

Public Issue of Secured Redeemable Non-Convertible Debentures

Indiabulls Consumer Finance Limited

Allotment on First Come First Serve Basis

Issue Opens on: 30th May 2019

Issue Closes on: 21st Jun 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. Company's AUM as per Ind AS was Rs. 40,175.28 million as at March 31, 2018, and AUM under Ind AS was Rs. 112,277.31 million as at March 31, 2019, resulting in increase in assets under management by 179%.
- » 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; and its long standing presence in financial services has enabled company to establish "Indiabulls" as a recognized brand in the financial services sector. In order to ensure expansion of Company's lending operations, company Promoter has infused funds periodically in the form of equity in Company. As of March 31, 2019, company had presence in more than 100 cities throughout India through which company market its loan products.
- » 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 cumulative loans disbursed by company by 1,354% from Rs. 0.08 million in fiscal 2018 to Rs. 1.1 Million in fiscal 2019.

- » Company has obtained a credit rating of "AA" from CARE and "AA+" from Brickwork in relation to its long term and short term bank facilities. Company has also received short-term credit rating of "A1+" from CRISIL, ICRA and CARE. These ratings signify the high degree of safety, regarding timely servicing of financial obligations and low credit risk. The credit rating of "A1+" signifies the highest short term credit rating. Company believes that its ratings result in a lower cost of funds for the Company.
- » Company's AUM under Ind AS amounted to ₹ 112,277.31 million as at March 31, 2019. The CRAR of 37.7% as at March 31, 2019 maintained by it 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. (Source:ICRA Report 2018).
- » As at March 31, 2019, ICFL's gross NPAs as a percentage of AUM under Ind AS was 0.75%, and net NPAs as a percentage of AUM under Ind AS was 0.24%. As of March 31, 2019, 2018 and 2017, its capital to risk (weighted) assets ratio was 37.7%, 33.52% and 90.03% respectively.

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	30 May'19 - 21 June'19*
Tranche II Issue	Base Issue of Rs. 1,000 million with an option to retain oversubscription up to Rs. 9,000 million aggregating up to 10,000,000 NCDs amounting to Rs. 10,000 million ("Tranche II Issue Limit") ("Tranche II 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 Tranche II 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 Tranche II Prospectus, except that the Tranche II 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 Tranche II 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 Tranche II Issue closure. On the Tranche II 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, our Company will undertake this public issue of the NCDs in dematerialised form. However, in terms of section 8(1) of the Depositories Act, our 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	IX
Frequency of Interest Payment	NA	Annual	NA	Monthly	Annual	NA	Monthly	Annual	NA
Minimum Application	Rs. 10,000/- (10 NCDs) across all Series								
Tenor	400 days	24 months	24 months	36 Months	36 Months	36 Months	60 Months	60 Months	60 Months
Coupon (% P.A.) for NCD Holders in Category I, II, III & IV	NA	10.27	NA	9.95	10.41	NA	10.13	10.61	NA
Effective Yield (% P.A.) for NCD Holders in Category I, II, III & IV	10.00	10.25	10.25	10.41	10.40	10.40	10.60	10.60	10.60
Amount (Rs/NCD) on Maturity for NCD Holders in Category I, II, III & IV	Rs. 1,110.10	Rs. 1,000.00	Rs. 1,215.83	Rs. 1,000.00	Rs. 1,000.00	Rs. 1,345.94	Rs. 1,000.00	Rs. 1,000.00	Rs. 1,655.83
Put and call option	NA								
Mode of Interest Payment	Through various options available								

*The Company shall allocate and allot Series V 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 the Tranche II 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 the Tranche II Issue

Contact:

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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/29052019/16

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