenditures of and related to the Issue and subject to applicable statutory/regulatory requirements.	Fully utilised according to the objects of the issue
5.	Secured, redeemable non-convertible debentures	17/09/2012	01/11/2012	2749.40	36.45	2712.95	The funds raised through this Issue will be utilised for our various financing activities including lending and investments, to repay our existing liabilities or loans and towards our business operations including for our capital expenditure and working capital requirements and general corporate purposes, after meeting the expenditures of and related to the Issue and subject to applicable statutory/regulatory requirements.	Fully utilised according to the objects of the issue
6.	Secured, redeemable	02/09/2013	25/09/2013	3000.00	25.25	2974.75	The funds raised through this Issue	Fully utilised

	non-convertible debentures & Unsecured, redeemable non-convertible debentures						will be utilised for our various financing activities including lending and investments, to repay our existing liabilities or loans and towards our business operations including for our capital expenditure and working capital requirements and general corporate purposes, after meeting the expenditures of and related to the Issue and subject to applicable statutory/regulatory requirements.	according to the objects of the issue
7.	Secured, redeemable non-convertible debentures & Unsecured, redeemable non-convertible debentures	18/11/2013	04/12/2013	3000.00	24.60	2975.40	The funds raised through this Issue will be utilised for our various financing activities including lending and investments, to repay our existing liabilities or loans and towards our business operations including for our capital expenditure and working capital requirements and general corporate purposes, after meeting the expenditures of and related to the Issue and subject to applicable statutory/regulatory requirements.	Fully utilised according to the objects of the issue
8.	Secured, redeemable non-convertible debentures & Unsecured, redeemable non-convertible debentures	27/12/2013	04/02/2014	5000.00	35.78	4964.22	The funds raised through this Issue will be utilised for our various financing activities including lending and investments, to repay our existing liabilities or loans and towards our business operations including for our capital expenditure and working capital requirements and general corporate purposes, after	Fully utilised according to the objects of the issue

							meeting the expenditures of and related to the Issue and subject to applicable statutory/regulatory requirements.	
9.	Secured, redeemable non-convertible debentures & Unsecured, redeemable non-convertible debentures	10/03/2014	02/04/2014	1979.28	14.76	1964.52	The funds raised through this Issue will be utilised for our various financing activities including lending and investments, to repay our existing liabilities or loans and towards our business operations including for our capital expenditure and working capital requirements and general corporate purposes, after meeting the expenditures of and related to the Issue and subject to applicable statutory/regulatory requirements.	Fully utilised according to the objects of the issue
10.	Equity Shares	25/04/2014	29/04/2014	4182.93	45.76	4137.17	The Proceeds raised through the issue after meeting issue related expenses will be utilised to augment the long term resources by way of enhancing the capital base to meet future capital requirements and provide funding for loans to the customers of our Company and for general corporate purposes.	Fully utilised according to the objects of the issue
11.	Secured, redeemable non-convertible debentures & Unsecured, redeemable non-convertible debentures	26/05/2014	04/07/2014	4661.94	13.61	4648.33	The funds raised through this Issue will be utilised for our various financing activities including lending and investments, to repay our existing liabilities or loans and towards our business operations including for our capital expenditure and working capital requirements and general corporate purposes, after meeting the	Fully utilised according to the objects of the issue

							expenditures of and related to the Issue and subject to applicable statutory/regulatory requirements.	
12.	Secured, redeemable non-convertible debentures & Unsecured, redeemable non-convertible debentures	18/08/2014	26/09/2014	3977.82	10.39	3967.43	The proceeds raised through the issue after meeting issue related expenses will be utilised as below. a) For the purpose of lending- 75% of the amount raised and allotted in the Issue, b) For General Corporate Purposes- 25% of the amount raised and allotted in the Issue	Fully utilised according to the objects of the issue
13.	Secured, redeemable non-convertible debentures & Unsecured, redeemable non-convertible debentures	19/11/2014	29/12/2014	4000.00	9.46	3990.54	The proceeds raised through the issue after meeting issue related expenses will be utilised as below. a) For the purpose of lending- 75% of the amount raised and allotted in the Issue, b) For General Corporate Purposes- 25% of the amount raised and allotted in the Issue	Fully utilised according to the objects of the issue
14.	Secured, redeemable non-convertible debentures & Unsecured, redeemable non-convertible debentures	25/03/2015	23/04/2015	3000.00	7.02	2992.98	The proceeds raised through the issue after meeting issue related expenses will be utilised as below. a) For the purpose of lending- 75% of the amount raised and allotted in the Issue, b) For General Corporate Purposes- 25% of the amount raised and allotted in the Issue	Fully utilised according to the objects of the issue
15.	Secured, redeemable non-convertible debentures & Unsecured, redeemable non-convertible debentures	07/09/2015	14/10/2015	5000.00	11.98	4988.02	The proceeds raised through the issue after meeting issue related expenses will be utilised as below. a) For the purpose of lending- 75% of the amount raised and allotted in the Issue, b) For General Corporate Purposes- 25% of the amount raised and allotted in the Issue	Fully utilised according to the objects of the issue

16.	Secured, redeemable non-convertible debentures & Unsecured, redeemable non-convertible debentures	11/12/2015	20/01/2016	4385.24	11.43	4373.81	The proceeds raised through the issue after meeting issue related expenses will be utilised as below. a) For the purpose of lending- 75% of the amount raised and allotted in the Issue, b) For General Corporate Purposes- 25% of the amount raised and allotted in the Issue	Fully utilised according to the objects of the issue
17.	Secured, redeemable non-convertible debentures & Unsecured, redeemable non-convertible debentures	04/04/2016	12/05/2016	5000.00	12.71	4987.29	The proceeds raised through the issue after meeting issue related expenses will be utilised as below. a) For the purpose of lending- 75% of the amount raised and allotted in the Issue, b) For General Corporate Purposes- 25% of the amount raised and allotted in the Issue	Fully utilised according to the objects of the issue
18.	Secured, redeemable non-convertible debentures & Unsecured, redeemable non-convertible debentures	17/01/2017	30/01/2017	13317.76	184.05	13133.71	The proceeds raised through the issue after meeting issue related expenses will be utilised as below. a) For the purpose of lending- 75% of the amount raised and allotted in the Issue, b) For General Corporate Purposes- 25% of the amount raised and allotted in the Issue	Fully utilised according to the objects of the issue
19.	Secured, redeemable non-convertible debentures & Unsecured, redeemable non-convertible debentures	11/04/2017	23/04/2017	19687.17	246.94	19440.23	The proceeds raised through the issue after meeting issue related expenses will be utilised as below. a) For the purpose of lending- 75% of the amount raised and allotted in the Issue, b) For General Corporate Purposes- 25% of the amount raised and allotted in the Issue	Fully utilised according to the objects of the issue
20.	Secured, redeemable non-convertible debentures	09/04/2018	19/04/2018	30000.00	441.08	29558.92	The proceeds raised through the issue after meeting issue related expenses will be utilised as	Fully utilised according to the objects of the issue

below. a) For the purpose of lending- 75% of the amount raised and allotted in the Issue, b) For General Corporate Purposes- 25% of the amount raised and allotted in the Issue

Details regarding lending out of issue proceeds of Previous Issues

A. *Lending Policy*

Please refer to the paragraph titled ‘Gold Loan Business’ under Chapter ‘Our Business’ at page 85 of the Shelf Prospectus.

B. *Loans given by the Company*

Company has not provided any loans/advances to associates, entities/persons relating to Board, senior management or Promoters out of the proceeds of Previous Issues. The Company has not provided any loans/advances to “Group” entities out of the proceeds of Previous Issue.

C. *Types of loans*

The loans given by the Company out of the proceeds of Previous Issues are loans against security of gold jewelry which are given primarily to individuals.

Types of loan given by the Company as on March 31, 2018 are as follows:

S. No	Type of loans	Amount (Rs in millions)
1	Secured	288,580.55
2	Unsecured	2,803.59
	Total assets under management (AUM)	291,384.14

Note: The loans given by the Company out of the proceeds of Previous Issues are loans against security of gold jewelry which are given primarily to individuals.

Denomination of loans outstanding by ticket size as on March 31, 2018:

S. No	Ticket size	Percentage of AUM
1	Upto Rs. 2 lakh	85.91%
2	Rs. 2-5 lakh	7.77%
3	Rs. 5-10 lakh	4.26%
4	Rs. 10-25 lakh	1.85%
5	Rs. 25-50 lakh	0.17%
6	Rs. 50 lakh-1 crore	0.04%
7	Rs. 1-5 crore	0.00%
8	Rs. 5-25 crore	0.00%
9	Rs. 25-100 crore	0.00%
10	>Rs. 100 crore	0.00%
		100.00%

Denomination of loans outstanding by LTV as on March 31, 2018

S. No	LTV	Percentage of AUM
1	Upto 40%	1.83%
2	40-50%	3.68%
3	50-60%	7.13%
4	60-70%	30.00%
5	70-80%	57.31%
6	80-90%	0.01%

7	>90%	0.03%
	Total	100.00%

Geographical classification of borrowers as on March 31, 2018

S. No.	Top 5 states	Percentage of AUM
1	TAMIL NADU	16.87%
2	KARNATAKA	11.63%
3	ANDHRA PRADESH	8.28%
4	DELHI	7.98%
5	TELANGANA	7.03%
	Total	51.80%

Types of loans according to sectorial exposure as on March 31, 2018 is as follows:

S. No	Segment- wise breakup of AUM	Percentage of AUM
1	Retail	
a	Mortgages (home loans and loans against property)	
b	Gold Loans	99.00%
c	Vehicle Finance	
d	MFI	
e	M &SME	
f	Capital market funding (loans against shares, margin funding)	
g	Others	0.95%
2	Wholesale	
a	Infrastructure	
b	Real estate (including builder loans)	0.05%
c	Promoter funding	
d	Any other sector (as applicable)	
e	Others	
	Total	100.00%

Maturity profile of total loan portfolio of the Company as on March 31, 2018 is as follows:

Period	Amount (Rs in millions)
Less than 1 month	55,053.03
1-2 month	42,228.67
2-3 month	34,867.54
3-6 month	71,019.16
6 month -1 year	78,558.68
Above 1 year	9,657.07
Total	291,384.14

Note: Contracted tenor of gold loan is maximum of 12 month. However, on account of high incidence of prepayment before contracted maturity, the above maturity profile has been drawn up on the basis of historical pattern of repayments. In case of loans other than gold loan, the maturity profile is based on contracted maturity.

D. Aggregated exposure to top 20 borrowers with respect to concentration of advances as on March 31, 2018

	Amount (Rs in Million)
Total Advances to twenty largest borrowers	2,724.72
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	0.94%

E. Aggregated exposure to top 20 borrowers with respect to concentration of exposures as on March 31, 2018

	Amount (Rs in Million)
Total Exposures to twenty largest borrowers/Customers	2,724.72
Percentage of Exposures to twenty largest borrowers/Customers to Total Advances of the NBFC on borrowers/Customers	0.94%

F. Details of loans overdue and classified as non – performing in accordance with the RBI’s guidelines

Movement of gross NPAs* (FY 2017-18)	Amount (Rs in Million)
(a) Opening balance	5,621.30
(b) Additions during the year	19,568.41
(c) Reductions during the year	4,860.65
(d) closing balance	20,329.06

*Please refer paragraph titled "Non Performing Assets (NPAs)" under chapter "Our Business" at page 85 of the Shelf Prospectus for details on Gross NPA recognition Policy.

Movement of provisions for NPAs (FY 2017-18)	Amount (Rs in Million)
(a) Opening balance	1,019.27
(b) Provisions made during the year	1,358.31
(c) Write-off / write -back of excess provisions	
(d) closing balance	2,377.58

G. Segment –wise gross NPA as on March 31, 2018

S. no	Segment- wise breakup of gross NPAs	Gross NPA (%)
1	Retail	
a	Mortgages (home loans and loans against property)	
b	Gold Loans	99.23%
c	Vehicle Finance	
d	MFI	
e	M &SME	
f	Capital market funding (loans against shares, margin funding)	
g	Others	0.77%
2	Wholesale	
a	Infrastructure	
b	Real estate (including builder loans)	
c	Promoter funding	
d	Any other sector (as applicable)	
e	Others	
	Total	100.00%

H. Classification of borrowings as on March 31, 2018

S. No	Type of Borrowings	Amount (Rs in Million)	Percentage
1	Secured	164,446.63	77.32%
2	Unsecured	48,233.12	22.68 %
	Total	212,679.76	100.00%

I. Promoter Shareholding

There is no change in promoter holdings in the Company beyond the threshold level stipulated at 26% during the last financial year.

J. Residual maturity profile of assets and liabilities as on March 31, 2018

As at 31.03.2018	Amount (Rs in Million)										
	1 to 30/31 days (one month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 year	Over 3 year to 5 years	Over 5 years	Over 3 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-	-	-

Advances	55,053.03	42,228.67	34,867.54	71,019.16	78,558.68	9,637.33	19.59	0.14	291,384.14
Investments (Other than Investments in Foreign Subsidiary)	-	-	-	10.38	-	300.00	31.05	3,104.08	3445.51
Borrowings	3,479.19	17,197.16	14,585.31	5,629.61	126,672.55	34,525.81	9,604.15	986.00	212,679.76
Foreign Currency assets (Investments in Foreign Subsidiary)	-	-	-	-	-	-	-	392.85	392.85
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-

Material Contracts

Company has not entered into any material contracts other than in the ordinary course of business, in the last two years.

