

## Issuer Overview

- Incorporated on June 10, 1997, Muthoot Fincorp Limited is a middle layer NBFC (“NBFC ML”) registered with the RBI.
- The Company is one of the prominent gold loan players in the Indian market. They have been engaged in the Gold loans business for over two decades and are headquartered in Kerala, India.
- The personal and business loans secured by gold jewellery and ornaments (“Gold loans”) offered by the Company are structured to serve the business and personal purposes of individuals who do not have ready or timely access to formal credit or to whom credit may not be available at all, to meet unanticipated or other short-term liquidity requirements.
- The Gold loan portfolio of the Company as of June 30, 2024 and March 31, 2024 comprised approximately 31.83 Lakhs and 30.46 lakhs loan accounts.
- The Company’s gross loans under management as of June 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 was ₹22,95,840.16 lakhs, ₹21,71,234.13 lakhs, ₹17,61,507.49 lakhs and ₹17,32,313 lakhs, respectively, on a standalone basis as per IndAS.

### Products:

- The Company provides retail loan products, primarily comprising of Gold loans.
- The Company’s Gold loan products include Muthoot Blue Super Value Loan, Swarna Sureksha Super Value, Easy Blue, Easy Max, Easy Pro, Restart India Pradhan, Easy Scale up and 24x7 Express Gold Loan The product of the Company, the “24x7 Express Gold loan” can be utilised by individuals who require quick loans against their gold jewellery and who have an existing loan with the Company. This is a type of top up loan.
- In addition to the Gold loan business, the Company provides foreign exchange conversion and money transfer services as sub-agents of various registered money transfer agencies.

The Company is also engaged in following business:

- generation and sale of wind energy through its wind farms located in Tamil Nadu.
- real estate business through joint venture developers of the company owned land parcels.

The Company’s subsidiaries are engaged in the following businesses:

- Muthoot Housing Finance Company Limited – affordable housing loans
- Muthoot Microfin Limited – micro credit facility to aspiring women entrepreneurs.
- Muthoot Pappachan Technologies Limited – IT services.

The Company is also authorised to act as a depository participant of CDSL as category II.

## Issue Structure

Series	I	II	III	IV	V**	VI	VII	VIII	IX	X	XI	XII	XIII*	
Nature	Secured													
Tenure	24 Months	36 Months	60 Months	72 Months	24 Months	36 Months	60 Months	72 Months	24 Months	36 Months	60 Months	72 Months	92 Months	
Frequency of Interest Payment	Monthly	Monthly	Monthly	Monthly	Annual	Annual	Annual	Annual	Cumulative	Cumulative	Cumulative	Cumulative	Cumulative	
Minimum Application	₹10,000 (10 NCDs)													
In Multiples of	1 NCD after minimum application													
Face Value/ Issue Price	₹1,000 (1 NCD)													
Mode of Interest Payment	Through various options available													
Coupon (%) per annum	9.00%	9.25%	9.45%	9.65%	9.40%	9.65%	9.90%	10.10%	NA	NA	NA	NA	NA	
Coupon type	Fixed													
Redemption Amount (₹/NCD) on maturity for Debenture Holders***	₹1,000	₹1,000	₹1,000	₹1,000	₹1,000	₹1,000	₹1,000	₹1,000	₹1,196.84	₹1,318.34	₹1,603.62	₹1,781.72	₹2,006	
Effective Yield(%) (per annum)	9.38%	9.65%	9.87%	10.09%	9.40%	9.65%	9.89%	10.10%	9.40%	9.65%	9.90%	10.10%	9.50%	
Put and Call Option	NA													
Deemed Date of Allotment	Monday, September 16, 2024													

Above data is obtained from page 75 of the Tranche I Prospectus.

\*maximum 75 crore

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

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

### Issue Details

Public issue of Secured, redeemable, non-convertible debentures aggregating up to ₹100 Crore with an option to retain over-subscription of ₹250 Crore aggregating up to ₹350 Crore (Tranche I Issue Limit)

### Credit Rating:

CRISIL AA-/Stable by CRISIL Ratings Limited

Face value: ₹1,000 per NCD

Bid Lot: 10 NCD and in multiples of 1 NCD thereafter

Lead Managers: Nuvama Wealth Management Limited

Registrar: Integrated Registry Management Services Private Limited

Debenture Trustee: Vardhman Trusteeship Private Limited

Credit Rating Agency: CRISIL Ratings Limited

Statutory Auditor: M/s. Krishnan Retna & Associates; M/s. Rangamani & Co

### Indicative Timetable

Activity	On or about
Issue Opens	28-08-2024
Issue Closes	10-09-2024

Listing: BSE

## Financials

(₹ in lakhs, unless stated otherwise)

