



SYSTEMATIX GROUP
Investments Re-defined

Systematix Shares & Stocks (I) Ltd.

Wealth Management

Secured & Unsecured Non Convertible Debentures:
Muthoot Finance Limited

April 5, 2017

Key Issue Details:

Issue Key Highlights	Issue Size:	Institutional (QIB) (I) (20%)	Non Institutional (Corporate) (II) (20%)	High Net Worth Individual Investors (HNIs) (III) (30%)	Retail Individual Investor (Retail) (IV) (30%)
Issue Opens: April 11, 2017	Secured	Rs. 1950 Cr	Rs. 390 Cr	Rs. 585 Cr	Rs. 585 Cr
Issue Close**: May 10, 2017	Unsecured	Rs. 50 Cr	Rs. 10 Cr	Rs. 15 Cr	Rs. 15 Cr
Total	Rs. 2000 Cr	Rs. 400 Cr	Rs. 400 Cr	Rs. 600 Cr	Rs. 600 Cr

****Note: Allotment on First cum First Serve Basis.** The subscription list shall remain open for subscription on Working Days, 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 the Company ("Board") or NCD Public Issue Committee. In the event of such an early closure of or extension subscription list of this Tranche I Issue, the Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in a national daily newspaper with wide circulation on or before such earlier date or extended date of closure. On the Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3.00 p.m. (IST) and uploaded until 5.00 p.m. (IST) or such extended time as may be permitted by BSE.

The Specific Terms of Each Options are Set Out Below: Terms and conditions in connection with Secured NCDs

Options	I	II	III	IV	V	VI	VII	VIII	IX	X	XI
Type of Instrument	Secured										Unsecured
Minimum Application	Rs. 10,000/- (10 NCDs)										
In Multiples of	Rs. 1,000/- (1 NCD)										
Face Value of NCDs	Rs. 1,000/-										
Issue Price (Rs/NCD)	Rs. 1,000/-										
Tenor (Months)	24	38	60	24	38	60	400 Days	18	24	38	96
Interest Payment Frequency	Monthly	Monthly	Monthly	Annual	Annual	Annual	Cumulative	Cumulative	Cumulative	Cumulative	Cumulative
Coupon (% p.a.) for NCD Holders	8.25	8.50	8.75	8.50	8.75	9.00	NA	NA	NA	NA	NA
Effective Yield (% p. a.) for NCD Holders	8.25	8.50	8.75	8.50	8.75	9.00	8.00	8.15	8.25	8.50	9.06
Amount (Rs. / NCD) on Maturity	1,000	1,000	1,000	1,000	1,000	1,000	1088.28	1125.57	1171.87	1295.38	2000.00
Maturity Date (from Deemed Date of Allotment)	24 Months	38 Months	60 Months	24 Months	38 Months	60 Months	400 Days	18 Months	24 Months	38 Months	96 Months

* 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 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 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 Secured NCDs. The last interest payment under annual Options will be made at the time of redemption of the Secured 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 circulars bearing numbers 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).

Interest on Application Amount: The Company shall pay interest on application amount at a rate of 8% per annum against which NCDs are allotted to the Applicants, other than to ASBA Applicants, subject to deduction of income tax under the provisions of the Income Tax Act, 1961, as amended, as applicable, from the date of realization of the cheque(s)/demand draft(s) upto one day prior to the Deemed Date of Allotment. In the event that such date of realization of the cheque(s)/ demand draft(s) is not ascertainable in terms of banking records, we shall pay interest on Application Amounts on the amount Allotted within 3 (three) Working Days from the date of upload of each Application on the electronic Application platform of the Stock Exchanges upto one day prior to the Deemed Date of Allotment. A tax deduction certificate will be issued for the amount of income tax so deducted.

Interest on Refund Amount: The Company shall pay interest on application amount at a rate of 5% per annum, on all valid applications, which is liable to be refunded to the Applicants (other than Application Amounts received after the Issue Closure Date, and ASBA Applicants) in accordance with the provisions of the Debt Regulations and/or the Companies Act/the relevant provisions of the Companies Act, 2013 applicable as on the date of this Tranche I Prospectus, or other applicable statutory and/or regulatory requirements, subject to deduction of income tax under the provisions of the Income Tax Act, 1961, as amended, as applicable, to the Applicants whose Valid Applications receive (i) partial allotment due to oversubscription or (ii) no allotment due to oversubscription pursuant to this Tranche I Issue from the date of realization of the cheque(s)/demand draft(s) upto one day prior to the Deemed Date of Allotment. In the event that such date of realization of the cheque(s)/ demand draft(s) is not ascertainable in terms of banking records, we shall pay interest on Application Amounts on the amount Allotted within 3 (three) Working Days from the date of upload of each Application on the electronic Application platform of the Stock Exchanges upto one day prior to the Deemed Date of Allotment. Such interest shall be paid along with the monies liable to be refunded. Interest warrant will be dispatched / credited (in case of electronic payment) along with the Letter(s) of Allotment/ Letter(s) of Refund at the sole risk of the Applicant, to the sole/first Applicant.

