

Public Issue of Secured and Unsecured Redeemable Non- Convertible Debentures (NCDs) of ₹ 12,500 Lakhs with an option to retain over subscription up to ₹ 12,500 Lakhs aggregating up to ₹ 25,000 Lakhs (“Issue”). The Secured NCDs shall be allotted for a value up to ₹20,000 lakhs and Unsecured NCDs shall be allotted for a value up to ₹5,000 lakhs.

(CREDIT RATING: ‘CARE BBB+’: Stable (Triple B Plus; Outlook: Stable’) for amount up to ₹ 25,000 lakhs of proposed NCDs under the Issue by CARE Ratings Limited)

BACKGROUND OF THE COMPANY

- Muthoottu Mini Financiers Limited (MMFL/ Company), located in the southern Indian state of Kerala, is registered with RBI as a non-deposit taking, systematically important NBFC, lending money against the pledge of household gold jewellery (“Gold Loans”) in the state of Kerala, Tamil Nadu, Karnataka, Andhra Pradesh, Telangana, Haryana, Maharashtra, Gujarat, Delhi and Goa and the union territory of Puducherry. We also have microfinance loan segment wherein we provide unsecured loans to joint liability group of women customers (minimum of 5 persons) who require funds to carry out their business activities through some of our branches in the state of Kerala.
- Mathew Muthoottu and Nizy Mathew are the Promoters of the Company. Mathew Muthoottu is the Managing Director of the Company and Nizy Mathew is the Chairwoman and Whole time Director of the Company. The Company belongs to the Muthoottu Mini group. Muthoottu Mini group belongs to the Muthoottu family of Kozhencherry, Kerala which was founded by Ninan Mathai Muthoottu, who started the family business enterprise in 1887.
- As on June 30, 2021, we have a network of 807 branches spread in the states of Kerala, Tamil Nadu, Karnataka, Andhra Pradesh, Telangana, Haryana, Maharashtra, Gujarat, Delhi and Goa and the union territory of Puducherry.
- The Gold Loan portfolio for the Fiscals March 31, 2021, March 31, 2020, and March 31, 2019 we had 3,86,110, 4,37,182 and 3,75,665 Gold Loan accounts, aggregating to balance of ₹1,93,510.34 lakhs, ₹1,64,480.28 lakhs and, ₹1,35,012.97 lakhs, respectively. For the Fiscals ended 2021, 2020 and, 2019, our Gold Loan portfolio yield representing interest income on Gold Loans as a percentage of average outstanding of Gold Loans, for the same period were 19.57%, 19.70% and, 19.17% respectively, per annum. For the Fiscals ended 2021, 2020 and 2019, income from interest earned on our Gold Loans constituted 95.10%, 94.60%, and 93.37%, respectively, of our total income.
- Gross non-performing loan assets were 0.86%, 1.89% and, 2.16% of our gross loan portfolio under management for the Fiscals 2021, 2020 and, 2019, respectively.
- In addition to the gold loan business, MMFL also offer microfinance loans, depository participant services, money transfer services, Broking services, PAN card related services, travel agency services and Consignee services for sale of bullion and jewellery.

COMPETITIVE STRENGTHS & KEY STRATEGIES

Competitive Strengths	Key Strategies
<ul style="list-style-type: none"> ➤ Long operating history and a large customer base. ➤ Flexible loan schemes and efficient customer service ➤ Extensive branch network across rural and semi-urban areas in South India. ➤ Advanced technology systems and established processes ➤ Strong support system, including appraisal, internal audit and inventory control and safety systems ➤ Experienced management team and skilled personnel 	<ul style="list-style-type: none"> ➤ Further growth in Gold Loan business in rural and semi-urban markets to tap into the potentially large market for Gold Loans. ➤ Diversifying our business into micro finance loan segment. ➤ New business initiatives to diversify our revenue stream by leveraging our branch network and customer base. ➤ Strengthening our risk management and technology systems to have an error less streamlined growth in business

Competitive Strengths	Key Strategies
➤ Strong support system, including appraisal, internal audit and inventory control and safety systems	

FINANCIAL INFORMATION

Profit & Loss Account Items

(₹ in Lakhs)

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
	<i>(based on IND AS)</i>		<i>(based on IGAAP)</i>
Total Revenue / Income	36,825.38	31,315.27	29,815.48
Profit Before Tax	5,324.45	3,233.76	2,578.58
Profit After Tax	3,191.14	3,354.18	2,095.60
EPS (Basic and Diluted)	12.79	13.44	8.40

Brief Financials

(₹ in Lakhs)

Particulars	FY March 31, 2021 [^]	FY March 31, 2020 [^]
Equity Share Capital	24,952.54	24,952.54
Reserves & Surplus	26,380.81	23,207.78
Financial Liabilities	2,00,528.30	1,54,128.91
Non-Financial Liabilities	486.40	275.50
Property, Plant & Equipment and other intangible assets	18,768.50	19,011.76
Non-Financial Assets	21,341.40	22,591.35
Financial Assets	2,31,006.65	1,79,973.38
Assets Under Management	1,99,421.36	1,69,109.97
Return on Net worth (%)	6.41%	7.06%
Gross NPA (%)	0.86%	1.89%
Net NPA (%)	0.75%	1.34%
Capital Adequacy Ratio (%)	25.75%	29.65%

