

Public Issue of Secured Redeemable Non-Convertible Debentures

Indiabulls Consumer Finance Limited

Allotment on First Come First Serve Basis

Issue Opens on: 04th Feb 2019

Issue Closes on: 04th Mar 2019

Brief Introduction of the Company:

- » Indiabulls Consumer Finance Limited (ICFL) is a non-deposit taking systemically important NBFC registered with the RBI and a 100% subsidiary of India bulls Ventures Limited, a listed Indian company. The company focuses primarily on providing personal loans, business loans (unsecured SME loans and secured SME loans) and other loans. ICFL's AUM increased by 4254.60% from Rs. 91.91 crores as at March 31, 2017 to Rs. 4,001.83 crore as at March 31, 2018.
- » ICFL is part of the Indiabulls Ventures group, which is a prominent financial services company providing brokering, lending and wealth management businesses, amongst other businesses.
- » ICFL's promoter Indiabulls Ventures Limited, was incorporated in 1995; The promoter has infused funds periodically in the form of equity in the company. As of December 31, 2018, ICFL had presence in more than 100 cities throughout India through which they market their loan products, enabling them to operate on a pan-India basis.
- » In Fiscal 2018, ICFL launched their end-to-end personal loan fulfilment mobile based application "Dhani", an automated mode of lending which will enable loan application, risk analysis, credit approval, underwriting and disbursal processes to be carried out electronically through the application.
- » ICFL's innovative marketing of loans both online (through "Dhani") and offline (through partners network) resulted in an increase in the loans disbursed by us by 1767% from 0.15 lakhs in the third quarter of Fiscal 2018 to 2.90 lakhs in the third quarter of Fiscal 2019. Similarly, the loans disbursed by them increased by 57% from 1.90 lakhs in the second quarter of Fiscal 2019 to 2.90 lakhs in the third quarter of Fiscal 2019.
- » ICFL's loan book amounted to Rs. 10,334.38 crores as at December 31, 2018 with a CRAR of 36.67% as

at March 31, 2018. The CRAR maintained by them is significantly higher than the minimum capital adequacy requirement of 15.00% as stipulated by the RBI, and the average CRAR of 15.70% as of March 31, 2018 maintained by NBFCs.

- » As at March 31, 2018, its gross NPAs as a percentage of AUM was 0.05%, and net NPAs as a percentage of AUM was 0.05%. As of September 30, 2018, March 31, 2018, 2017 and 2016, capital to risk (weighted) assets ratio was 39.83%, 36.67%, 90.03% and 108.51% respectively.
- » ICFL's revenue from operations increased by 1123% from Rs. 57.24 crores in Fiscal 2017 to Rs. 700.04 crores in the Fiscal 2018. Profit after tax increased by 2761% from Rs. 6.69 crores in Fiscal 2017 to Rs. 191.52 crores in the Fiscal 2018. For the nine month period ending December 31, 2018, revenue from operations was Rs. 1,148.67 crores and its profit after tax was Rs. 319.48 crores. Its revenue from operations and profit after tax grew at a compound annual growth rate ("CAGR") of 4799.18% and 13808.64%, respectively, from Fiscal 2016 to Fiscal 2018.

Strengths:

- » Strong brand recognition and operational and business linkages
- » Country wide reach allows them to market their products across India
- » Marketing of loan products through on-line platforms enables them to extend the market reach of their loan products
- » Customer sourcing and marketing models have resulted in scalable growth
- » Strong in-house loan monitoring and collections teams keeping NPAs in check
- » Strong in-house customer services team to provide quality customer service
- » Liquid balance sheet with strong capital adequacy

Issue Details:

Issuer/ Borrower	Indiabulls Consumer Finance Limited
Nature of Issue	Secured Redeemable Non-Convertible Debentures
Issue Period	04 February'19 - 04 March'19*
Issue Size	Base Issue of Rs. 2,500 million with an option to retain oversubscription up to Rs. 27,500 million aggregating up to 30,000,000 NCDs amounting to Rs. 30,000 million ("Tranche I Issue Limit") ("Tranche I Issue") which is within the Shelf Limit of Rs. 30,000 million
Face value	Rs. 1,000 per NCD
Minimum Application	10 NCDs (Rs. 10,000) and in the multiple of One NCD thereafter
Credit Rating	"AA/Stable" by CARE and "BWR AA+"
Listing	The NCDs are proposed to be listed on NSE and BSE
Issuance mode of the instrument	Demat only [§]
Issuance/Trading	In Dematerialised form only
Lead Managers	Edelweiss Financial Services Limited, A. K. Capital Services Limited, Axis Bank Limited and Trust Investment Advisors Private Limited
Registrar	Karvy Fintech Private Limited (formerly known as Karvy Computershare Pvt Limited)
Debenture Trustee	IDBI Trusteeship Services Limited
Allocation Ratio	QIB: 20%, Corporate: 20%, HNI: 30%, Retail Individual Investor: 30% of the overall issue size
Depositories	NSDL and CDSL
Mode of Application	ASBA Mandatory

*The Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. (Indian Standard Time) during the period indicated in the relevant Tranche Prospectus, except that the Issue may close on such earlier date or extended date as may be decided by the Board of Directors of the Company or Bond Issue Committee thereof subject to receipt of necessary approvals. In the event of an early closure or extension of the Issue, the Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a daily national newspaper with wide circulation on or before such earlier or extended date of Issue closure. On the 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 and NSE.