Particulars	As at June 30, 2024 (Standalone)	As at March 31, 2024 (Consolidated)	As at March 31, 2023 (Consolidated)	As at March 31, 2022 (Consolidated)
Net Worth	471,274.80	579,645.73	425,718.36	373,116.06
Borrowings (Other than debt securities)	NA	2,464,326.19	1,894,542.99	1,601,092.04
Cash & Cash Equivalents	93,823.33	241,911.80	335,294.75	315,233.84
Interest Income	104,607.88	598,403.44	482,757.07	407,859.45
Interest Expense	50,911.21	271,347.68	213,106.18	200,505.46
Profit after Tax for the year (Standalone)	18,116.98	104,797.75	64,642.33	41,255.11
% Net Stage III Loan Assets to Gross Loan Assets	0.52%	0.64%	0.58%	1.57%
Tier I Capital Adequacy Ratio (%)	15.56%	15.87%	16.48%	14.73%
Tier II Capital Adequacy Ratio (%)	NA	4.15%	4.86%	4.69%

NA- Not Available in Prospectus

Above data is obtained from pages 116-119 of the Shelf Prospectus

## Competitive Strengths

**The Company is one of the largest Indian NBFCs engaged primarily in the Gold loans business in terms of the size of their Gold loans portfolio. Accordingly, they have extensive experience and a strong brand image and track record in the Gold loans business across India:** The Company believes that the “Muthoot Pappachan” and the “Muthoot Fincorp” brands are well established in the Gold loans business predominantly in South India. They have been engaged in the Gold loans business for over 20 years (twenty years) and as an NBFC specializing in the Gold loans business, they believe that they have created a niche in the Gold loans market by meeting the expectations of a typical Gold loan customer. The Company is one of the key players in the gold loan industry. A typical Gold loan customer expects rapid and accurate appraisals, easy access, low levels of documentation and formalities, quick approval and disbursement of loans, lockers to ensure safety of pledged gold and a team of expert valuers. They believe they meet those expectations. They attribute their growth, in part, to their market penetration, particularly in areas less served by organised lending institutions and the efficient and streamlined procedural formalities which their customers need to complete in order to complete a loan transaction with them, which makes them a preferred medium of finance for their customers.

**Widespread Branch Network and Strong Presence in South India:** As on June 30, 2024, the Company had 3,694 branches located across 24 states, including union territory of Andaman and Nicobar Islands and the national capital territory of Delhi, with a significant presence in South India. The customers of the Company are typically retail customers, small businessmen, vendors, traders, farmers and salaried individuals, who for reasons of convenience, accessibility or necessity, avail of their credit facilities by pledging their gold with them rather than by taking loans from banks and other financial institutions. A significant proportion of the Company's branches are located in rural locations and in semi-urban locations. They believe that they have a wide reach in rural markets as compared with other competition in this category. This reach in rural and semi-urban locations gives the Company an added advantage of being able to reach out to a large set of potential rural customers. Having such a network enables them to service and support their existing customers from proximate locations which gives their customers easy access to their services and enables them to reach new customers especially potential rural customers. They believe they can leverage on this existing network for further expansion and for fulfilling their customer requirements.

**High-quality customer service and short response time:** The products and services of the Company are aligned to the lifestyle needs of its customers. They adhere to a strict set of market survey and location guidelines when selecting branch sites to ensure that their branches are set up close to their customers. They believe that their customers appreciate this convenience, as well as extended operating hours that they typically offer, which are often more compatible with their customers' work schedules. Various loan products tailor made for MSME and salaried / household segments are offered. In addition to the physical environment, it is equally important to have professional and attentive staff at both the branch level and at their regional and centralised customer support centers. Each of the Company's branches across India is staffed with persons who possess local knowledge and understanding of customers' needs and who are adequately trained to appraise collateral and disburse loans within a few minutes.

**Access to a range of cost-effective funding sources:** The Company predominantly access capital/ funding by means of term loans from banks, issuances of redeemable nonconvertible debentures on a private and or public placement basis, issuances of commercial paper and cash credit facilities from banks including working capital loans. The Company has in the past issued secured redeemable non-convertible debentures on a private placement basis as a means to access capital/funding for its Gold loan business. The Company utilises funds from a number of credit providers, including nationalized banks and private Indian banks, and its track record of prompt debt servicing has allowed it to establish and maintain strong relationships with these financial institutions. The Company also issued subordinated debt which is considered as Tier II Capital of the Company. The Company has /undertaken securitization/ assignment transactions to increase the efficient use of its capital and as a cost effective source of funds. As of June 30, 2024, the total outstanding secured borrowings aggregated to ₹18,86,230.63 lakhs and total outstanding unsecured borrowings by the Company aggregated to ₹2,21,628.88 lakhs and outstanding securitization (pass through certification) is Nil.

**Experienced senior management team and a skilled workforce:** The Board of Directors of the Company consists of nine Directors (including the Promoters) with extensive experience in the financial service sectors. The Promoters and key managerial personnel have significant experience and in-depth industry knowledge and expertise. In order to strengthen the credit appraisal and risk management systems, and to develop and implement credit policies, the Company has hired a number of senior managers who have extensive experience in the Indian banking and financial services sector and in specialized finance firms providing loans to retail customers.

Above data is obtained from page 112 onwards of the Shelf Prospectus.

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Registration details:

JM Financial Services Ltd.  
Stock Broker - Registration No. - INZ000195834  
Corporate Identity Number: U67120MH1998PLC115415

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