Legal Proceedings

Proceedings by Ministry or Department of the Government or a statutory authority against any promoter of the Company during the last five years

Please refer to the section titled “*Pending Proceedings and Statutory Defaults*” on page 190 of the Shelf Prospectus, for all legal proceedings by Ministry or Department of the Government or a statutory authority against any promoter of the Company during the last five years.

Proceedings involving the Company, promoter, director, subsidiaries, group companies or any other person, whose outcome could have material adverse effect on the position of the Company

We are involved in various legal proceedings including, among others, central excise duty and service tax cases and criminal proceedings. Except as described in the section titled “*Pending Proceedings and Statutory Defaults*” on page 190 of the Shelf Prospectus, we believe that there are no legal proceedings involving the Company, promoter, director, subsidiaries, group companies or any other person, and in our opinion, no proceedings are threatened, which may have, or have had during the 12 months preceding the date of this Tranche I Prospectus, material adverse effect on our business, financial position, profitability or results of operations.

Proceedings initiated against the Company for economic offences

The Company has not received any notice from any statutory authority with regard to any economic offences.

Details of default and non-payment of statutory dues

Other than as disclosed in the section titled “*Pending Proceedings and Statutory Defaults*” on page 190 of the Shelf Prospectus, the Company has not received any demand notice from any statutory agency for default and non-payment of statutory dues.

Investigations under company law

Other than as disclosed in the section titled “*Pending Proceedings and Statutory Defaults*” on page 190 of the Shelf Prospectus, the Company and its Subsidiaries have not been investigated under any applicable company law in the last five years immediately preceding the year of issue of this Tranche I Prospectus.

Other than as disclosed in the section titled “*Pending Proceedings and Statutory Defaults*” on page 190 of this Tranche I Prospectus, no prosecutions have been filed (whether pending or not) or fines imposed or compounding of offences done in the last five years immediately preceding the year of the prospectus for the Company and all of its Subsidiaries.

Auditor Qualification

There have been no qualifications by the Statutory Auditors of the Company in the audited Financial Statements for the last five financial years immediately preceding the date of this Tranche I Prospectus.

Details of fraud committed against the Company

S.No.	Financial Year	Details of Fraud	Action taken by the Company
1.	2017-18	No fraud of material nature was committed against the company other than frauds committed by customer/staff of the company cumulatively amounting to Rs.35.06 million	These amounts have been recovered/written off/provided for
2.	2016-17	No fraud of material nature was committed against the company other than frauds committed by customer/staff of the company cumulatively amounting to Rs. 15.38 million	These amounts have been recovered/written off/provided for
3.	2015-16	No fraud of material nature was committed against the company other than frauds committed by customer/staff of the company cumulatively amounting to Rs. 16.48 million	These amounts have been recovered/written off/provided for
4.	2014-15	No fraud of material nature was committed against the company other than frauds committed by customer/staff of the company cumulatively amounting to Rs. 11.96 million	These amounts have been recovered/written off/provided for
5.	2013-14	No fraud of material nature was committed against the company other than frauds committed by customer/staff of the company cumulatively amounting to Rs. 19.70 million	These amounts have been recovered/written off/provided for

Dividend

Our Company has a dividend policy approved by the Board. The Board of Directors may declare one or more interim dividends any time during the financial year. The Board may recommend final dividend after approval of the audited financial statements by the Board and will be paid after approval of shareholders in the Annual General Meeting. The Board will consider financial and other parameters stated in the policy for declaring both interim dividend and also for recommending final dividend as stated in the policy.

The dividends paid by our company are as follows

Financial Year	Nature of Dividend	Dividend Per Equity Share of Rs.10 each (in Rs.)
2017-18	Interim	10.00
2016-17	Interim	6.00
2015-16	Interim	2.00
	Interim	4.00
2014-15	Final	2.00
	Interim	4.00
2013-14	Final	1.00

	Interim	2.00
	Interim	3.00
2012-13	Final	4.50
2011-12	Final	4.00

Revaluation of assets

The Company has not revalued its assets in the last five years.

Mechanism for redressal of investor grievances

The MOU between the Registrar to the Issue and our Company will provide for retention of records with the Registrar to the Issue for a period of at least 3 years from the last date of despatch of the Allotment Advice, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Tranche I Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, number of NCDs applied for, amount paid on application and the bank branch or collection centre where the application was submitted. The contact details of Registrar to the Issue are as follows:

Registrar to the Issue

Link Intime India Private Limited

C 101, 247 Park , L B S Marg

Vikhroli West, Mumbai 400 083

Tel: (+91 22) 4918 6200

Fax: (+91 22) 4918 6195

Email: mfl.ncd2018@linkintime.co.in

Investor Grievance Email: mfl.ncd2018@linkintime.co.in

Website: www.linkintime.co.in

Contact Person: Sumeet Deshpande

SEBI Registration No.: INR000004058

We estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances will be 7 (seven) business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Maxin James has been appointed as the Compliance Officer of our Company for this Tranche I Issue.

The contact details of Compliance Officer of our Company are as follows:

Maxin James

Company Secretary

2nd Floor, Muthoot Chambers,

Opposite Saritha Theatre Complex

Banerji Road

Kochi - 682 018

Kerala, India

Tel: (+91 484) 6690 247

Fax: (+91 484) 2396506

Email: cs@muthootgroup.com

Investors may contact the Registrar to the Issue or the Company Secretary and Compliance Officer in case of any pre-issue or post-issue related issues such as non-receipt of intimation of allotment, demat credit of allotted NCDs or refunds, as the case may be.

Change in Auditors of our Company during the last three years

Rangamani & Co. has been the statutory auditor of the Company since September 11, 2002 and continued as the Statutory Auditor of the Company till September 20, 2017. Members of the Company in their Annual General meeting dated September 20, 2017 appointed Varma & Varma, Chartered Accountants, FRN 004532S in place of retiring Auditors Rangamani & Co. Details of changes in the statutory auditors of the Company in the last 3 years have been summarised below:

Name	Address	Date of Appointment / Resignation / Retirement	Auditor of the Company since (in case of resignation)	Remarks
Rangamani & Co.	M/s. Rangamani & Co, Chartered Accountants, FRN: 003050S, 17/598, 2nd Floor, Card Bank Building, West of YMCA, VCSB Road, Allepey - 688 011	September 20, 2017' (Retirement)	September 11, 2002	Retirement on account of expiry of the term of engagement.
Varma & Varma, Chartered Accountants	M/s. Varma & Varma, Chartered Accountants, FRN: 004532S, "Sreeraghavam", Kerala Varma Tower, Bldg No. 53/2600 B, C, D & E, Off Kunjanbava Road, Vyttila P.O., Kochi- 682019	September 20, 2017' (Appointment)	-	Appointment on account of expiry of the term of engagement of the previous statutory auditor, Rangamani & Co.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts which are or may be deemed material have been entered or are to be entered into by the Company. These contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of the Company situated at Muthoot Chambers, 2nd Floor, Opposite Saritha Theatre Complex, Banerji Road, Ernakulam, Kerala 682 018 from 10.00 AM to 5.00 P.M during which the Tranche I Issue Period.

A. *Material Contracts*

1. Engagement Letters dated January 28, 2019 appointing Edelweiss Financial Services Limited and A. K. Capital Services Limited as the Lead Managers respectively.
2. Issue Agreement dated January 28, 2019 between the Company and Edelweiss Financial Services Limited and A.K. Capital Services Limited.
3. Memorandum of Understanding dated January 28, 2019 with the Registrar to the Issue.
4. Debenture Trustee Agreement dated January 28, 2019 executed between the Company and the Debenture Trustee.
5. Public Issue Account Agreement dated February 01, 2019 executed between the Company, the Lead Managers, the Banker to the Issue and the Registrar to the Issue.
6. Lead Brokers' MOU dated February 01, 2019 executed between the Company, the Lead Managers and the Lead Brokers.
7. Tripartite agreement between the Company, Registrar to the Issue and CDSL dated December 08, 2010 and letter of extension dated March 14, 2011.
8. Tripartite agreement between the Company, Registrar to the issue and NSDL dated August 25, 2006.
9. The agreed form of the Debenture Trustee Deed to be executed between the Company and the Debenture Trustee.

B. *Material Documents*

1. Certificate of Incorporation of the Company dated March 14, 1997, issued by Registrar of Companies, Kerala and Lakshadweep.
2. Memorandum and Articles of Association of the Company.
3. The certificate of registration No. N.16.00167 dated December 12, 2008 issued by Reserve Bank of India u/s 45 IA of the Reserve Bank of India, 1934.
4. Credit rating letter dated January 18, 2019 and further revalidated by letter dated January 31, 2019 received from CRISIL granting credit ratings to the Secured NCDs.
5. Credit rating letter dated December 31, 2018 and further revalidated by letter dated January 30, 2019 received from ICRA granting credit ratings to the Secured NCDs.
6. Copy of the NCD Committee Resolution dated January 09, 2019 approving the Issue.
7. Copy of the NCD Committee resolution dated January 28, 2019 approving the Draft Shelf Prospectus.
8. Copy of the NCD Committee Resolution dated February 05, 2019 approving the Tranche I Issue, the Shelf Prospectus and the Tranche I Prospectus.

9. Copy of the resolution passed by the Board of Directors dated May 16, 2018 approving the issuance to the public of Secured NCDs and unsecured redeemable non-convertible debentures of face value of ₹ 1,000 each, aggregating up to ₹ 60,000 million.
10. Resolution passed by the shareholders of the Company at the Annual General Meeting held on September 25, 2014, approving the overall borrowing limit of Company.
11. Consents of the Directors, Lead Managers to the Issue, Chief Financial Officer, Company Secretary and Compliance Officer of our Company, Debenture Trustee, Statutory Auditor, Credit Rating Agencies for the Issue, IMACS for the inclusion of the industry report, Legal Advisor to the Issue, the Registrar to the Issue, the Lead Brokers and the Banker to the Issue to include their names in this Tranche I Prospectus.
12. The consent of the Statutory Auditors of our Company, namely Varma & Varma for inclusion of: (a) their names as the Statutory Auditors, (b) examination reports on Reformatted Financial Statements in the form and context in which they appear in this Tranche I Prospectus; (c) the statement of tax benefits available to the debenture holders in the form and context in which they appear in this Tranche I Prospectus; (d) report on limited review of unaudited standalone financials for the quarter and six months ended September 30, 2018; and (e) report on limited review of unaudited standalone financial statement for the quarter ended June 30, 2018.
13. The examination report of the Statutory Auditors dated November 10, 2018 and the Reformatted Financial Statements.
14. Limited review report dated December 06, 2018 and the unaudited standalone financial results for the quarter and six months period ended September 30, 2018 of our Company and the limited review report dated September 04, 2018 and the unaudited standalone financial results for the quarter ended June 30, 2018 of our Company.
15. In-principle approval, dated February 05, 2019 for the Issue issued by the BSE.
16. Statement of tax benefits dated January 03, 2019 issued by our Statutory Auditors.
17. Annual Reports of the Company for the last five Financial Years 2013-14 to 2017-18.
18. Due Diligence certificate dated February 05, 2019 filed by the Lead Managers with SEBI.

DECLARATION

We, the Directors of the Company, certify that all the relevant provisions of the Companies Act, 2013, as applicable on the date of this Tranche I Prospectus and the guidelines issued by the Government of India or the guidelines issued by the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with. We further certify that the disclosures made in this Tranche I Prospectus are true and correct and in conformity with the Companies Act, 2013, Schedule I of SEBI (Issue and Listing of Debt Securities) Regulations, 2008, the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and no statement made in this Tranche I Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956 or the Securities and Exchange Board of India Act, 1992 or rules, guidelines and circulars issued thereunder.

SIGNED BY ALL DIRECTORS:

M. G. George Muthoot
Whole Time Director and Chairman

: 

George Thomas Muthoot
Whole Time Director

: 

George Jacob Muthoot
Whole Time Director

: 

George Alexander Muthoot
Managing Director

: 

Alexander M. George
Whole Time Director

: 

K. George John
Independent Director

: 

Jacob Benjamin Koshy
Independent Director

: 

John K Paul
Independent Director

: 

George Joseph
Independent Director

: 

Pamela Anna Mathew
Independent Director

: 

Jose Mathew
Independent Director

: 

Date: 05/02/2019

Place: Kochi, India



ICRA

ICRA Limited

Ref.No.ICRA/HYD/MFL-196/2018-19/3112

December 31, 2018

Mr. Oommen K. Mammen
Chief Financial Officer
Muthoot Finance Limited
Muthoot Chambers
Opp. Saritha Theatre Complex
Banerji Road, Ernakulam
Kerala – 682 018

Dear Sir,

Re: ICRA Credit Rating for the Rs. 4,000 crore Non-Convertible Debenture (NCD) Programme of Muthoot Finance Limited

Please refer to the Rating Agreement dated December 19, 2018 for carrying out the rating of the aforesaid NCD Programme. The Rating Committee of ICRA, after due consideration, has assigned a [ICRA]AA (pronounced as ICRA Double A) rating to the captioned NCD Programme. Instruments with [ICRA]AA rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. Within this category modifiers {"+" (plus) / "-"(minus)} can be used with the rating symbols. The modifiers reflect the comparative standing within the category. The Outlook on the long-term rating is **Stable**.

