

**Public Issue of Secured Redeemable NCD– Tranche I****Key Issue Details:**

Issue Key Highlights	Issue Size	Institutional Category (I) (5%)	Non Institutional Category (II) (5%)	HNI (III) (40%)	Retail Individual Investor (IV) (50%)
Issue Opens: April 7, 2022	Basic: Rs. 100 Cr	Rs. 5 Cr	Rs.5 Cr	Rs. 40 Cr	Rs. 50 Cr
Issue Closes*: April 28, 2022	Shelf: Rs. 400 Cr	Rs. 20 Cr	Rs.20 Cr	Rs. 160 Cr	Rs. 200 Cr

Note: Allotment on First cum First Serve Basis.

*with an option of early closure or extension
Persons resident outside India and other foreign entities are not allowed

The Specific Terms of Each Option are set out below:

Series	I	II	III [^]	IV	V	VI	VII	VIII
Face Value per NCD	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Minimum Application	Rs. 10,000/- (10 NCDs) and thereafter in multiples of Rs.1,000/- (1 NCD)							
Type of Instrument	Secured	Secured	Secured	Secured	Secured	Secured	Secured	Secured
Tenor	36 Months	60 Months	36 Months	60 Months	84 Months	120 Months	36 Months	60 Months
Interest Payment Frequency	Monthly*	Monthly	Annual**	Annual	Annual	Annual	N/A	N/A
<u>Base Coupon Rate (% per annum) (A)</u>								
NCD Holders in category I,II,III&IV	6.50%	6.75%	6.75%	7.00%	7.25%	7.50%	N/A	N/A
<u>Additional Incentive on Base Coupon (% per annum) on any Record Date as applicable to Category III & IV Investors (B)</u>								
NCD Holders in category III & IV	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	NA	NA
<u>Coupon Rate (Aggregate of the Base Coupon Rate and the additional incentive on the Base Coupon Rate on any Record Date as applicable to category III & IV investors {(A)+(B)})</u>								
NCD Holders in category I & II	6.50%	6.75%	6.75%	7.00%	7.25%	7.50%	N/A	N/A
NCD Holders in category III & IV	7.00%	7.25%	7.25%	7.50%	7.75%	8.00%	N/A	N/A
<u>Effective Yield (per annum)</u>								
NCD Holders in category I & II	6.50%	6.75%	6.75%	7.00%	7.25%	7.50%	6.75%	7.00%
NCD Holders in category III & IV	7.00%	7.25%	7.25%	7.50%	7.75%	8.00%	7.25%	6.75%
<u>Amount(Rs. / NCD) on Maturity</u>								
NCD Holders in category I & II	Rs.1000	Rs.1000	Rs.1000	Rs.1000	Rs.1000	Rs.1000	Rs.1216.48	Rs.1402.55
NCD Holders in category III & IV	Rs.1000	Rs.1000	Rs.1000	Rs.1000	Rs.1000	Rs.1000	Rs.1233.65	Rs.1435.63
Rating	"[ICRA] AA+/stable (pronounced as ICRA Double A plus rating with stable outlook)"							
Application Mode	Compulsorily ASBA over Rs. 2,00,000/- (UPI Option available up to Rs. 2,00,000/- Application Amount)							

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

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

(1) Please refer to Annexure 2 for details pertaining to the cash flows of the Company in accordance with the SEBI Operational Circular.

(2) As regards the payment of additional incentive, such additional incentive shall be payable to only such NCD Holders who shall be individuals as on the Record Date.

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

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

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

Issuer	Muthoot Finance Limited
Issue*	Base Issue of Rs.100 Crs. with option to oversubscription up to Rs. 400 Crs. aggregating to Rs. 500 Crs.
Object of the Issue	At least 75% for the purpose of onward lending and Maximum of upto 25% for General Corporate Purposes.
FV & Issue Price	Rs.1,000/- per NCD
Type of Instrument	Secured**, redeemable, non-convertible debentures
Rating	[ICRA] AA+/Stable
Deemed Date of Allotment	The date on which the Board or the or the NCD Committee of the Board approves the Allotment of the NCDs for Tranche I Issue or such date as may be determined by the Board of Directors or the or the NCD Committee of the Board and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue by way of the relevant Tranche Prospectus) shall be available to NCD Holders from the Deemed Date of Allotment.
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
Mode of Allotment	Compulsorily in dematerialised form***
Listing of NCDs	The NCDs offered through this Tranche I Prospectus are proposed to be listed on BSE. The NCDs shall be listed within six Working Days from the date of Issue closure
Debenture Trustee	IDBI Trusteeship Services Limited****
Registrar	Link Intime India Private Limited
Lead Managers	A. K. Capital Services Limited
Minimum Application	10 NCDs and in multiples of 1 NCD thereafter
Seniority	Senior (to clarify, the claims of the Secured NCD Holders shall be superior to the claims of any unsecured creditors, subject to applicable statutory and/or regulatory requirements). The Secured NCDs would constitute secured obligations of ours and shall rank pari passu inter se, present and future and subject to any obligations under applicable statutory and/or regulatory requirements, shall also, with regard to the amount invested, be secured by way of first pari passu charge on current assets, book debts, loans and advances, and receivables including gold loan receivables, both present and future, of our Company, by way of hypothecation. The Company shall create and maintain security for the Secured NCDs in favour of the Debenture Trustee for the Secured NCD Holders on the book value of the above assets as appearing in the balance sheet from time to time to the extent of 100% of the amount outstanding in respect of Secured NCDs, including interest thereon, at any time. The Company is required to obtain permissions / consents from the prior creditors having corresponding assets as Security, in favour of the Debenture Trustee, for creation of such pari passu charge. The Company had applied to the prior creditors for such permissions / consents and has obtained all permissions / consents from such creditors thereby enabling it to undertake this Tranche I Issue. At the request of the Company, the Debenture Trustee may release/ exclude a part of the assets mentioned above from the security so created for the Secured NCDs, subject to the Company maintaining the security cover as mentioned above and subject to such other terms and conditions as may be stipulated by the Debenture Trustee. The Company shall carry out subsequent valuation of the assets mentioned above, at the request of the Debenture Trustee, at the Company's cost.
Mode of Issue	Public Issue
Minimum Subscription	75% of the Base Issue i.e. Rs. 75 Cr.
Depositories	NSDL and CDSL

