

MUTHOOT CAPITAL SERVICES LIMITED

CIN: L67120KL1994PLC007726

3rd Floor, Muthoot Towers, M. G Road, Kochi - 682 035
Tel: + 91 - 484 - 6619600/6613450, Fax: + 91 - 484 - 2381261
Email: mail@muthootcap.com, Web: www.muthootcap.com

Memorandum of private placement of 10,00,000 Subordinated Debt of ₹ 1000/- each aggregating to ₹ 100 Crores (Series-8)
Subordinated Debt (Unsecured)
OPTION A - Maturity Scheme I - Tenure 96 Months (Doubling Scheme)
OPTION B - Monthly Scheme & OPTION C – Annual Scheme - Tenure 63 Months
Minimum application ₹ 25,000/-

COMPANY HIGHLIGHTS

ABOUT THE COMPANY

Muthoot Capital Services Limited (MCSL) was incorporated originally as Public Limited Company on February 18, 1994, under the provisions of Companies Act 1956. The Company is a category A - deposit accepting Non Banking Finance Company registered with Reserve Bank of India (16.00024 dated 13th May, 1998) with a paid up capital of ₹ 1644.75 lakhs and a Net Owned Fund of ₹ 377 95.23 lakhs as on March 31, 20018. MCSL is listed on the Bombay Stock Exchange and National Stock Exchange with an authorized capital of ₹ 2500 Lakhs. The Company offers Fixed Deposits, auto loans and small and medium enterprise loans. MCSL is the only listed Company in Muthoot Pappachan Group which has spanned across various sectors like financial services, hospitality, IT Infrastructure, automotive, alternate energy, estate investments and asset management solutions. The Group is promoted by Mr. Thomas John Muthoot, Mr. Thomas George Muthoot and Mr. Thomas Muthoot.

BOARD OF DIRECTORS

Name	Designation	Address	Occupation
Mr. Thomas John Muthoot	Chairman and Non - Executive Director	TC 4/1008, (1), Kawdiar, P.O, Thiruvananthapuram - 695 003, Kerala, India.	Business
Mr. Thomas George Muthoot	Managing Director	Muthoot Towers, College Road P.O, M G Road, Ernakulam - 682 035, Kerala, India.	Business
Mr. Thomas Muthoot	Non - Executive Director	Muthoot Towers, 6 th Floor, M.G Road, Opp. Abad Plaza, Ernakulam, 682 035, Kerala, India	Business
Mr. A.P. Kurian	Independent Director	9, Friendship, 23 rd Road, TPS III, Bandra (W), Mumbai - 400 050, Maharashtra, India.	Financial Expert and Board Member of NSE Ltd.
Mr. R.K Nair	Independent Director	25-167/Sivanevash, Karekadu, Suchindaram, 629 704, Tamil Nadu, India	Professional
Mrs. Radha Unni.	Independent Director	No. 21 / 6, River View, 4 th Main, Gandhi Nagar, Chennai - 600 020, Tamil Nadu, India	Retd. Chief General Manager, SBI, Kerala Circle - Dec.2008

FINANCIAL HIGHLIGHTS

(₹ in lakhs)

Liabilities	As on 31.03.2018	As on 31.03.2017	Assets	As on 31.03.2018	As on 31.03.2017
Share Capital	16 45	12 47	Fixed Assets	2 48	2 59
Reserves & Surplus	377 48	165 51	Investments	17 86	14 75
Secured Loans	1153 25	818 10	Deferred Tax	11 32	6 57
Unsecured Loans	305 57	182 72	Current Assets	29 02	43 70
Current Liabilities & Provisions	125 04	99 39	Loans & Advances	1917 11	1210 58
Total	1977 79	1278 19	Total	1977 79	1278 19

Gross Income as on 31.03.2018

**Gross portfolio of loans and advances
as on 31.03.2018**

**Net Profit as on 31.03.2018
(After Tax)**

398 09

2238 03

53 68

INFORMATION MEMORANDUM: TERMS AND CONDITION OF THE PRIVATE PLACEMENT OF SUBORDINATED DEBT

1. PURPOSE OF THE ISSUE

The private placement of the Subordinated Debt is being made to enhance the long term resources of the Company and to augment the business activities carried on by the Company which mainly consists of financing of vehicles. This will be treated as a part of Tier II capital of the Company.

2. ISSUE/OFFER

Private placement of **10,00,000** Subordinated Debts of ₹ 1,000 each aggregating to **₹ 100 crores**

3. AUTHORITY FOR THE PRESENT ISSUE

The present private placement of Subordinated Debt is made pursuant to the resolution passed by the Board of Directors of the Company at its meeting held on 18th January, 2019 and is within the overall borrowing limit set out in the resolution under Section 180 (1) (c) of Companies Act 2013.

4. NATURE OF INSTRUMENT

The Subordinated Debt shall be in the form of non marketable certificate. It is unsecured and is subordinated to the claims of other creditors.