In any of your publicity material or other document wherever you are using our above rating, it should be stated as "[ICRA]AA" with a **Stable** outlook. We would request if you can sign the acknowledgement and send it to us latest by January 8, 2019 as acceptance on the assigned rating. In case you do not communicate your acceptance/non-acceptance of the assigned credit rating, or do not appeal against the assigned credit rating by the aforesaid date, the credit rating will be treated by us as non-accepted and shall be disclosed on ICRA's website accordingly. This is in accordance with requirements prescribed in the circular dated June 30, 2017 on '*Monitoring and Review of Ratings by Credit Rating Agencies(CRAs)*' issued by the Securities and Exchange Board of India.

Any intimation by you about the above rating to any Banker/Lending Agency/Government Authorities/Stock Exchange would constitute use of this rating by you and shall be deemed acceptance of the rating.

Karumuttu Centre, 5th Floor
634, Anna Salai, Nandanam
Chennai 600035

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CIN : L74999DL1991PLC042749

Website : www.icra.in
Email : info@icraindia.com
Helpdesk : +91.124.2866928

Registered Office : 1105, Kailash Building, 11th Floor, 26 Kasturba Gandhi Marg, New Delhi - 110001. Tel. : +91.11.23357940-45

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This rating is specific to the terms and conditions of the proposed issue as was indicated to us by you and any change in the terms or size of the issue would require the rating to be reviewed by us. If there is any change in the terms and conditions or size of the instrument rated, as above, the same must be brought to our notice before the issue of the instrument. If there is any such change after the rating is assigned by us and accepted by you, it would be subject to our review and may result in change in the rating assigned. ICRA reserves the right to review and/or, revise the above at any time on the basis of new information or unavailability of information or such other circumstances, which ICRA believes, may have an impact on the rating assigned to you.

The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold the bonds, debentures and/ or other instruments of like nature to be issued by you.

As mentioned above and in accordance with the aforesaid circular issued by SEBI, you are requested to furnish a monthly 'No Default Statement (NDS)' (in the format enclosed) on the first working day of every month, confirming the timeliness of payment of all obligations against the rated debt programme.

You are also requested to forthwith inform us about any default or delay in repayment of interest or principal amount of the instrument rated, as above, or any other debt instruments/ borrowing and keep us informed of any other developments which may have a direct or indirect impact on the debt servicing capability of the company including any proposal for re-schedulement or postponement of the repayment programmes of the dues/ debts of the company with any lender(s) / investor(s). Further, you are requested to inform us immediately as and when the borrowing limit for the instrument rated, as above, or as prescribed by the regulatory authority(ies) is exceeded.

Enclosed herewith is a copy of the rationale of the assigned rating for your reference. Please respond with your comments if any within the aforesaid timeline of January 8, 2019.

We thank you for your kind cooperation extended during the course of the rating exercise. Should you require any clarification, please do not hesitate to get in touch with us.

We look forward to your communication and assure you of our best services.

With kind regards,

Yours sincerely,

For ICRA Limited



(K Ravichandiran)

Senior Vice President & Group Head-Corporate Ratings
ravichandiran@icraindia.com



(Meenakshi D)

Analyst
meenakshi.d@icraindia.com



ICRA

Confidential

ICRA Limited

Ref.No.ICRA/HYD/MFL/RVL-5/2018-19/3001

January 30, 2019

Mr. Oommen K. Mammen
Chief Financial Officer
Muthoot Finance Limited
Muthoot Chambers
Opp. Saritha Theatre Complex
Banerji Road, Ernakulam, Kerala – 682 018

Dear Sir,

Re: ICRA rating for Rs. 4,000.00 crore Non-Convertible Debenture Programme of Muthoot Finance Limited

This is with reference to your email dated January 30, 2019, for re-validating your rating for the Non Convertible Debenture Programme of Rs.4,000.00 crore.

We confirm that the “[ICRA] AA” (pronounced ICRA double A) rating with a Stable outlook, assigned to the captioned Non-Convertible Debenture Programme of your company and last communicated to you vide our letter dated December 31, 2018 stands. 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. The outlook on the rating is Stable. Within this category rating modifier {"+" (plus) or "-" (minus)} can be used with the rating symbols. The modifier reflects the comparative standing within the category. The amount unutilised against this is Rs.4,000.0 crore.

The other terms and conditions for the credit rating of the aforementioned instrument shall remain the same vide our letter Ref:ICRA/HYD/MFL-196/2018-19/3112 dated December 31, 2018. Also, the rating assumes that there will be no payment acceleration clause under the aforementioned Non Convertible Debenture Programme.

We thank you for your kind cooperation extended during the course of the rating exercise. Please let us know if you need any clarification. We look forward to further strengthening our existing relationship and assure you of our best services.

With kind regards,
Yours sincerely,
For ICRA Limited


[Rajeshwar Burla]
Asst. Vice President
rajeshwar.burla@icraindia.com




[Nithya Debbadi]
Senior Analyst
nithya.debbadi@icraindia.com

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Muthoot Finance Limited

January 07, 2019

Summary of rating action

Instrument ^{^^}	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Non-convertible Debenture Programme (public - placement) - allocated		4,000.0	[ICRA]AA(Stable); Assigned
Non-convertible Debenture Programme (private placement) - unallocated	1,525.00	1,475.00	[ICRA]AA(Stable); Outstanding
Non-convertible Debenture Programme (private placement) - allocated	475.00	525.00	[ICRA]AA(Stable); Outstanding
Non-convertible Debenture Programme (public placement) - allocated	6,523.72	6,523.72	[ICRA]AA(Stable); Outstanding
Non-convertible Debenture Programme (public placement) - allocated	3.92	0.00	[ICRA]AA(Stable); Withdrawn*
Long-term Fund-based Bank Facilities	9,962.00 [#]	9,962.00 [#]	[ICRA]AA(Stable); Outstanding
Short-term Fund-based Bank Facilities	13,153.00 [#]	13,153.00 [#]	[ICRA]A1+; Outstanding
Term Loans	200.00	200.00	[ICRA]AA(Stable); Outstanding
Subordinated Debenture Programme	551.36	551.36	[ICRA]AA(Stable); Outstanding
Commercial Paper Programme	5,000.00	5,000.00	[ICRA]A1+; Outstanding
Total**	28,194.00	32,190.08	

^{^^} Instrument details are provided in Annexure-1

[#] Long-term and short-term fund-based bank limits include an interchangeable limit of Rs. 9,200.00 crore; the total rated bank facilities stand at Rs. 14,115.00 crore (including Rs. 200.0-crore term loans)

*ICRA has withdrawn the long-term rating of [ICRA]AA for MFL's non-convertible debenture (NCD) programme aggregating Rs. 3.92 crore as these debentures were fully redeemed and there is no outstanding against the rated instruments

** For the computation of total limits rated, total rated bank facilities (term loans, long-term and short-term bank limits) of Rs. 14,115 crore have been considered

Rationale

The ratings factor in Muthoot Finance Limited's (MFL) long-standing track record and its leadership position in the gold loan segment, its established franchise with a pan-India branch network, and its efficient internal controls and audit systems. The ratings also consider the company's comfortable capitalisation, ability to raise funds from diverse sources and good profitability indicators. ICRA takes note of the Group's portfolio diversification initiatives via its subsidiaries. Ability to grow the non-gold loan portfolio profitably would be critical over the medium term as the share of the non-gold business is expected to increase to 20% by March 2020 from 11% in September 2018.

The ratings are, however, constrained by the portfolio concentration in the gold loan business, MFL's geographically concentrated operations, and the vulnerability of its operations to adverse gold price fluctuations. The ratings also factor in the company's marginal borrower profile and limited earnings diversity. ICRA takes note of the improvement in MFL's delinquency levels in H1 FY2019 and believes it is critical to ensure collections from the overdue portfolio in the near term to keep the asset quality indicators under control.

Outlook: Stable

ICRA believes that MFL will continue to benefit from its established track record and comfortable overall financial risk profile. The outlook may be revised to Positive if the company demonstrates good quality and profitable growth in its non-gold business and controls the asset quality of the gold loan portfolio, while maintaining a comfortable overall capital and liquidity profile. The outlook may be revised to Negative in case of a significant deterioration in the Group's asset quality, profitability and capitalisation profile.

Key rating drivers

Credit strengths

Established franchise and market leadership in gold loan segment – MFL has a track record of around two decades in the gold loan business and is India's largest gold loan focussed NBFC with a total portfolio of Rs. 32,319 crore (of which 99% is gold loan) as on September 30, 2018 (Rs. 29,138 crore as on March 31, 2018). The consolidated portfolio stood at Rs. 35,956 crore in September 2018, of which gold, housing and microfinance accounted for 89%, 5% and 4%, respectively. The company operates through an extensive pan-India branch network of 4,370 as on September 30, 2018 with 62% of its branches being in South India, where it has a good franchise. The strong brand value of Muthoot, its experienced promoters and senior management team and its efficient internal controls and audit systems are expected to support its overall business growth going forward.

Healthy profitability indicators – The company's consolidated net profitability remained healthy with PAT/AMA at 5.4% (4.1% in FY2017) and return on average net worth at about 24.9% for FY2018. PAT/AMA (standalone) stood at 5.9% in H1 FY2019 (provisional), supported by healthy margins and operating efficiencies. Credit costs remained under control as the company fully recovered its principal and over 73% of the total interest receivable during the auctions in FY2018.

Capitalisation to remain comfortable over the medium term notwithstanding the investments required for its subsidiaries – MFL has a comfortable capitalisation profile with a standalone gearing of about 2.9 times as on March 31, 2018 (consolidated gearing of about 3.2 times) aided by good internal capital generation, while portfolio growth was relatively moderate. MFL's standalone net worth was Rs. 8,390 crore (as per Ind AS) as on September 30, 2018. It is expected to be comfortably placed to meet the medium-term capital requirements of its subsidiaries without adversely impacting its own capital structure.

Credit challenges

Vulnerability to adverse gold price movement – Notwithstanding its efforts to reduce the impact of gold price fluctuations, MFL's credit profile remains susceptible to adverse and sharp movements in gold prices. Any steep decline in gold prices is expected to adversely impact the company's asset quality and business profile.

Concentration on gold loan segment, limited product and revenue diversification – MFL's standalone portfolio almost entirely consists of gold loans and its consolidated portfolio is also concentrated with gold loans comprising 89% of the loan book as on September 30, 2018. The company's revenue diversification is also modest with non-interest income/average total assets at 0.6% in FY2018. Consolidated assets under management (AUM) stood at Rs. 32,159 crore (Rs. 35,956 crore as on September 30, 2018), registering a 12% growth (y-o-y) in FY2018. The share of subsidiaries was about 10% of the total AUM (March 2018), up from about 5% in March 2017. The overall portfolio growth in FY2018 was supported by the strong growth witnessed in the housing and microfinance subsidiaries, while the gold loan portfolio grew a modest 6%. Microfinance AUM almost doubled in FY2018 while housing AUM more than tripled during this period. The consolidated portfolio grew by 12% in H1 FY2019. Going forward, the share of subsidiaries is expected to increase to about 20% by March 2020 as they are expected to grow at a robust pace while gold loan growth is expected

to remain relatively moderate. The company's ability to profitably grow its non-gold business while maintaining good asset quality would be crucial.

Critical to control credit costs in gold loan segment – MFL's standalone asset quality improved in H1 FY2019. The stage 3 (as per Ind AS) reduced to 1.9% as on September 30, 2018 from 4.4% as on March 31, 2018 as loan collections improved. MFL's standalone NPA (as per I GAAP) declined to 4.56% in June 2018 from 6.98% in March 2018 (2.06% in March 2017); it reduced further in Q2 FY2019.

The increase in NPAs in FY2018 was because of the inclusion of other standard accounts of a non-performing borrower for NPA computation and transition in the NPA recognition norm to 90+dpd from 120+dpd. Auctioning, as a percentage of the opening portfolio, had reduced to 3.7% in FY2017 from 14.2% in FY2016. However, the same increased to 7.2% in FY2018 with a build-up in overdues. ICRA takes note of the additional standard asset provision and a gold price fluctuation provision totalling about Rs. 463 crore (1.5% of the gold loan portfolio) as on March 31, 2018, which, along with the liquid nature of the collateral, provide comfort. Going forward, timely collection, auctioning and a stable gold price would be critical for keeping delinquencies and credit costs under control. Gross NPAs in the housing and microfinance subsidiaries were, however, under control at 0.4% and 0.8%, respectively, as on March 31, 2018 (0.8% and 0.9%, respectively, as on September 30, 2018).

Operations concentrated in South India – MFL's operations are largely concentrated in South India, which constituted 62% of its total branch network and 50% of its total loan portfolio as on March 31, 2018. ICRA, however, notes that the share of the portfolio in South India has reduced from 69% in March 2012.