[§]In terms of Regulation 4(2)(d) of the SEBI Debt Regulations, the Company will undertake this public issue of the NCDs in dematerialised form. However, in terms of section 8(1) of the Depositories Act, the Company, at the request of the Investors who wish to hold the NCDs in physical form will fulfil such request. However, trading in NCDs shall be compulsorily in dematerialized form.

Investment Details:

Series	I*	II	III	IV	V	VI	VII	VIII
Frequency of Interest Payment	Annual	Cumulative	Monthly	Annual	Cumulative	Monthly	Annual	Cumulative
Minimum Application	Rs. 10,000/- (10 NCDs) across all Series							
Tenor	26 Months	26 Months	38 Months	38 Months	38 Months	60 Months	60 Months	60 Months
Coupon (% P.A.) for NCD Holders in Category I, II, III & IV	10.75%	NA	10.40%	10.90%	NA	10.50%	11.00%	NA
Effective Yield (% P.A.) for NCD Holders in Category I, II, III & IV	10.75%	10.75%	10.90%	10.91%	10.90%	11.01%	10.99%	11.00%
Amount (Rs/NCD) on Maturity for NCD Holders in Category I, II, III & IV	Rs. 1,000	Rs. 1,248.02	Rs.1,000	Rs. 1,000	Rs. 1,388.30	Rs. 1,000	Rs. 1,000	Rs. 1,686.26
Put and call option	NA							
Mode of Interest Payment	Through various options available							

*The Company shall allocate and allot Series I NCDs wherein the applicants have not indicated their choice of the relevant NCD series.

Who Can Apply?

<p>Category I (Institutional Category) 20%</p>	<ul style="list-style-type: none"> * Public financial institutions, scheduled commercial banks, Indian multilateral and bilateral development financial institution which are authorized to invest in the NCDs; * Provident funds, pension funds with a minimum corpus of Rs. 250 million, superannuation funds and gratuity funds, which are authorized 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; * Mutual Funds registered with SEBI * 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 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;
<p>Category II (Non-Institutional Category) 20%</p>	<ul style="list-style-type: none"> * Companies within the meaning of section 2(20) of the Companies Act, 2013; * Statutory Bodies/ Corporations; * Societies registered under the applicable laws in India and authorised to invest in the NCDs; * Co-operative banks and regional rural banks * 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 (High Net-worth Individual) 30%</p>	<ul style="list-style-type: none"> * Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating to above Rs. 1 million across all series of NCDs in Issue
<p>Category IV (Retail Individual Investors) 30%</p>	<ul style="list-style-type: none"> * Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating up to and including Rs. 1 million across all series of NCDs in Issue

Contact:

<p>North: Ms. Sarita Singh, 052 2409 2000 Ext 108 (L), sarita.singh@karvy.com</p>	<p>Andhra Pradesh & Telangana: Mr. KTPS Prasad, 4467 7529, ktps@karvy.com</p>
<p>Karnataka: Mr. E Srinivasan, 98800 66215 (M), esrinivasan@karvy.com</p>	<p>West: Mr. Rahil Doshi, 96197 75225 (M), Rahil.doshi@karvy.com</p>
<p>East: Mr. Sharat Agarwal, 98309 52332 (M), sharat@karvy.com</p>	<p>Chennai (TN): Ms. Bhagyalakshmi, 95660 97174, lakshmi.dhanasekar@karvy.com</p>
<p>Kerala: Mr. Rathish Nair, 98955 31260, ratheesh.nair@karvy.com</p>	<p>Salem (TN): Mr. Hariharan V, 97916 11661, hari.harav@karvy.com</p>
<p>Madurai (TN): Mr. Ajith Samuel J P, 95976 16250, ajith.samuel@karvy.com</p>	<p>Coimbatore (TN): Mr. Gowthaman, 99525 45473, gowthaman.01@karvy.com</p>

Important Note

The Applications are to be submitted to the Members of the Syndicate and Trading Members on a timely manner so that the details can be uploaded by the closure of banking hours (5 PM) on to the Stock Exchange platform.

Kindly note that uploading the bids into Electronic files of Stock Exchanges is Mandatory and application is liable to be rejected otherwise.

Please read the Prospectus of this issue carefully before investing in the same.

Application forms will be available on
www.karvyvalue.com

Research Team

PF/NCD/01022019/05

Ankit Choradia; E-mail: ankit.choradia@karvy.com

Direct Ph: 040 3321 7132

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