5. NATURE OF ISSUE

The offer is only on private placement basis and can be accepted only by the person to whom the offer is specifically made. The Subordinated Debt being issued are subject to the applicable provisions of the Memorandum and Articles of Association/Letter of Allotment/Subordinated Debt Certificates to be issued/the terms and conditions of the private placement in the application form.

6. TERMS OF THE SUBORDINATED DEBT

- Face value: ₹ 1000/- per Subordinated Debt.
- Minimum Application: ₹ 25,000 and in multiples of ₹ 1,000 thereafter.
- Schemes and Interest Rates.

Option A

- Tenure: 96 Months (from the Date of receipts/Credit of the full amount in Companies Bank account.
- Rate of interest : 9.06% (compounded annually and doubling after 96 months)
- Scheme: Maturity scheme (Doubling after 96 months)

Option B

- Tenure: 63 Months
- Rate of Interest : 9.00% p.a
- Scheme: Monthly scheme.

Option C

- Tenure: 63 Months
- Rate of Interest : 9.06% p.a
- Scheme: Annual scheme.

There will not be any Annual Scheme.

- Put Option: Not available. Pre closure facility is also not available.
- Loan against Subordinated debt: Not available

7. TERMS OF PAYMENT

- The entire amount in respect of the Subordinated Debt applied for is payable on application.
- As per the relevant provisions of the Income Tax Act, remittance of application money for Subordinated Debt totaling ₹ 20,000 and above in a financial year in one or more separate accounts standing in name of the same person should be made strictly by crossed account payee draft/cheque/pay order only and not by cash.
- Applicant applying for the Subordinated Debt of ₹ 50,000 and above should mention their PAN allotted under Income Tax Act, 1961. In case PAN is not allotted; the fact of non allotment should be mentioned in the application form.

8. ALLOTMENT

The Company shall allot Subordinated Debt to valid applications. The Subordinated Debt certificates will be issued by the Company within the time limit as mentioned under the Companies Act, 2013.

9. OPENING AND CLOSURE OF SUBSCRIPTION LIST

- The issue will be open for subscription on 20th January, 2019 and the subscription will be closed 19th January, 2020. The Board or its Committee is authorised to make allotments from time to time. However, the Company reserves the right to close the issue early at its sole and absolute discretion at any time before the target amount is achieved without giving any reasons or prior notice.
- The Company reserves the right to retain any oversubscription up to an amount of ₹ 100 crores.

10. PAYMENT OF INTEREST

- Interest shall be paid at maturity, monthly and annually, based on the scheme opted.
- Interest shall accrue from the date of realization of cheque/DD/PO. Interest will be paid to the Subordinated Debt holder whose name appears on the Register of Subordinated Debt Holders. Interest will cease to accrue from the due date of redemption in all events.

11. REDEMPTION AT MATURITY

- The Subordinated Debt will be redeemed at the face value on their due date along with the interest if any.
- The Subordinated Debt certificates should be surrendered to the Company duly discharged for redemption at the Head Office/Branches of the Company at least 15 days prior to the maturity date.
- The payment of redemption amount of the Subordinated Debt will be made by the Company on surrender of Subordinated Debt certificates, only to the Subordinated Debt Holder whose name appears on the Register of Subordinated Debt Holders on the date of redemption.
- The redemption will be paid only by way of 'A/c Payee Cheques or redemption Warrants.

12. TRANSFER

Necessary transfer deed needs to be executed for transfer of the Subordinated Debt in the prescribed form by the transferor and the transferee. The transfer deed duly stamped should be submitted to the Company along with the original Subordinated Debt certificate. Further any transfer process shall be initiated only if the submission is made at least one month prior to the interest/redemption due date. The transfer will be registered in accordance to with the provisions contained in the Articles of Association of the Company. Transfer is not valid unless it is approved by and registered with the Company. The Company will not be responsible or liable for any loss suffered by the transferee on account of delay in the submission of transfer deed by the transferee(s) and consequent payment of interest or principal amount to the holder whose name appear in the Register of Subordinated Debt Holders as on due date.

13. FUTURE FUND RAISING

The Company retains the right to raise funds in whatever form by way of issue of Subordinated Debt/Debentures/Debts/other securities in any manner having ranking in priority, pari passu or otherwise and change the capital structure including issue of shares of any class on such terms and conditions may think appropriate, without the consent of the Subordinated Debt holders.

14. DEDUCTION OF TAX AT SOURCE

Interest on the Subordinated Debt: TDS will be deducted from the amount of interest as per the provisions of the Income Tax Act, 1961. In case if the payment towards TDS is not made by the investor annually, the TDS amount along with the interest @ 1.25% p.m. (or applicable prevailing rate) will be deducted from the maturity value. However, Subordinated Debt holders opting for payment of interest without deduction of tax may submit Form 15H/15G as the case may be in duplicate for each financial year.