Liquidity position

MFL's asset liability maturity (ALM) profile, based on the past behavioural trend for the gold loan segment, reflects no cumulative negative mismatches in the <1-year bucket. Although the contractual tenor of gold loans is 12 months, most (~65-70%) of the loans are repaid or rolled over within 5-6 months. ICRA notes that company is faced with 15-20% loan rollovers in each of the maturity buckets, wherein only the interest is serviced, and the loan gets renewed based on the prevailing loan to value. ICRA notes that the ALM, adjusting for the rollovers, is also comfortable with no cumulative negative mismatch in the <1-year bucket.

MFL has a fairly-diversified funding profile with bank loans constituting 49% of its total borrowings as on September 30, 2018, followed by debentures - public issue (31%), debentures - private placement (3%), commercial papers (12%) and subordinated debt (3%). MFL has banking relationships with 27 banks. Diverse funding sources help the company in maintaining a comfortable liquidity position. MFL had unutilised bank limits of Rs. 1,011 crore and cash and liquidity investments of Rs. 2,293 crore as on November 30, 2018.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	ICRA's Credit Rating Methodology for Non-Banking Finance Companies
Parent/Group Support	NA
Consolidation	For arriving at the ratings, ICRA has considered the consolidated financials of MFL. As on March 31, 2018, the company had four subsidiaries, that are listed in Annexure-2

About the company

Muthoot Finance Limited (MFL) is the flagship company of the Kerala-based business house, The Muthoot Group, which has diversified operations in financial services, healthcare, real estate, education, hospitality, power generation and entertainment. MFL was incorporated in 1997 and is India's largest gold loan focussed NBFC with total loan assets (standalone) of Rs. 29,134 crore and 4,325 branches as on March 31, 2018. While the company derives a major portion of its business from South India (50% of the total portfolio as on March 31, 2018), where gold loans have traditionally been accepted as a means of availing short-term credit, it has increased its presence beyond South India over the past few years.

MFL achieved a standalone net profit of Rs. 1,720 crore on an asset base of Rs. 31,382 crore in FY2018 against a net profit of Rs. 1,180 crore on an asset base of Rs. 30,713 crore in FY2017.

MFL reported a consolidated net profit of Rs. 1,799 crore on a consolidated asset base of Rs. 34,257 crore in FY2018 against a net profit of Rs. 1,207 crore on a consolidated asset base of Rs. 32,163 crore in FY2017.

Key financial indicators (audited)

	Standalone		Consolidated	
	FY2017	FY2018	FY2017	FY2018
Total Income	5,747	6,243	5,939	6,705
Profit after Tax*	1,180	1,720	1,200	1,784
Net Worth	6,516	7,760	6,517	7,794
Total Managed Portfolio	27,279	29,138	28,661	32,159
Total Managed Assets	30,713	31,382	32,163	34,257
Return on Average Managed Assets	4.1%	5.5%	4.1%	5.4%
Return on Average Net Worth	19.4%	24.1%	19.9%	24.9%
Gross NPA %	2.1%	7.0%	-	-
Net NPA %	1.7%	6.2%	-	-
Net NPA / Net Worth	7.1%	23.1%	-	-
Gearing (reported)	3.5	2.9	3.7	3.2
% CRAR	24.9%	26.6%	-	-

Note: Amount in Rs. crore; *After minority interest

Source: MFL's financial statements, ICRA research

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years

Instrument	Type	Current Rating (FY2019)				Chronology of Rating History for the Past 3 Years		
		Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	January 2019	December 2018	FY2018 October 2017	FY2017 August 2016	FY2016 February 2016
1 Long-term Debentures-Public Issue	Long Term	4,000.00	4,000.00	[ICRA]AA (Stable)	-	-	-	-
2 Long-term Debentures-Private Placement	Long Term	2,000.00	2,000.00	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA- (Stable)
3 Long-term Debentures-Public Issue	Long Term	6,523.72	6,523.72	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA- (Stable)
4 Long term Debentures-Public Issue	Long Term	3.92	0.00	[ICRA]AA (Stable) Withdrawn	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA- (Stable)
5 Subordinated Debt	Long term	551.36	551.36	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA- (Stable)
6 Term Loans	Long Term	200.00	200.00	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA- (Stable)
7 Fund-based Bank Limits^	Long Term	9,962.00	9,962.00	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA- (Stable)
8 Fund-based Bank Limits^	Short Term	13,153.00	13,153.00	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
9 Commercial Paper	Short Term	5,000.00	5,000.00	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+

[^] Long-term and short-term fund-based bank limits include an interchangeable limit of Rs. 9,200.00 crore; the total rated bank facilities are Rs. 14,115.00 crore (including Rs. 200.00-crore term loans)

Complexity level of the rated instrument

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1: Instrument details

ISIN No.	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE414G07472	Non-convertible Debentures	4-Feb-14	10.75 & 11.50	4-Feb-19	1.03	[ICRA]AA(Stable)
INE414G07506	Non-convertible Debentures	4-Feb-14	11.25 & 12.00	4-Feb-19	1.63	[ICRA]AA(Stable)
INE414G07548	Non-convertible Debentures	4-Feb-14	Zero Coupon	4-Feb-19	1.13	[ICRA]AA(Stable)
INE414G07571	Non-convertible Debentures	2-Apr-14	10.25 & 11.00	2-Apr-19	0.69	[ICRA]AA(Stable)
INE414G07605	Non-convertible Debentures	2-Apr-14	10.75 & 11.50	2-Apr-19	0.35	[ICRA]AA(Stable)
INE414G07647	Non-convertible Debentures	2-Apr-14	Zero Coupon	2-Apr-19	0.27	[ICRA]AA(Stable)
INE414G07670	Non-convertible Debentures	4-Jul-14	10.25 & 11.00	4-Jul-19	2.88	[ICRA]AA(Stable)
INE414G07704	Non-convertible Debentures	4-Jul-14	10.75 & 11.50	4-Jul-19	3.22	[ICRA]AA(Stable)
INE414G07746	Non-convertible Debentures	4-Jul-14	Zero Coupon	4-Jul-19	1.86	[ICRA]AA(Stable)
INE414G07779	Non-convertible Debentures	26-Sep-14	10.25 & 11.00	26-Sep-19	3.00	[ICRA]AA(Stable)
INE414G07803	Non-convertible Debentures	26-Sep-14	10.50 & 11.25	26-Sep-19	1.72	[ICRA]AA(Stable)
INE414G07845	Non-convertible Debentures	26-Sep-14	Zero Coupon	26-Sep-19	1.56	[ICRA]AA(Stable)
INE414G07878	Non-convertible Debentures	29-Dec-14	10.00 & 10.75	29-Dec-19	2.69	[ICRA]AA(Stable)
INE414G07902	Non-convertible Debentures	29-Dec-14	10.25 & 11.00	29-Dec-19	2.13	[ICRA]AA(Stable)
INE414G07944	Non-convertible Debentures	29-Dec-14	Zero Coupon	29-Dec-19	2.23	[ICRA]AA(Stable)
INE414G07977	Non-convertible Debentures	23-Apr-15	9.50 & 10.25	23-Apr-20	2.35	[ICRA]AA(Stable)
INE414G07AA9	Non-convertible Debentures	23-Apr-15	9.75 & 10.50	23-Apr-20	2.38	[ICRA]AA(Stable)
INE414G07AE1	Non-convertible Debentures	23-Apr-15	Zero Coupon	23-Apr-20	1.27	[ICRA]AA(Stable)
INE414G07AH4	Non-convertible Debentures	14-Oct-15	8.75 & 9.50	14-Oct-20	1.15	[ICRA]AA(Stable)
INE414G07AK8	Non-convertible Debentures	14-Oct-15	9.00 & 9.75	14-Oct-20	0.98	[ICRA]AA(Stable)
INE414G07AO0	Non-convertible Debentures	14-Oct-15	Zero Coupon	14-Oct-20	1.07	[ICRA]AA(Stable)
INE414G07BB5	Non-convertible Debentures	12-May-16	9.50 & 8.75	12-May-19	141.85	[ICRA]AA(Stable)
INE414G07BC3	Non-convertible Debentures	12-May-16	9.00 & 8.25	12-May-21	1.75	[ICRA]AA(Stable)
INE414G07BE9	Non-convertible Debentures	12-May-16	9.75 & 9.00	12-May-19	99.98	[ICRA]AA(Stable)
INE414G07BF6	Non-convertible Debentures	12-May-16	9.25 & 8.50	12-May-21	1.26	[ICRA]AA(Stable)
INE414G07BJ8	Non-convertible Debentures	12-May-16	Zero Coupon	12-May-19	60.41	[ICRA]AA(Stable)
INE414G07BO8	Non-convertible Debentures	30-Jan-17	8.75 & 8.50	30-Jan-19	5.21	[ICRA]AA(Stable)
INE414G07BP5	Non-convertible Debentures	30-Jan-17	9.00 & 8.75	30-Jan-20	26.43	[ICRA]AA(Stable)
INE414G07BQ3	Non-convertible Debentures	30-Jan-17	9.00 & 8.75	30-Jan-22	11.13	[ICRA]AA(Stable)
INE414G07BR1	Non-convertible Debentures	30-Jan-17	9.00 & 8.75	30-Jan-19	282.20	[ICRA]AA(Stable)
INE414G07BS9	Non-convertible Debentures	30-Jan-17	9.25 & 9.00	30-Jan-20	839.27	[ICRA]AA(Stable)
INE414G07BT7	Non-convertible Debentures	30-Jan-17	9.25 & 9.00	30-Jan-22	82.50	[ICRA]AA(Stable)
INE414G07BW1	Non-convertible Debentures	30-Jan-17	Zero Coupon	30-Jan-19	5.03	[ICRA]AA(Stable)
INE414G07BX9	Non-convertible Debentures	30-Jan-17	Zero Coupon	30-Jan-20	17.20	[ICRA]AA(Stable)
INE414G07BY7	Non-convertible Debentures	24-Apr-17	8.25	24-Apr-19	45.28	[ICRA]AA(Stable)
INE414G07BZ4	Non-convertible Debentures	24-Apr-17	8.5	24-Jun-20	68.68	[ICRA]AA(Stable)
INE414G07CA5	Non-convertible Debentures	24-Apr-17	8.75	24-Apr-22	61.18	[ICRA]AA(Stable)
INE414G07CB3	Non-convertible Debentures	24-Apr-17	8.5	24-Apr-19	74.25	[ICRA]AA(Stable)
INE414G07CC1	Non-convertible Debentures	24-Apr-17	8.75	24-Jun-20	1420.43	[ICRA]AA(Stable)
INE414G07CD9	Non-convertible Debentures	24-Apr-17	9	24-Apr-22	190.56	[ICRA]AA(Stable)
INE414G07CG2	Non-convertible Debentures	24-Apr-17	Zero Coupon	24-Apr-19	15.50	[ICRA]AA(Stable)
INE414G07CH0	Non-convertible Debentures	24-Apr-17	Zero Coupon	24-Jun-20	38.03	[ICRA]AA(Stable)
INE414G07CI8	Non-convertible Debentures	19-Apr-18	8.25	19-Apr-20	11.98	[ICRA]AA(Stable)
INE414G07CJ6	Non-convertible Debentures	19-Apr-18	8.5	19-Jun-21	27.11	[ICRA]AA(Stable)
INE414G07CK4	Non-convertible Debentures	19-Apr-18	8.75	19-Apr-23	56.51	[ICRA]AA(Stable)
INE414G07CL2	Non-convertible Debentures	19-Apr-18	8.5	19-Apr-20	71.61	[ICRA]AA(Stable)
INE414G07CM0	Non-convertible Debentures	19-Apr-18	8.75	19-Jun-21	1862.45	[ICRA]AA(Stable)