*The subscription list shall remain open for subscription on Working Days from 10 A.M. to 5 P.M., during the period indicated in the Tranche I Prospectus, except that the 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 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. On the Tranche I Issue Closing Date, the Application Forms will be accepted only between 10 A.M. and 3 P.M. (Indian Standard Time) and uploaded until 5 P.M. or such extended time as may be permitted by the BSE. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5 P.M. (Indian Standard Time) on one Working Day after the Issue Closing Date. For further details please refer to the section titled "Issue Related Information" on page 43 of this Tranche I Prospectus.

**While the Secured NCDs will be secured to the tune of 100% of the principal and interest amount or as per the terms of this Tranche I Prospectus in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained. However, the possibility of recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.

The specific terms of each instrument to be issued pursuant to the Tranche I Issue shall be as set out in this Tranche I Prospectus.

*** 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.

**** IDBI Trusteeship Services Limited under regulation 4(4) of the SEBI Debt Regulations has by its letter dated March 14, 2022 given its consent for its appointment as Debenture Trustee to the Tranche I Issue and for its name to be included in this Tranche I Prospectus and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to this Tranche I Issue.

Company's Business:

Muthoot Finance Limited is the largest gold loan NBFC in India in terms of loan portfolio. It provide 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. According to the ICRA Analytics Industry Report 2021, as of March 31, 2021 its branch network was the largest among gold loan NBFCs in India. Its Gold Loan portfolio as of December 31, 2021 comprised approximately 8.52 million loan accounts in India that it serviced through 4,617 branches across 22 states, the national capital territory of Delhi and six union territories in India.

Types of Investors: Who can apply

Category I – Institutional Investors - 5% of Overall Issue Size	Category II – Non Institutional Investors -5% of Overall Issue Size	Category III – High Net Worth Individual-40% of Overall Issue Size	Category IV – Retail Individual Investor -50% of Overall Issue Size
<p>Public financial institutions, scheduled commercial banks, Indian multilateral and bilateral development financial Institution which are authorised to invest in the NCDs;</p> <ul style="list-style-type: none"> • Provident funds and pension funds with a minimum corpus of Rs. 250 million, superannuation funds and gratuity funds, which are authorised to invest in the NCDs; • Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) 6 Term Description Regulations, 2012; • Resident Venture Capital Funds registered with SEBI; • Insurance companies registered with the IRDAI; • State industrial development corporations; • Insurance funds set up and managed by the army, navy, or air force of the Union of India; • Insurance funds set up and managed by the Department of Posts, the Union of India; • Systemically Important Non-Banking Financial Company registered with the RBI and having a net-worth of more than Rs. 5,000 million as per the last audited financial statements; • National Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and • Mutual funds registered with SEBI. 	<ul style="list-style-type: none"> • Companies within the meaning of Section 2(20) of the Companies Act, 2013; • Statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs; • Co-operative banks and regional rural banks; • Trusts including public/private charitable /religious trusts which are authorised to invest in the NCDs; • Scientific and/or industrial research organisations, which are authorised to invest in the NCDs; • Partnership firms in the name of the partners; • Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); • Association of Persons; • Any other incorporated and/ or unincorporated body of persons. 	<ul style="list-style-type: none"> • High Net-worth Individual Investors ("HNIs") - Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above INR 1,000,000 across all options of NCDs in the Issue 	<ul style="list-style-type: none"> • Retail Individual Investors - Resident Indian individuals or 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 Issue

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.

DISCLAIMER

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Systematix Shares and Stocks (India) Limited:

Registered and Corporate address: The Capital, A-wing, No. 603 – 606, 6th Floor, Plot No. C-70, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051

CIN - U65993MH1995PLC268414 | BSE SEBI Reg. No.: INZ000171134 (Member Code: 182) | NSE SEBI Reg. No.: INZ000171134 (Member Code: 11327) | MCX SEBI Reg. No.: INZ000171134 (Member Code: 56625) | NCDEX SEBI Reg. No.: INZ000171134 (Member Code: 1281) | Depository Participant SEBI Reg. No.: IN-DP-480-2020 (DP Id: 34600) | PMS SEBI Reg. No.: INP000002692 | Research Analyst SEBI Reg. No.: INH200000840 | Investment Advisor SEBI Reg. No. INA000010414 | AMFI : ARN - 64917