Issuer	Muthoot Finance Limited – Public Issue - Tranche I
Issue	Secured NCDs for an amount up to Rs. 1,950 Cr and Unsecured NCDs for an amount up to Rs.50 Cr. of face value of Rs.1,000 each, for an amount aggregating up to Rs. 2,000 Cr. ("Shelf Limit"), hereinafter referred to as the "Issue". The Unsecured NCDs will be in the nature of Subordinated Debt and will be eligible for Tier II Capital
Object of the Issue	The Net Proceeds raised through this Issue will be utilised for following activities in the ratio provided as below : a) For the purpose of lending, (At least 75%) & b) For General Corporate Purposes (Maximum of upto 25%)
FV & Issue Price	Rs.1,000/- per NCD
Type of Instrument	Secured Redeemable NCDs and Unsecured Redeemable NCDs in the nature of subordinated debt and eligible for inclusion as Tier II capital.
Rating	"[ICRA] AA(Stable)" BY ICRA and "CRISIL AA/Stable" by CRISIL
Put and call option	NA
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 July 25, 2011 approves the Allotment of the NCDs for each Tranche Issue. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue by way of the relevant Tranche Prospectus) shall be available to the Debenture holders from the Deemed Date of Allotment.
Record Date	The date on which the Board or the duly authorised committee of the Board constituted by resolution of the Board dated July 25, 2011 approves the Allotment of the NCDs for each Tranche Issue. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue by way of the relevant Tranche Prospectus) shall be available to the Debenture holders from the Deemed Date of Allotment.
Mode of Allotment & Trading*	NCDs will be issued and traded compulsorily in dematerialised form.
Listing of NCDs	Propose to be listed on BSE
Trading Lot	In dematerialised form only and Lot Size is 1 (one) NCD
Debenture Trustee	IDBI Trusteeship Services Limited
Registrar	Link Intime India Private Limited
Lead Managers	Edelweiss Financial Services Limited and A. K. Capital Services Limited

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.

For Resident application Cheque / DD should be drawn in favor of: **"Escrow Account Muthoot Finance NCD Public Issue"**

Company's Business:

Muthoot Finance Limited; one of the largest gold loan NBFC in India in terms of loan portfolio. According to the ImaCS Research & Analytics Industry Report, Gold Loans Market in India, 2015 ("IMaCS Industry Report (2015)"), it was ranked the largest gold loan company in India in terms of loan portfolio. The Company provides personal loans and business loans secured by gold jewelry, or Gold Loans, primarily to individuals who possess gold jewelry but are not able to access formal credit within a reasonable time, or to whom credit may not be available at all, to meet unanticipated or other short term liquidity requirements. Gold Loan portfolio as of December 31, 2016 comprised approximately 7.32 million loan accounts in India that they serviced through 4,308 branches across 23 states, the national capital territory of Delhi and five union territories in India.

Financial Performance:

Year	Total AUM (Rs.Cr)	Networth (Rs. Cr.)	NII (Rs.Cr)	PAT (Rs.Cr)	GNPA (%)	NNPA (%)	CAR (%)
FY16	24,379	5,619	2,555	810	2.88	2.46	20.9
FY15	23,408	5,084	2,165	671	2.19	1.88	20.0
FY14	21,862	4,265	2,285	780	1.90	1.57	18.0

Types of Investors: Who can Apply

Institutional (QIB) (Category I) (20%)	Non Institutional (Corporate) (Category II) (20%)	High Net Worth Individual Investors (HNIs) (Category III) (30%)	Retail Individual Investor (Retail) (Category IV) (30%)
<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; 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; National Investment Fund; and Mutual Funds. 	<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; and Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); Association of Persons; Any other incorporated and/or unincorporated body of persons. 	<p>High Net-worth Individual Investors ("HNIs") - Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating to above Rs. Lakh across all options of NCDs in the Issue</p>	<p>Retail Individual Investors - Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating up to and including Rs.10 Lakh across all options of NCDs in the Issue</p>

Applications cannot be made by:

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

In case of Applications for Allotment of the NCDs in dematerialised form, 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 Members of the Syndicate or the Trading Members, as the case may be.

DISCLAIMER

The information and opinions contained herein have been compiled or arrived at, based upon information obtained in good faith from sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy completeness or correctness.