ISIN No.	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE414G07CN8	Non-convertible Debentures	19-Apr-18	9	19-Apr-23	721.85	[ICRA]AA(Stable)
INE414G07CO6	Non-convertible Debentures	19-Apr-18	Zero Coupon	24-May-19	14.41	[ICRA]AA(Stable)
INE414G07CP3	Non-convertible Debentures	19-Apr-18	Zero Coupon	19-Apr-20	8.80	[ICRA]AA(Stable)
INE414G07CQ1	Non-convertible Debentures	19-Apr-18	Zero Coupon	19-Jun-21	19.73	[ICRA]AA(Stable)
INE414G07CR9	Non-convertible Debentures	19-Apr-18	Zero Coupon	19-Apr-23	205.55	[ICRA]AA(Stable)
INE414G07CS7	Non-convertible Debentures (private)	26-Jul-18	9.75	26-Jul-21	175.00	[ICRA]AA(Stable)
INE414G07CT5	Non-convertible Debentures (private)	13-Aug-18	9.6	22-Jun-20	250.00	[ICRA]AA(Stable)
INE414G07CU3	Non-convertible Debentures (private)	22-Nov-18	9.25	1-Feb-21	7.00	[ICRA]AA(Stable)
INE414G07CV1	Non-convertible Debentures (private)	22-Nov-18	9.5	1-Feb-21	8.00	[ICRA]AA(Stable)
INE414G07CW9	Non-convertible Debentures (private)	22-Nov-18	9.5	1-Feb-22	45.00	[ICRA]AA(Stable)
INE414G07CX7	Non-convertible Debentures (private)	22-Nov-18	9.75	1-Feb-22	40.00	[ICRA]AA(Stable)
NA	Non-convertible Debentures (private) ^{###}	-	-	-	1475.00	[ICRA]AA(Stable)
NA	Non-convertible Debentures (public) ^{###}	-	-	-	4000.00	[ICRA]AA(Stable)
Total Non-Convertible Debentures					12,523.72	
Subordinated Debt						
INE414G09015	Subordinated Debt	26-Mar-13	12.35	26-Mar-23	10.00	[ICRA]AA(Stable)
INE414G08215	Subordinated Debt	25-Sep-13	Zero Coupon	25-Sep-19	20.97	[ICRA]AA(Stable)
INE414G08223	Subordinated Debt	4-Dec-13	Zero Coupon	4-Dec-19	23.29	[ICRA]AA(Stable)
INE414G08231	Subordinated Debt	4-Feb-14	Zero Coupon	4-Feb-20	43.76	[ICRA]AA(Stable)
INE414G08249	Subordinated Debt	2-Apr-14	Zero Coupon	2-Jul-20	19.35	[ICRA]AA(Stable)
INE414G08256	Subordinated Debt	4-Jul-14	Zero Coupon	4-Oct-20	36.45	[ICRA]AA(Stable)
INE414G08264	Subordinated Debt	26-Sep-14	Zero Coupon	26-Mar-21	30.44	[ICRA]AA(Stable)
INE414G08272	Subordinated Debt	29-Dec-14	Zero Coupon	29-Jun-21	38.65	[ICRA]AA(Stable)
INE414G08280	Subordinated Debt	23-Apr-15	Zero Coupon	23-Jan-22	28.91	[ICRA]AA(Stable)
INE414G08298	Subordinated Debt	14-Oct-15	Zero Coupon	14-Oct-22	35.95	[ICRA]AA(Stable)
INE414G08314	Subordinated Debt	12-May-16	Zero Coupon	12-Nov-23	23.60	[ICRA]AA(Stable)
INE414G08330	Subordinated Debt	30-Jan-17	Zero Coupon	30-Jan-25	31.78	[ICRA]AA(Stable)
INE414G08348	Subordinated Debt	24-Apr-17	Zero Coupon	24-Apr-25	18.72	[ICRA]AA(Stable)
Unallocated	Subordinated Debt ^{###}	-	-	-	68.22	[ICRA]AA(Stable)
Unallocated	Subordinated Debt ^{###}	-	-	-	31.28	[ICRA]AA(Stable)
Unallocated	Subordinated Debt ^{###}	-	-	-	90.00	[ICRA]AA(Stable)
Total Subordinated Debt					551.36	
NA	Term Loans	Mar-17	-	Mar-19	200.00	[ICRA]AA(Stable)
NA	Long-term fund-based bank facilities	-	-	-	9,962.00 [^]	[ICRA]AA(Stable)
NA	Short-term fund-based bank facilities	-	-	-	13,153.00 [^]	[ICRA]A1+
Total Bank Facilities					14,115.00	

ISIN No.	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Commercial Programme	Paper -	-	-	5,000.00	[ICRA]A1+

Source: MFL

Yet to be placed

^ Long-term and short-term fund-based bank limits include an interchangeable limit of Rs. 9,200.00 crore; the total rated bank facilities are Rs. 14,115.00 crore (including Rs. 200.00-crore term loans)

Annexure-2: List of entities considered for consolidated analysis

Company Name	Ownership (as on September 2018)	Consolidation Approach
Belstar Investment and Finance Limited	65.89%	Full Consolidation
Muthoot HomeFin Limited	100.00%	Full Consolidation
Asia Asset Finance PLC	60.00%	Full Consolidation
Muthoot Insurance and Brokers	100.00%	Full Consolidation

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ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

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For more information, visit www.icra.in

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CONFIDENTIAL

MTOFL/215293/NCD/01182019
January 18, 2019

Mr. George Alexander Muthoot
Managing Director
Muthoot Finance Limited
Corporate Office: Muthoot Chambers
Opposite Saritha Theatre Complex
Banerji Road, Kochi 682018

Dear Mr. George Alexander Muthoot,

Re: CRISIL Rating on the Rs.4000 Crore Non-Convertible Debentures of Muthoot Finance Limited

We refer to your request for a rating for the captioned Non-Convertible Debentures.

CRISIL has, after due consideration, assigned its "**CRISIL AA/Stable**" (pronounced as CRISIL double A rating with Stable outlook) rating to the captioned debt instrument. 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.

For the purpose of issuance of the captioned debt instrument, this letter is valid for 180 calendar days from the date of the letter. In the event of your company not placing the above instrument within this period, or in the event of any change in the size/structure of your proposed issue, the rating shall have to be reviewed and a letter of revalidation shall have to be issued to you. Once the instrument is issued, the above rating is valid throughout the life of the captioned debt instrument.

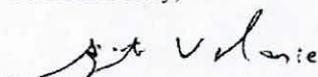
As per our Rating Agreement, CRISIL would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL reserves the right to withdraw or revise the ratings assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information or other circumstances, which CRISIL believes, may have an impact on the rating.

As per the latest SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us for any clarifications you may have at debtissue@crisil.com

Should you require any clarifications, please feel free to get in touch with us.

With warm regards,

Yours sincerely,



Ajit Velonie
Director - CRISIL Ratings



Nivedita Shibu
Associate Director - CRISIL Ratings



A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL. CRISIL ratings are based on information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy, sell, or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. All CRISIL ratings are under surveillance. CRISIL or its associates may have other commercial transactions with the company/entity. Ratings are revised as and when circumstances so warrant. CRISIL is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of this product. CRISIL Ratings rating criteria are available www.crisil.com to the public on the CRISIL web site, www.crisil.com. For the latest rating information on any instrument of any company rated by CRISIL, please contact Customer Service Helpdesk at 1800-267-1301.
Corporate Identity Number: L67120MH1967P-CC042363

**Details of the Rs.4000 Crore Non-Convertible Debentures of
Muthoot Finance Limited**

	<i>1st tranche</i>		<i>2nd tranche</i>		<i>3rd tranche</i>	
<i>Instrument Series:</i>						
<i>Amount Placed:</i>						
<i>Maturity Period:</i>						
<i>Put or Call Options (if any):</i>						
<i>Coupon Rate:</i>						
<i>Interest Payment Dates:</i>						
<i>Principal Repayment Details:</i>	Date	Amount	Date	Amount	Date	Amount
<i>Investors:</i>						
<i>Trustees:</i>						

In case there is an offer document for the captioned Debt issue, please send us a copy of it.

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CONFIDENTIAL

MTOFL/215293/NCD/01182019/1

January 31, 2019

Mr. George Alexander Muthoot

Managing Director

Muthoot Finance Limited

Corporate Office: Muthoot Chambers

Opposite Saritha Theatre Complex

Banerji Road, Kochi 682018

Dear Mr. George Alexander Muthoot,

Re: CRISIL Rating on the Rs.4000 Crore Non-Convertible Debentures of Muthoot Finance Limited

All ratings assigned by CRISIL are kept under continuous surveillance and review.

Please refer to our rating letters dated January 18, 2019 bearing Ref. no.: MTOFL/215293/NCD/01182019

Please find in the table below the rating outstanding for your company.

S.No.	Instrument	Rated Amount (Rs. in Crore)	Rating Outstanding
1	Non-Convertible Debentures	4000	CRISIL AA/Stable

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL will be necessary.

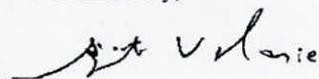
As per our Rating Agreement, CRISIL would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL reserves the right to withdraw or revise the ratings assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information or other circumstances, which CRISIL believes, may have an impact on the rating.

As per the latest SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us for any clarifications you may have at debtissue@crisil.com

Should you require any clarifications, please feel free to get in touch with us.

With warm regards,

Yours sincerely,



Ajit Velonie

Director - CRISIL Ratings



Nivedita Shibu

Associate Director - CRISIL Ratings



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Rating Rationale

January 18, 2019 | Mumbai

Muthoot Finance Limited

'CRISIL AA/Stable' assigned to NCD

Rating Action

Rs.4000 Crore Non-Convertible Debentures	CRISIL AA/Stable (Assigned)
Rs.1500 Crore Non-Convertible Debentures	CRISIL AA/Stable (Reaffirmed)
Rs.3000 Crore Non-Convertible Debentures	CRISIL AA/Stable (Reaffirmed)
Rs.1950 Crore Non-Convertible Debentures	CRISIL AA/Stable (Reaffirmed)
Rs.1300 Crore Non-Convertible Debentures	CRISIL AA/Stable (Reaffirmed)
Rs.365.27 Crore Non-Convertible Debentures	CRISIL AA/Stable (Reaffirmed)
Rs.3.78 Crore Non-Convertible Debentures	CRISIL AA/Stable (Reaffirmed)
Rs.3.92 Crore Non-Convertible Debentures	CRISIL AA/Stable (Reaffirmed)
Rs.5.18 Crore Non-Convertible Debentures	CRISIL AA/Stable (Reaffirmed)
Rs.92.62 Crore Non-Convertible Debentures	CRISIL AA/Stable (Reaffirmed)
Rs.500 Crore Non-Convertible Debentures	CRISIL AA/Stable (Reaffirmed)
Rs.43.7571 Crore Subordinate Bond	CRISIL AA/Stable (Reaffirmed)
Rs.23.2879 Crore Subordinate Bond	CRISIL AA/Stable (Reaffirmed)
Rs.20.93 Crore Subordinate Bond	CRISIL AA/Stable (Reaffirmed)
Rs.100 Crore Subordinate Bond	CRISIL AA/Stable (Reaffirmed)
Rs.50 Crore Subordinated Debt	CRISIL AA/Stable (Reaffirmed)
Rs.31.78 Crore Subordinated Debt	CRISIL AA/Stable (Reaffirmed)
Rs.23.0392 Crore Subordinated Debt	CRISIL AA/Stable (Reaffirmed)
Rs.5000 Crore Commercial Paper	CRISIL A1+ (Reaffirmed)

1 crore = 10 million

Refer to annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL has assigned its '**CRISIL AA/Stable**' on the non-convertible debentures of Muthoot Finance Limited (Muthoot Finance). The rating on other debt instruments and long-term bank facility has been reaffirmed at '**CRISIL AA/Stable/CRISIL A1+**'.

The rating continue to reflect Muthoot Finance's promoter's strong track record of over seven decades in the business, with a strong reputation and brand in South India, particularly in Kerala and Tamil Nadu. Capitalization is adequate, with a networth of Rs 8790 crore and adjusted gearing of 2.8 times, as on September 30, 2018. Muthoot Finance's profitability continues to remain above average with return of assets (ROA) higher than 4.0% over the medium term. These strengths are partially offset by Muthoot Finance's high geographic concentration in revenue in South India, which currently accounts for about 50% of its total loans and challenges associated with the non-gold product segments.

Asset quality of Muthoot Finance (standalone basis), as measured by gross NPAs (GNPA), has seen an improvement during first half of fiscal 2019. The gross NPAs (Stage III assets as per Ind-AS) has reduced to 1.9% as on September 30, 2018 from 4.4% as on March 31, 2018. The improvement was due to recoveries/auctions done by the company during this quarter.

The NPA position of Muthoot Finance during last 2 quarters of fiscal 2018 saw deterioration. The increase in NPAs was on account of three reasons. Firstly, the change in NPA recognition norms from 120+ dpd to 90+ dpd. Secondly, the company chose to strategically plan the auction process and provide additional time to borrowers to repay the loans, particularly for loans with a tenure of 6 months as against conventional loan tenure of 12 months. Thirdly, during Q4 of fiscal 2018, to comply with RBI regulations, Muthoot Finance changed NPA recognition from loan account-wise to customer-wise. Muthoot Finance had total gross NPA of Rs 2033 crore as on March 31, 2018 out of which the NPAs of Rs 742 crore were due to change in recognition of NPAs from loan account wise to customer wise.

CRISIL believes that the NPA position of Muthoot Finance will stabilize over next 2 quarters as the 6 month tenure portfolio runs down and the company also increases the pace of auctions in forthcoming months. This is also reflected in the steps taken by the company to reduce NPA levels during first half of fiscal 2019.

Analytical Approach

To arrive at the rating CRISIL has consolidated the business and financial risk profile of Muthoot Finance and its subsidiaries viz Muthoot Homefin India Ltd (rated, 'CRISIL AA/Stable') and Belstar Investment and Finance Private Limited.

