

Public Issue of Secured Redeemable Non-Convertible Debentures

Muthoot Homefin (India) Limited

Allotment on First Come First Serve Basis

Issue Opens on: 08th April 2019

Issue Closes on: 07th May 2019

Brief Introduction of the Company:

- » Company was incorporated on August 26, 2011 and is currently the wholly owned subsidiary of Muthoot Finance Limited (“MFL”), which is one of India’s largest gold financing companies by loan portfolio.
- » Company is a part of the group with a legacy of serving customers for over 130 years. Company has a customer base consisting of 20,237 customers as at September 30, 2018. Company is a non-deposit taking housing finance company and was registered with the National Housing Bank (“NHB”) on May 19, 2014.
- » Company focuses on providing affordable housing loans to Lower Middle Income (“LMI”) groups and Economically Weaker Sections (“EWS”) of society in tier 2, tier 3 and tier 4 cities. Company customers comprise primarily informal and formally salaried workers and self-employed individuals.
- » As on September 30, 2018, 58.88% of loan portfolio consisted of loans made to salaried individuals, 2.26% of loan portfolio consisted of loans made to individuals who are professionals or self-employed and 38.87% of loan portfolio consisted of loans made to individuals who are businessmen.
- » Company products are focused towards aiding their customers in arranging funds for purchase of a property, construction of new residential property, as well as for renovation, improvement and extension of existing residential property. These loan products are secured by creating a mortgage on the residential properties. In addition, they also provide their salaried customers with loans against property (“LAP”) by allowing them to mortgage their property with company. As on September 30, 2018, the total LAP provided by company was valued at ₹21.66 million and comprised of 0.12% of the total assets under management (“AUM”).
- » Company gross non-performing assets (“NPAs”) as a percentage of AUM as at September 30, 2018 in accordance With Ind AS stood at 0.78% and gross NPA as a percentage of AUM as at March 31, 2018 stood at 0.42%. Furthermore, as at March 31, 2017, and March 31, 2016, Company did not have any NPAs.
- » Company total borrowings as of September 30, 2018, were ₹13,983.94 million. Average ticket size as on September 30, 2018 was ₹0.95 million and the average cost of borrowings as a percentage of weighted average borrowings was 8.64%. The average tenor of loans on book as on September 30, 2018 was 17 years and four months.
- » Company sources customers directly through its in-house sales team, as well as through its channel partner. Company has a robust marketing and branch network in order to market their products to customers.

Strengths:

- » Strong growth opportunity supported by Government critical policy agenda
- » Strong credit ratings
- » Maintaining good asset quality and risk management framework
- » Legacy of the ‘Muthoot’ brand
- » Strong and experienced management team

Issue Details:

Issuer/ Borrower	Muthoot Homefin (India) Limited	
Nature of Issue	Secured Redeemable Non-Convertible Debentures	
Issue Period	08 April'19* - 07 May'19	
Issue Size	Base Issue of ₹1,500 million with an option to retain oversubscription up to ₹1,500 million for issuance of additional NCDs aggregating up to ₹3,000 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	"CRISIL AA/Stable" by CRISIL	
Listing	BSE	
Mode of Allotment & Trading	Traded compulsorily in Dematerialised Form	
Lead Managers	Edelweiss Financial Services Limited	
Registrar	Link Intime India Private Limited	
Debenture Trustee	Milestone Trusteeship Services Private Limited	
Allocation Ratio	Category	Allocation
	QIB	10%
	Corporate	10%
	HNI	30%
	Retail	50%
	Total	100%
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. during the period indicated above, except that the Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company or the Finance Committee. 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 initial 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 Stock Exchange.

Investment Details:

Series	I	II	III	IV	V	VI	VII	VIII	IX	X
Frequency of Interest Payment	Monthly*	Monthly*	Monthly*	Annually**	Annually**	Annually**	NA	NA	NA	NA
Tenor from Deemed Date of Allotment	24 months	38 months	60 months	24 months	38 months	60 months	24 months	38 months	60 months	90 months
Coupon rate (% per annum)	9.25%	9.50%	9.75%	9.50%	9.75%	10.00%	NA	NA	NA	NA
Effective Yield (per annum)****	9.25%	9.50%	9.75%	9.50%	9.75%	10.00%	9.25%	9.50%	9.75%	9.67%
Amount (₹/ NCD) on Maturity***	₹ 1,000.00	₹ 1,000.00	₹ 1,000.00	₹ 1,000.00	₹ 1,000.00	₹ 1,000.00	₹ 1,193.56	₹ 1,333.72	₹ 1,592.29	₹ 2,000.00
Maturity Date (from Deemed Date of Allotment)	24 months	38 months	60 months	24 months	38 months	60 months	24 months	38 months	60 months	90 months
Mode of Interest Payment	Through various options available									

* 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 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.

** 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.

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

**** Please refer to Annexure C for details pertaining to the cash flows of the Company in accordance with the SEBI circular bearing number 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).

Who Can Apply?

Category I <i>(Institutional Category) 10%</i>	<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 ₹250 million, superannuation funds and gratuity funds, which are authorized to invest in the NCDs; * Mutual Funds registered with SEBI; * Venture Capital Funds or Alternative Investment Fund registered with SEBI subject to investment conditions applicable to them under Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
Category II <i>(Non-Institutional Category) 10%</i>	<ul style="list-style-type: none"> * Companies within the meaning of section 2(20) of the Companies Act; * 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; * 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
Category III <i>(High Net-worth Individual) 30%</i>	<ul style="list-style-type: none"> * High Net-worth individuals which include Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹1 million across all series of NCDs in the Issue.
Category IV <i>(Retail Individual Investors) 50%</i>	<ul style="list-style-type: none"> * Retail Individual Investors which include Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹1 million across all series of NCDs in Issue

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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

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