This document is for information purposes only. This report is based on information that we consider reliable, but we do not represent that it is accurate or complete, and one should exercise due caution while acting on it. Descriptions of any company or companies or their securities mentioned herein are not complete and this document is not, and should not be construed as an offer or solicitation of an offer to buy or sell any securities or other financial instruments. Past performance is not a guide for future performance, future returns are not guaranteed and a loss of original capital may occur. All opinions, projections and estimates constitute the judgment of the author as on the date of the report and these, plus any other information contained in the report, are subject to change without notice. Prices and availability of financial instruments also are subject to change without notice.

This report is not directed to or intended for display, downloading, printing, reproducing or for distribution to or use by, any person or entity that is a citizen or resident or located in any locality, state, country or other jurisdiction where such distribution, publication, reproduction, availability or use would be contrary to law or regulation or what would subject to SSSIL or its affiliates to any registration or licensing requirement within such jurisdiction. If this report is inadvertently sent or has reached any individual in such country, especially, USA, the same may be ignored and brought to the attention of the sender. Neither this document nor any copy of it may be taken or transmitted into the United State (to U.S. Persons), Canada, or Japan or distributed, directly or indirectly, in the United States or Canada or distributed or redistributed in Japan or to any resident thereof. Any unauthorized use, duplication, redistribution or disclosure of this report including, but not limited to, redistribution by electronic mail, posting of the report on a website or page, and/or providing to a third party a link, is prohibited by law and will result in prosecution. The information contained in the Report is intended solely for the recipient and may not be further distributed by the recipient to any third party.

SSSIL generally prohibits its analysts, persons reporting to analysts, and members of their households from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover. Additionally, SSSIL generally prohibits its analysts and persons reporting to analysts from serving as an officer, director, or advisory board member of any companies that the analysts cover. Our salespeople, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein. Our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. The views expressed in this research report reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report. The compensation of the analyst who prepared this document is determined exclusively by SSSIL however, compensation may relate to the revenues of the Systematix Group as a whole, of which investment banking, sales and trading are a part. Research analysts and sales persons of SSSIL may provide important inputs to its affiliated company(ies).

Foreign currencies denominated securities, wherever mentioned, are subject to exchange rate fluctuations, which could have an adverse effect on their value or price, or the income derived from them. In addition, investors in securities such as ADRs, the values of which are influenced by foreign currencies effectively assume currency risk.

MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY. SSSIL, its directors, analysts or employees do not take any responsibility, financial or otherwise, of the losses or the damages sustained due to the investments made or any action taken on basis of this report including but not restricted to fluctuation in the prices of shares and bonds, changes in the currency rates, diminution in the NAVs, reduction in the dividend or income, etc.

SSSIL and its affiliates, officers, directors, and employees subject to the information given in the disclosures may: (a) from time to time, have long or short positions in, and buy or sell the securities thereof, of company (ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation (financial interest) or act as a market maker in the financial instruments of the company (ies) discussed herein or act as advisor or lender / borrower to such company (ies) or have other potential material conflict of interest with respect to any recommendation and related information and opinions. The views expressed are those of the analyst and the Company may or may not subscribe to the views expressed therein.

SSSIL, its affiliates and any third party involved in, or related to, computing or compiling the information hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of this information. Without limiting any of the foregoing, in no event shall SSSIL, any of its affiliates or any third party involved in, or related to, computing or compiling the information have any liability for any damages of any kind. The Company accepts no liability whatsoever for the actions of third parties. The Report may provide the addresses of, or contain hyperlinks to, websites. Except to the extent to which the Report refers to website material of the Company, the Company has not reviewed the linked site. Accessing such website or following such link through the report or the website of the Company shall be at your own risk and the Company shall have no liability arising out of, or in connection with, any such referenced website

SSSIL shall not be liable for any delay or any other interruption which may occur in presenting the data due to any technical glitch to present the data. In no event shall the SSSIL be liable for any damages, including without limitation, direct or indirect, special, incidental, or consequential damages, losses or expenses arising in connection with the data presented by SSSIL through this presentation.

Neither SSSIL, nor any of its other group companies or associates, shall be responsible for any decisions taken on the basis of this report. Investors are advised to consult their Investment and Tax consultants before taking any investment decisions based on this report.



Systematix Shares & Stocks (I) Ltd. CIN : U65933MH1995PLC268414 BSE SEBI Reg. No.: INB/F011132736 (Member Code: 182) | NSE SEBI Reg. No.: INB/F/E231132730 (Member Code: 11327) | MCX-SX SEBI Reg. No.: INB/F261132733 (Member Code: 17560) | Depository Participant: IN-DP-CDSL-246-2004 (DP Id: 34600) | PMS : INP000002692 | AMFI : ARN - 64917|Research Analyst : INH200000840

Regd. Office Address: J. K. Somani Bldg, 2nd Floor, British Hotel Lane, Fort, Mumbai - 400001

Corporate Office Address: A 603-606 , The Capital, BKC, Bandra (E), Mumbai, India - 400051