Key Rating Drivers & Detailed Description

Strengths

* **Established track record in financing against gold jewellery**

Muthoot Finance's leadership position in the business of providing finance against gold jewellery is backed by the promoter family's established track record, extending to over seven decades. The company had market share of around 46% as on March 31, 2018 within NBFC space and this is expected to continue over the medium term. The rich experience gained over this period has helped Muthoot Finance design an appropriate assessment and underwriting methodology; the company constantly refines this methodology. Assessing the purity of gold without causing any damage to the jewellery, fixing an appropriate value that can be lent against a gram of gold, and determining appropriate LTV ratios are critical aspects in the assessment process. Backed by extensive business experience, Muthoot Finance has developed a robust model that has helped it maintain strong asset quality, scale up business significantly, and facilitate easy replication over various geographic areas. With its large branch network (4370 branches as on September 30, 2018) and client base and steady geographic diversification, particularly in relatively untapped northern and western regions (accounting for 23% and 19%, respectively, of total advances, as on September 30, 2018), gives the first-mover advantage to Muthoot Finance, leading to improved competitive position over the medium term.

* **Adequate capitalization**

Capitalization is adequate, with consolidated networth of Rs 8790 crore and gearing of 2.8 times as on September 30, 2018. Large accretion to networth and moderation in growth in the past three years resulted in a healthy capital

adequacy ratio of 25.92% as on September 30, 2018. Lower asset-side risk (security of gold, which is liquid and is in the lender's possession) also supports capitalization. The AUM in the gold loan segment is not expected to grow sharply over the medium term. Also, other segments (affordable housing finance, and microfinance finance) have a relatively small scale. Even after factoring in investments in the subsidiaries housing finance company, Muthoot Homefin (India) Ltd, and Belstar Investment and Finance Private Ltd, a microfinance company, CRISIL believes that consolidated gearing will remain below 5.5 times over the medium term.

*** Profitability to remain healthy**

Profitability has improved with return on assets (RoA) at 5.5% for fiscal 2018 from 4.1% in fiscal 2017 mainly on account of recovery efforts and partly due to favorable movement in gold prices. During first half of fiscal 2019, the RoA stood at 5.9% as against 5.1% during corresponding period of previous year. Though Muthoot Finance charges relatively low interest rates than its peers its operating efficiency enables the company to maintain healthy profitability. With increased focus on collection on interest on regular basis along with revision in its interest rates on different schemes has resulted in higher yields and higher profitability during fiscal 2018. On account of healthy asset quality the credit cost is expected to remain at around 1% over the medium term. In addition, the company is diversifying into other asset segments where its ability to maintain asset quality will remain a key rating monitorable.

Weakness

*** Geographical concentration in revenue profile**

Muthoot Finance has high geographic concentration in South India, which currently accounts for about 50% of its total loans. While the level of concentration has been declining and is much lower than that of peers, the significant regional exposure exposes the company vulnerable to economic, social, and political situation in the region. Furthermore, implementation of the Kerala Money Lenders Act, 1958, for NBFCs (which depends on the decision of the Supreme Court) could affect Muthoot Finance's lending rates and operational expenditure as the compliance requirements under the act would be rigorous and cumbersome. This will remain a key rating monitorable.

Nevertheless, in terms of product segments, Muthoot Finance has steadily diversified its product suite. Housing finance (Muthoot Homefin) and Microfinance (Belstar Investments) has grown their portfolio substantially during last 2 years. As a result, the proportion of non-gold assets has increased to 10% as on September 30, 2018 and is expected to increase to over 15% over the medium term. In addition, the company has also made announcement of acquisition of 'Muthoot Money Private Ltd' which is involved in vehicle finance business. With this acquisition, the share of non-gold segments would increase further. Therefore, the concentration in revenue profile, which currently is on gold loans, expected to reduce with the increase in scale of operations in housing, microfinance and vehicle loan business.

*** Challenges associated with non-gold loan segments:**

Growth, asset quality, and profitability in the non-gold loan businesses are yet to stabilise. The track record in housing finance segment is relatively short due to which the portfolio is not well seasoned. The company operates in the affordable housing finance segment, and caters to self-employed customers, engaged in small business activities. These borrowers have relatively weak credit risk profiles because of the volatile nature of their income and employment in unorganised segments. Therefore, the delinquencies are likely to increase as the portfolio achieves more seasoning. Similarly, the company is also diversified in microfinance loans which are unsecured in nature. Through MFI loans, the company lends primarily to the weaker sections of the society. Therefore, remain exposed to local level socio political and legislative issues associated with the sector.

Outlook: Stable

CRISIL believes the company will also continue to benefit from its adequate capitalisation and strong earnings profile. The outlook may be upgraded if Muthoot Finance achieves further stability and profitability in each of the non-gold business segments, along with sustained business growth. The outlook may be revised 'Negative' in case of a steep decline in interest collection or asset quality, profitability, or capitalisation within the gold loan segment.

Liquidity Profile

CRISIL's analysis of Muthoot Finance's asset liability maturity profile as of September 2018 shows cumulative positive mismatches across all buckets upto 1 year. As per the ALM statement as on September 30, 2018, Muthoot finance had outflows of Rs 18,185 crore till 1 year and against this, the expected inflows are over Rs 31,000 crore. Out of the inflows maturing till 1 year (i.e. Rs 31000 crore), more than 70% were maturing till 6 months. These high level of inflows is attributed to the effective maturity of gold loans being about 4 ' 5 months.

Further, Muthoot Finance has raised Rs 2465 crore through commercial papers (CPs) during October and November 2018. The repayment of outstanding CPs are adequately staggered with highest single day repayment being around Rs.400 crore. The liquidity position is also supported by un-utilised bank lines of Rs 1390 crore as on date in addition to liquidity of Rs 2020 crore (Cash and bank balance of Rs 616 and investment in mutual funds of Rs 1900 crore). Considering these aspects, CRISIL believes that Muthoot finance's liquidity position will remain comfortable over medium term.

About the Company

Muthoot Finance, an NBFC, was originally set up as a private limited company in 1997; this was reconstituted as a public limited company in November 2008. It provides finance against used household gold jewellery; the promoters' family has been in this business for over seven decades. Muthoot Finance is the flagship company of the Muthoot group (promoters of Muthoot Finance), which is also in the hospitality, healthcare, media, education, information technology, foreign exchange, insurance distribution, and money transfer businesses. The company had a nationwide network of around 4370 branches as on September 30, 2018. It had gold loan advances book of Rs 30,562 Crore, and a networth of Rs 8,307 Crore, as on June 30, 2018. For fiscal 2018, Muthoot Finance's standalone PAT and total income grew to Rs. 1,720 Crore and Rs 6,243 Crore, from Rs. 1,180 Crore and Rs. 5,747 Crore, respectively, the previous fiscal. During first quarter of fiscal 2019, the company reported PAT of Rs 492 crore on total income of Rs 1,633 crore as against PAT of Rs 345 crore on total income of Rs 1,377 crore during the same period previous year.

For fiscal 2018, on a consolidated basis, PAT (Before adjustment for minority interest) was Rs 1,799 crore on total income of Rs 6,705 crore, against PAT (Before adjustment for minority interest) of Rs 1,207 crore on total income of Rs 5,938 crore for fiscal 2017.

Key financials of Muthoot Finance - Standalone

As on/ for the period ended March 31		Q2/Sep 18#	2018	2017
Total managed assets	Rs crore	34,601	31,382	30,713
Total income	Rs crore	3,283	6,243	5,747
Profit after tax	Rs crore	975	1,720	1,180
Gross NPA	%	1.9	7.0 (90+ dpd)	2.1 (120+ dpd)
Gearing	Times	2.8	2.7	3.2
Return on managed assets	%	5.9	5.5	4.1

under IND-AS

All amounts are in Rs.Cr.

Any other information: Not applicable

Note on complexity levels of the rated instrument:

CRISIL complexity levels are assigned to various types of financial instruments. The CRISIL complexity levels are available on www.crisil.com/complexity-levels. Users are advised to refer to the CRISIL complexity levels for instruments that they consider for investment. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name of instrument	Date of Allotment	Coupon rate (%)	Maturity date	Issued Size (Rs cr)
NA	Debentures^	NA	NA	NA	40
NA	Debentures^	NA	NA	NA	15
INE414G07225	Secured Redeemable Non-Convertible Debentures#	1-Nov-12	11.75	1-Nov-17	42
INE414G07233	Secured Redeemable Non-Convertible Debentures#	1-Nov-12	12	1-Nov-17	31
INE414G07241	Secured Redeemable Non-Convertible Debentures#	1-Nov-12	N.A	1-Nov-18	18
INE414G07274	Secured Redeemable Non-Convertible Debentures#	25-Sep-13	11.5	25-Sep-18	1
INE414G07308	Secured Redeemable Non-Convertible Debentures#	25-Sep-13	12	25-Sep-18	2
INE414G07340	Secured Redeemable Non-Convertible Debentures#	25-Sep-13	N.A	25-Sep-18	1
INE414G07373	Secured Redeemable Non-Convertible Debentures	4-Dec-13	10.75 & 11.50	4-Dec-18	1
INE414G07407	Secured Redeemable Non-Convertible Debentures	4-Dec-13	11.25 & 12.00	4-Dec-18	1
INE414G07449	Secured Redeemable Non-Convertible Debentures	4-Dec-13	N.A	4-Dec-18	1
INE414G07472	Secured Redeemable Non-Convertible Debentures	4-Feb-14	10.75 & 11.50	4-Feb-19	1
INE414G07506	Secured Redeemable Non-Convertible Debentures	4-Feb-14	11.25 & 12.00	4-Feb-19	1
INE414G07548	Secured Redeemable Non-Convertible Debentures	4-Feb-14	N.A	4-Feb-19	1
INE414G07AQ5	Secured Redeemable Non-Convertible Debentures#	20-Jan-16	9.50 & 8.75	20-Jan-18	33
INE414G07AR3	Secured Redeemable Non-Convertible Debentures	20-Jan-16	9.75 & 9.00	20-Jan-19	11
INE414G07AS1	Secured Redeemable Non-Convertible Debentures	20-Jan-16	9.25 & 8.50	20-Jan-21	1
INE414G07AT9	Secured Redeemable Non-Convertible Debentures#	20-Jan-16	9.75 & 9.00	20-Jan-18	39
INE414G07AU7	Secured Redeemable Non-Convertible Debentures	20-Jan-16	10.00 & 9.25	20-Jan-19	97
INE414G07AV5	Secured Redeemable Non-Convertible Debentures	20-Jan-16	9.50 & 8.75	20-Jan-21	0
INE414G07AX1	Secured Redeemable Non-Convertible Debentures#	20-Jan-16	N.A	20-Jan-18	28
INE414G07AY9	Secured Redeemable Non-Convertible Debentures	20-Jan-16	N.A	20-Jan-19	47
INE414G07AZ6	Secured Redeemable Non-Convertible Debentures	20-Jan-16	N.A	20-Jan-21	0
INE414G07BO8	Secured Redeemable Non-Convertible Debentures	30-Jan-17	8.75 & 8.50	30-Jan-19	5
INE414G07BP5	Secured Redeemable Non-Convertible Debentures	30-Jan-17	9.00 & 8.75	30-Jan-20	26
INE414G07BQ3	Secured Redeemable Non-Convertible Debentures	30-Jan-17	9.00 & 8.75	30-Jan-22	11
INE414G07BR1	Secured Redeemable Non-Convertible Debentures	30-Jan-17	9.00 & 8.75	30-Jan-19	28
INE414G07BS9	Secured Redeemable Non-Convertible Debentures	30-Jan-17	9.25 & 9.00	30-Jan-20	83
INE414G07BT7	Secured Redeemable Non-Convertible Debentures	30-Jan-17	9.25 & 9.00	30-Jan-22	82
INE414G07BU5	Secured Redeemable Non-Convertible Debentures#	30-Jan-17	N.A	6-Mar-18	29
INE414G07BV3	Secured Redeemable Non-Convertible Debentures#	30-Jan-17	N.A	30-Jul-18	1
INE414G07BW1	Secured Redeemable Non-Convertible Debentures	30-Jan-17	N.A	30-Jan-19	4
INE414G07BX9	Secured Redeemable Non-Convertible Debentures	30-Jan-17	N.A	30-Jan-20	17
INE414G07BY7	Secured Redeemable Non-Convertible Debentures	24-Apr-17	8.25	24-Apr-19	45
INE414G07BZ4	Secured Redeemable Non-Convertible Debentures	24-Apr-17	8.5	24-Jun-20	68
INE414G07CA5	Secured Redeemable Non-Convertible Debentures	24-Apr-17	8.75	24-Apr-22	61
INE414G07CB3	Secured Redeemable Non-Convertible Debentures	24-Apr-17	8.5	24-Apr-19	74

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INE414G07CC1	Secured Redeemable Non-Convertible Debentures	24-Apr-17	8.75	24-Jun-20	142
INE414G07CD9	Secured Redeemable Non-Convertible Debentures	24-Apr-17	9	24-Apr-22	19
INE414G07CE7	Secured Redeemable Non-Convertible Debentures#	24-Apr-17	NA	29-May-18	29
INE414G07CF4	Secured Redeemable Non-Convertible Debentures	24-Apr-17	NA	24-Oct-18	6
INE414G07CG2	Secured Redeemable Non-Convertible Debentures	24-Apr-17	NA	24-Apr-19	15
INE414G07CH0	Secured Redeemable Non-Convertible Debentures	24-Apr-17	NA	24-Jun-20	3
INE414G07CI8	Secured Redeemable Non-Convertible Debentures	19-Apr-18	8.25	19-Apr-20	11
INE414G07CJ6	Secured Redeemable Non-Convertible Debentures	19-Apr-18	8.5	19-Jun-21	27
INE414G07CK4	Secured Redeemable Non-Convertible Debentures	19-Apr-18	8.75	19-Apr-23	56
INE414G07CL2	Secured Redeemable Non-Convertible Debentures	19-Apr-18	8.5	19-Apr-20	71
INE414G07CM0	Secured Redeemable Non-Convertible Debentures	19-Apr-18	8.75	19-Jun-21	186
INE414G07CN8	Secured Redeemable Non-Convertible Debentures	19-Apr-18	9	19-Apr-23	721
INE414G07CO6	Secured Redeemable Non-Convertible Debentures	19-Apr-18	NA	24-May-19	14
INE414G07CP3	Secured Redeemable Non-Convertible Debentures	19-Apr-18	NA	19-Apr-20	8
INE414G07CQ1	Secured Redeemable Non-Convertible Debentures	19-Apr-18	NA	19-Jun-21	19
INE414G07CR9	Secured Redeemable Non-Convertible Debentures	19-Apr-18	NA	19-Apr-23	205
INE414G07CS7	Secured Redeemable Non-Convertible Debentures	26-Jul-18	9.75	26-Jul-21	17
NE414G07CT5	Secured Redeemable Non-Convertible Debentures	13-Aug-18	9.60	22-Jun-20	25
N.A.	Secured Redeemable Non-Convertible Debentures^	N.A	N.A	N.A	7
INE414G08215	Subordinated Bond	25-Sep-13	N.A	25-Sep-19	20
INE414G08223	Subordinated Bond	4-Dec-13	N.A	4-Dec-19	23
INE414G08231	Subordinated Bond	4-Feb-14	N.A	4-Feb-20	43
INE414G08306	Subordinated Debt	20-Jan-16	N.A	20-Apr-23	2
INE414G08330	Subordinated Debt	30-Jan-17	N.A	30-Jan-25	31
INE414G08348	Subordinated Debt	24-Apr-17	N.A	24-Apr-25	18
INE414G09015	Subordinated Bond	26-Mar-13	N.A	26-Mar-23	1
N.A.	Subordinated Bond^	N.A	N.A	N.A	9
N.A.	Subordinated Debt^	N.A	N.A	N.A	31
N.A.	Commercial Paper	N.A	N.A	7-365 days	50

^ Yet to be issued

CRISIL is awaiting independent confirmation of redemption before withdrawing rating on the instruments

Annexure - Rating History for last 3 Years

Instrument	Current			2019 (History)		2018		2017		Date
	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	
Commercial Paper	ST	5000.00	CRISIL A1+			29-11-18	CRISIL A1+	31-10-17	CRISIL A1+	
						19-09-18	CRISIL A1+			
						31-07-18	CRISIL A1+			
						29-01-18	CRISIL A1+			
						19-01-18	CRISIL A1+			
Non Convertible Debentures	LT	7145.80 18-01-19	CRISIL AA/Stable			29-11-18	CRISIL AA/Stable	31-10-17	CRISIL AA/Stable	08-11-16
						19-09-18	CRISIL AA/Stable	24-10-17	CRISIL AA/Stable	01-07-16
						31-07-18	CRISIL AA/Stable	08-03-17	CRISIL AA/Stable	
						29-01-18	CRISIL AA/Stable			
						19-01-18	CRISIL AA/Stable			
Short Term Debt	ST							24-10-17	CRISIL A1+	08-11-16
								08-03-17	CRISIL A1+	01-07-16
Subordinate Bond	LT	98.00 18-01-19	CRISIL AA/Stable			29-11-18	CRISIL AA/Stable	31-10-17	CRISIL AA/Stable	08-11-16
						19-09-18	CRISIL AA/Stable	24-10-17	CRISIL AA/Stable	01-07-16
						31-07-18	CRISIL AA/Stable	08-03-17	CRISIL AA/Stable	
						29-01-18	CRISIL AA/Stable			
						19-01-18	CRISIL AA/Stable			
Subordinated Debt	LT	73.52 18-01-19	CRISIL AA/Stable			29-11-18	CRISIL AA/Stable	31-10-17	CRISIL AA/Stable	08-11-16
						19-09-18	CRISIL AA/Stable	24-10-17	CRISIL AA/Stable	01-07-16
						31-07-18	CRISIL AA/Stable	08-03-17	CRISIL AA/Stable	
						29-01-18	CRISIL AA/Stable			
						19-01-18	CRISIL AA/Stable			

All amounts are in Rs.Cr.

Links to related criteria

[CRISILs Bank Loan Ratings - process, scale and default recognition](#)

[Rating Criteria for Finance Companies](#)

[CRISILs Criteria for rating short term debt](#)

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9988 / ITSL / OPR / CL / 18-19 / DEB / 1742

Date: 14-Jan-2019

Muthoot Finance Limited
2nd Floor, Muthoot Chambers
Banerji Road, Kochi- 682 018
Kerala, India.

Dear Sirs,

Re: PROPOSED PUBLIC ISSUE BY MUTHOOT FINANCE LIMITED, ("COMPANY" OR "ISSUER") OF SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF Rs.1,000 EACH, ("NCDs"), FOR AN AMOUNT AGGREGATING UP TO Rs.40,000 MILLIONS ("SHELF LIMIT") HEREINAFTER REFERRED TO AS THE "ISSUE" WHICH IS TO BE ISSUED IN ONE OR MORE TRANCHE UP TO THE SHELF LIMIT, ON TERMS AND CONDITIONS AS SET OUT IN THE RELEVANT TRANCHE PROSPECTUS FOR ANY TRANCHE ISSUE (EACH A "TRANCHE ISSUE").

We, IDBI Trusteeship Services Limited, do hereby consent to act as the Debenture Trustee to the Company in accordance with Regulation 4 (4) of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 with respect to the Issue/Tranche Issue(s) and to our name being inserted as the Debenture Trustee, in the Draft Shelf Prospectus to be filed with the stock exchange(s) for the purposes of receiving public comments and the Shelf Prospectus/ Tranche Prospectus to be filed with the Registrar of Companies and the stock exchange(s) in which the Company intends to issue in respect of the Issue and also all related advertisements and the subsequent communications sent to the holders of debt securities pursuant to the Issue/ Tranche Issue(s).

We hereby authorise you to deliver this letter of consent to the stock exchange(s) or any other regulatory authorities as may be required by law.

Yours faithfully,

For IDBI Trusteeship Services Limited



Authorised Signatory

SCHEDULE A | CASH FLOWS FOR VARIOUS OPTIONS

ILLUSTRATION FOR GUIDANCE IN RESPECT OF THE DAY COUNT CONVENTION AND EFFECT OF HOLIDAYS ON PAYMENTS

Investors should note that the below examples are solely for illustrative purposes and is not specific to the Issue. The illustration of cash flow is based on the Tranche I Issue Closing Date as mentioned in this Tranche I Prospectus and post issue timelines which are subject to change.

Option I

Company	Muthoot Finance Limited
Face value (per security)	₹ 1,000.00
Issue Date/ Date of Allotment (tentative)*	February 14 ,2019 / March 20, 2019
Redemption	March 20, 2021
Coupon Rate for all Category of investors	9.25%
Frequency of the interest payment with specified dates	First interest due on May 01, 2019 but payable on May 02, 2019 (since May 01 st is a public holiday) and subsequently on the 1 st day of every month.
Day count convention	Actual/actual

Cash Flows	Due Date	Date of a payment	No. of days in Coupon Period	Amount (in ₹) For all Category of investors
1st coupon	Wednesday, May 01, 2019	Thursday, May 02, 2019	42	11.00
2nd coupon	Saturday, June 01, 2019	Saturday, June 01, 2019	31	8.00
3rd coupon	Monday, July 01, 2019	Monday, July 01, 2019	30	8.00
4th coupon	Thursday, August 01, 2019	Thursday, August 01, 2019	31	8.00
5th coupon	Sunday, September 01, 2019	Monday, September 02, 2019	31	8.00
6th coupon	Tuesday, October 01, 2019	Tuesday, October 01, 2019	30	8.00
7th coupon	Friday, November 01, 2019	Friday, November 01, 2019	31	8.00
8th coupon	Sunday, December 01, 2019	Monday, December 02, 2019	30	8.00
9th coupon	Wednesday, January 01, 2020	Wednesday, January 01, 2020	31	8.00
10th coupon	Saturday, February 01, 2020	Saturday, February 01, 2020	31	8.00
11th coupon	Sunday, March 01, 2020	Monday, March 02, 2020	29	7.00
12th coupon	Wednesday, April 01, 2020	Wednesday, April 01, 2020	31	8.00
13th coupon	Friday, May 01, 2020	Saturday, May 02, 2020	30	8.00
14th coupon	Monday, June 01, 2020	Monday, June 01, 2020	31	8.00

15th coupon	Wednesday, July 01, 2020	Wednesday, July 01, 2020	30	8.00
16th coupon	Saturday, August 01, 2020	Saturday, August 01, 2020	31	8.00
17th coupon	Tuesday, September 01, 2020	Tuesday, September 01, 2020	31	8.00
18th coupon	Thursday, October 01, 2020	Thursday, October 01, 2020	30	8.00
19th coupon	Sunday, November 01, 2020	Monday, November 02, 2020	31	8.00
20th coupon	Tuesday, December 01, 2020	Tuesday, December 01, 2020	30	8.00
21st coupon	Friday, January 01, 2021	Friday, January 01, 2021	31	8.00
22nd coupon	Monday, February 01, 2021	Monday, February 01, 2021	31	8.00
23rd coupon	Monday, March 01, 2021	Monday, March 01, 2021	28	7.00
24th coupon	Saturday, March 20, 2021	Saturday, March 20, 2021	19	5.00
Principal/ Maturity value	Saturday, March 20, 2021	Saturday, March 20, 2021	-	1,000.00
Total				1,190.00

Option II

Company	Muthoot Finance Limited
Face value (per security)	₹ 1,000.00
Issue Date/ Date of Allotment (tentative) *	February 14 ,2019 / March 20, 2019
Redemption	May 20, 2022
Coupon Rate for all Category of investors	9.50%
Frequency of the interest payment with specified dates	First interest due on May 01, 2019 but payable on May 02, 2019 (since May 01 st is a public holiday) and subsequently on the 1 st day of every month.
Day count convention	Actual/actual

Cash Flows	Due Date	Date of a payment	No. of days in Coupon Period	Amount (in ₹) For all Category of investors
1st coupon	Wednesday, May 01, 2019	Thursday, May 02, 2019	42	11.00
2nd coupon	Saturday, June 01, 2019	Saturday, June 01, 2019	31	8.00
3rd coupon	Monday, July 01, 2019	Monday, July 01, 2019	30	8.00
4th coupon	Thursday, August 01, 2019	Thursday, August 01, 2019	31	8.00
5th coupon	Sunday, September 01, 2019	Monday, September 02, 2019	31	8.00
6th coupon	Tuesday, October 01, 2019	Tuesday, October 01, 2019	30	8.00
7th coupon	Friday, November 01, 2019	Friday, November 01, 2019	31	8.00
8th coupon	Sunday, December 01, 2019	Monday, December 02, 2019	30	8.00
9th coupon	Wednesday, January 01, 2020	Wednesday, January 01, 2020	31	8.00
10th coupon	Saturday, February 01, 2020	Saturday, February 01, 2020	31	

				8.00
11th coupon	Sunday, March 01, 2020	Monday, March 02, 2020	29	8.00
12th coupon	Wednesday, April 01, 2020	Wednesday, April 01, 2020	31	8.00
13th coupon	Friday, May 01, 2020	Saturday, May 02, 2020	30	8.00
14th coupon	Monday, June 01, 2020	Monday, June 01, 2020	31	8.00
15th coupon	Wednesday, July 01, 2020	Wednesday, July 01, 2020	30	8.00
16th coupon	Saturday, August 01, 2020	Saturday, August 01, 2020	31	8.00
17th coupon	Tuesday, September 01, 2020	Tuesday, September 01, 2020	31	8.00
18th coupon	Thursday, October 01, 2020	Thursday, October 01, 2020	30	8.00
19th coupon	Sunday, November 01, 2020	Monday, November 02, 2020	31	8.00
20th coupon	Tuesday, December 01, 2020	Tuesday, December 01, 2020	30	8.00
21st coupon	Friday, January 01, 2021	Friday, January 01, 2021	31	8.00
22nd coupon	Monday, February 01, 2021	Monday, February 01, 2021	31	8.00
23rd coupon	Monday, March 01, 2021	Monday, March 01, 2021	28	7.00
24th coupon	Thursday, April 01, 2021	Thursday, April 01, 2021	31	8.00
25th coupon	Saturday, May 01, 2021	Monday, May 03, 2021	30	8.00
26th coupon	Tuesday, June 01, 2021	Tuesday, June 01, 2021	31	8.00
27th coupon	Thursday, July 01, 2021	Thursday, July 01, 2021	30	8.00
28th coupon	Sunday, August 01, 2021	Monday, August 02, 2021	31	8.00
29th coupon	Wednesday, September 01, 2021	Wednesday, September 01, 2021	31	8.00
30th coupon	Friday, October 01, 2021	Friday, October 01, 2021	30	8.00
31st coupon	Monday, November 01, 2021	Monday, November 01, 2021	31	8.00
32nd coupon	Wednesday, December 01, 2021	Wednesday, December 01, 2021	30	8.00
33rd coupon	Saturday, January 01, 2022	Saturday, January 01, 2022	31	8.00
34th coupon	Tuesday, February 01, 2022	Tuesday, February 01, 2022	31	8.00
35th coupon	Tuesday, March 01, 2022	Tuesday, March 01, 2022	28	7.00
36th coupon	Friday, April 01, 2022	Friday, April 01, 2022	31	8.00
37th coupon	Sunday, May 01, 2022	Monday, May 02, 2022	30	8.00
38th coupon	Friday, May 20, 2022	Friday, May 20, 2022	19	5.00
Principal/ Maturity value	Friday, May 20, 2022	Friday, May 20, 2022		1,000.00
Total				1,302.00

Option III

Company	Muthoot Finance Limited
Face value (per security)	₹ 1,000.00
Issue Date/ Date of Allotment (tentative)*	February 14 ,2019 / March 20, 2019

Redemption	March 20, 2024
Coupon Rate for all Category of investors	9.75%
Frequency of the interest payment with specified dates	First interest due on May 01, 2019 but payable on May 02, 2019 (since May 01 st is a public holiday) and subsequently on the 1 st day of every month.
Day count convention	Actual/actual

Cash Flows	Due Date	Date of a payment	No. of days in Coupon Period	Amount (in ₹) For all Category of investors
1 st coupon	Wednesday, May 01, 2019	Thursday, May 02, 2019	42	11.00
2 nd coupon	Saturday, June 01, 2019	Saturday, June 01, 2019	31	8.00
3 rd coupon	Monday, July 01, 2019	Monday, July 01, 2019	30	8.00
4 th coupon	Thursday, August 01, 2019	Thursday, August 01, 2019	31	8.00
5 th coupon	Sunday, September 01, 2019	Monday, September 02, 2019	31	8.00
6 th coupon	Tuesday, October 01, 2019	Tuesday, October 01, 2019	30	8.00
7 th coupon	Friday, November 01, 2019	Friday, November 01, 2019	31	8.00
8 th coupon	Sunday, December 01, 2019	Monday, December 02, 2019	30	8.00
9 th coupon	Wednesday, January 01, 2020	Wednesday, January 01, 2020	31	8.00
10 th coupon	Saturday, February 01, 2020	Saturday, February 01, 2020	31	8.00
11 th coupon	Sunday, March 01, 2020	Monday, March 02, 2020	29	8.00
12 th coupon	Wednesday, April 01, 2020	Wednesday, April 01, 2020	31	8.00
13 th coupon	Friday, May 01, 2020	Saturday, May 02, 2020	30	8.00
14 th coupon	Monday, June 01, 2020	Monday, June 01, 2020	31	8.00
15 th coupon	Wednesday, July 01, 2020	Wednesday, July 01, 2020	30	8.00
16 th coupon	Saturday, August 01, 2020	Saturday, August 01, 2020	31	8.00
17 th coupon	Tuesday, September 01, 2020	Tuesday, September 01, 2020	31	8.00
18 th coupon	Thursday, October 01, 2020	Thursday, October 01, 2020	30	8.00
19 th coupon	Sunday, November 01, 2020	Monday, November 02, 2020	31	8.00
20 th coupon	Tuesday, December 01, 2020	Tuesday, December 01, 2020	30	8.00
21 st coupon	Friday, January 01, 2021	Friday, January 01, 2021	31	8.00
22 nd coupon	Monday, February 01, 2021	Monday, February 01, 2021	31	8.00
23 rd coupon	Monday, March 01, 2021	Monday, March 01, 2021	28	7.00
24 th coupon	Thursday, April 01, 2021	Thursday, April 01, 2021	31	8.00
25 th coupon	Saturday, May 01, 2021	Monday, May 03, 2021	30	8.00
26 th coupon	Tuesday, June 01, 2021	Tuesday, June 01, 2021	31	8.00
27 th coupon	Thursday, July 01, 2021	Thursday, July 01, 2021	30	8.00
28 th coupon	Sunday, August 01, 2021	Monday, August 02, 2021	31	8.00
29 th coupon	Wednesday, September 01, 2021	Wednesday, September 01, 2021	31	8.00
30 th coupon	Friday, October 01, 2021	Friday, October 01, 2021	30	8.00
31 st coupon	Monday, November 01, 2021	Monday, November 01, 2021	31	8.00
32 nd coupon	Wednesday, December 01, 2021	Wednesday, December 01, 2021	30	8.00
33 rd coupon	Saturday, January 01, 2022	Saturday, January 01, 2022	31	8.00
34 th coupon	Tuesday, February 01, 2022	Tuesday, February 01, 2022	31	8.00
35 th coupon	Tuesday, March 01, 2022	Tuesday, March 01, 2022	28	7.00

36th coupon	Friday, April 01, 2022	Friday, April 01, 2022	31	8.00
37th coupon	Sunday, May 01, 2022	Monday, May 02, 2022	30	8.00
38th coupon	Wednesday, June 01, 2022	Wednesday, June 01, 2022	31	8.00
39th coupon	Friday, July 01, 2022	Friday, July 01, 2022	30	8.00
40th coupon	Monday, August 01, 2022	Monday, August 01, 2022	31	8.00
41st coupon	Thursday, September 01, 2022	Thursday, September 01, 2022	31	8.00
42nd coupon	Saturday, October 01, 2022	Saturday, October 01, 2022	30	8.00
43rd coupon	Tuesday, November 01, 2022	Tuesday, November 01, 2022	31	8.00
44th coupon	Thursday, December 01, 2022	Thursday, December 01, 2022	30	8.00
45th coupon	Sunday, January 01, 2023	Monday, January 02, 2023	31	8.00
46th coupon	Wednesday, February 01, 2023	Wednesday, February 01, 2023	31	8.00
47th coupon	Wednesday, March 01, 2023	Wednesday, March 01, 2023	28	7.00
48th coupon	Saturday, April 01, 2023	Saturday, April 01, 2023	31	8.00
49th coupon	Monday, May 01, 2023	Tuesday, May 02, 2023	30	8.00
50th coupon	Thursday, June 01, 2023	Thursday, June 01, 2023	31	8.00
51st coupon	Saturday, July 01, 2023	Saturday, July 01, 2023	30	8.00
52nd coupon	Tuesday, August 01, 2023	Tuesday, August 01, 2023	31	8.00
53rd coupon	Friday, September 01, 2023	Friday, September 01, 2023	31	8.00
54th coupon	Sunday, October 01, 2023	Tuesday, October 03, 2023	30	8.00
55th coupon	Wednesday, November 01, 2023	Wednesday, November 01, 2023	31	8.00
56th coupon	Friday, December 01, 2023	Friday, December 01, 2023	30	8.00
57th coupon	Monday, January 01, 2024	Monday, January 01, 2024	31	8.00
58th coupon	Thursday, February 01, 2024	Thursday, February 01, 2024	31	8.00
59th coupon	Friday, March 01, 2024	Friday, March 01, 2024	29	8.00
60th coupon	Wednesday, March 20, 2024	Wednesday, March 20, 2024	19	5.00
Principal/ Maturity value	Wednesday, March 20, 2024	Wednesday, March 20, 2024		1,000.00
Total				1,477.00

Option IV

Company	Muthoot Finance Limited
Face value (per security)	₹ 1,000.00
Issue Date/ Date of Allotment (tentative)*	February 14 ,2019 / March 20, 2019
Redemption	March 20, 2021
Coupon Rate for all Category of investors	9.50%
Frequency of the interest payment with specified dates	First interest on March 20, 2020 and subsequently on the March 20 th every year
Day count convention	Actual/actual

Cash Flows	Due Date	Date of a payment	No. of days in Coupon Period	Amount (in ₹)
1st coupon	Friday, March 20, 2020	Friday, March 20, 2020	366	95.00

All Category of investors

2nd coupon	Saturday, March 20, 2021	Saturday, March 20, 2021	365	95.00
Principal/ Maturity value	Saturday, March 20, 2021	Saturday, March 20, 2021		1000.00
Total				1,190.00

Option V

Company	Muthoot Finance Limited
Face value (per security)	₹ 1,000.00
Issue Date/ Date of Allotment (tentative)*	February 14 ,2019 / March 20, 2019
Redemption	May 20, 2022
Coupon Rate for all Category of investors	9.75%
Frequency of the interest payment with specified dates	First interest on March 20, 2020 and subsequently on the March 20 th every year.
Day count convention	Actual/actual

Cash Flows	Due Date	Date of a payment	No. of days in Coupon Period	Amount (in ₹)	All Category of investors
1st coupon	Friday, March 20, 2020	Friday, March 20, 2020	366	98.00	
2nd coupon	Saturday, March 20, 2021	Saturday, March 20, 2021	365	98.00	
3rd coupon	Sunday, March 20, 2022	Monday, March 21, 2022	365	98.00	
4th coupon	Friday, May 20, 2022	Friday, May 20, 2022	61	16.00	
Principal/ Maturity value	Friday, May 20, 2022	Friday, May 20, 2022		1000.00	
Total				1,310.00	

Option VI

Company	Muthoot Finance Limited
Face value (per security)	₹ 1,000.00
Issue Date/ Date of Allotment (tentative)*	February 14 ,2019 / March 20, 2019
Redemption	March 20, 2024
Coupon Rate for all Category of investors	10.00%
Frequency of the interest payment with specified dates	First interest on March 20, 2020 and subsequently on March 20 th every year.
Day count convention	Actual/actual

Cash Flows	Due Date	Date of a payment	No. of days in Coupon Period	Amount (in ₹)	All Category of investors
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1st coupon	Friday, March 20, 2020	Friday, March 20, 2020	366	100.00
2nd coupon	Saturday, March 20, 2021	Saturday, March 20, 2021	365	100.00
3rd coupon	Sunday, March 20, 2022	Monday, March 21, 2022	365	100.00
4th coupon	Monday, March 20, 2023	Monday, March 20, 2023	365	100.00
5th coupon	Wednesday, March 20, 2024	Wednesday, March 20, 2024	366	100.00
Principal/ Maturity value	Wednesday, March 20, 2024	Wednesday, March 20, 2024		1000.00
Total				1,500.00

Option VII

Company	Muthoot Finance Limited
Face value (per security)	₹ 1,000.00
Issue Date/ Date of Allotment (tentative)*	February 14 ,2019 / March 20, 2019
Redemption	March 20, 2021
Coupon Rate for all Category of investors	NA
Frequency of the interest payment with specified dates	NA
Day count convention	Actual/actual

* Based on current Issue Closing date and post Issue timelines. Subject to further change

Cash Flows	Due Date	Date of payment	No. of days in Coupon Period	Amount (in ₹)
Principal Maturity value	Saturday, March 20, 2021	Saturday, March 20, 2021	--	1,194.00
Total				1,194.00

Option VIII

Company	Muthoot Finance Limited
Face value (per security)	₹ 1,000.00
Issue Date/ Date of Allotment (tentative)*	February 14 ,2019 / March 20, 2019
Redemption	May 20, 2022
Coupon Rate for all Category of investors	NA
Frequency of the interest payment with specified dates	NA
Day count convention	Actual/actual

* Based on current Issue Closing date and post Issue timelines. Subject to further change

Cash Flows	Due Date	Date of a payment	No. of days in Coupon Period	Amount (in ₹)
Principal Maturity value /	Friday, May 20, 2022	Friday, May 20, 2022	--	1,334.00
Total				1,334.00

Option IX

Company	Muthoot Finance Limited
Face value (per security)	₹ 1,000.00
Issue Date/ Date of Allotment (tentative)*	February 14 ,2019 / March 20, 2019
Redemption	March 20, 2024
Coupon Rate for all Category of investors	NA
Frequency of the interest payment with specified dates	NA
Day count convention	Actual/actual

* Based on current Issue Closing date and post Issue timelines. Subject to further change

Cash Flows	Due Date	Date of a payment	No. of days in Coupon Period	Amount (in ₹)
Principal Maturity value /	Wednesday, March 20, 2024	Wednesday, March 20, 2024	--	1,592.00
Total			--	1,592.00

Assumptions:

- The Deemed Date of Allotment is assumed to be March 20, 2019. If the Deemed Date of Allotment undergoes a change, the coupon payments dates, redemption dates, redemption amount and other cash flow working shall be changed accordingly.
- Interest payable during the Financial Year 2020 and 2024, being leap years, have been calculated for 366 days.
- In the event, the interest / pay-out of total coupon / redemption amount is a fraction and not an integer, such amount will be rounded off to the nearest integer. By way of illustration if the redemption amount is ₹ 2,515.07 /-, then the amount shall be rounded off to Rs. 2,515.00. However, this rounding off to nearest integer at the time of payment of interest and/or redemption amount will be done per debenture holder. The Coupon/ Interest Payments are rounded-off to nearest rupee as per FIMMDA “Handbook on market practices”.