[^]based on IND AS financials

Particulars	FY March 31, 2019 [#]
Equity Share Capital	24,952.54
Reserves & Surplus	19,774.98
Non-Current Liabilities	64,840.98
Current Liabilities	74,027.30
Fixed Assets (Net)	19,443.07
Non-Current Assets	22,326.66
Current Assets	1,61,269.14
Assets Under Management	1,38,472.95
Return on Net worth (%)	4.73%
Gross NPA (%)	2.16%
Net NPA (%)	1.39%
Capital Adequacy Ratio (%)	34.85%

[#]based on IGAAP financials

OBJECTS OF THE ISSUE

The Company is in the business of gold loan financing and as part of our business operations it raises/avails funds for onward lending, financing and for repayment/prepayment of interest and principal of existing loans.

The details of the proceeds of the Issue are set forth in the following table: (Rs in Lakhs)

Sr. No	Description	Amount
1.	Gross proceeds of the Issue	Upto 25,000.00
2.	(less) Issue related expenses	[●]
3.	Net Proceeds	[●]

* To be updated in the Prospectus

The following table details the objects of the Issue and the amount proposed to be financed from the Net Proceeds:

Sr. No	Objects of the Issue	Percentage of amount proposed to be financed from Net Proceeds
1.	For the purpose of onward lending, financing, and for repayment/prepayment of principal and interest on borrowings of the Company	At least 75%
2.	General Corporate Purposes*	Maximum of up to 25%
	Total	100%

*The Net Proceeds will be first utilized towards the Objects mentioned above. The balance is proposed to be utilized for general corporate purposes, subject to such utilization not exceeding 25% of the gross proceeds, in compliance with the SEBI Debt Regulations.

ISSUE DETAILS

Issuer	 Muthoottu Mini Financiers Limited Registered & Corporate Office: 2/994, Muthoottu Buildings, Kozhencherry, Pathanamthitta – 689 641, Kerala, India; Tel: +91 468 231 4391; Website: www.muthoottumini.com CIN: U65910KL1998PLC012154
Lead Manager	 Vivro Financial Services Private Limited 607/608, Marathon Icon, Opp. Peninsula Corporate Park, Off. Ganpatrao Kadam Marg, Veer Santaji Lane, Lower Parel, Mumbai-400 013, Maharashtra, India Tele.: +91 22 6666 8040/41/42 Fax: +91 22 6666 8047 Email: mmfl@vivro.net ; Investor Grievance Email: investors@vivro.net ; Website: www.vivro.net Contact Person/Compliance Officer: Jayesh Vithlani SEBI Registration No.: INM000010122
Registrar	 Link Intime India Private Limited
Debenture Trustee	 Mitcon Trusteeship Services Limited <small>A wholly owned subsidiary promoted by MITCON Consultancy & Engineering Services Limited</small>
Issue Schedule	Issue Opens: [●] Issue Closes: [●]*
Nature of Instrument	Secured and Unsecured Redeemable Non-Convertible Debentures

Secured portion NCDs	Up to ₹ 20,000 Lakhs									
Unsecured portion NCDs	Up to ₹ 5,000 Lakhs									
Credit Rating	'CARE BBB+' : Stable (Triple B Plus; Outlook: Stable') by CARE Ratings Limited ("CARE Ratings")									
Mode of Allotment and Trading	In dematerialised form									
Listing	BSE Limited ("BSE")									
Face Value (₹ /NCD)	₹ 1,000									
Issue Price (₹/ NCD)	₹ 1,000									
Minimum Application	10 NCDs i.e., ₹ 10,000 (across all Options of NCDs)									
In multiples of	One NCD after the minimum Application									
Allocation	<table border="0"> <tr> <td>Category I (Institutional)</td> <td>-</td> <td>10% of the overall issue size</td> </tr> <tr> <td>Category II (Non - Institutional)</td> <td>-</td> <td>40% of the overall issue size</td> </tr> <tr> <td>Category III (Retail Individual)</td> <td>-</td> <td>50% of the overall issue size</td> </tr> </table>	Category I (Institutional)	-	10% of the overall issue size	Category II (Non - Institutional)	-	40% of the overall issue size	Category III (Retail Individual)	-	50% of the overall issue size
Category I (Institutional)	-	10% of the overall issue size								
Category II (Non - Institutional)	-	40% of the overall issue size								
Category III (Retail Individual)	-	50% of the overall issue size								
Seniority	<p>Senior (the claims of the Debenture Holders holding Secured NCDs shall be superior to the claims of any unsecured creditors, subject to applicable statutory and/or regulatory requirements).</p> <p>The Secured NCDs would constitute secured obligations of our Company and shall have first ranking pari passu charge with the Existing Secured Creditors on all movable assets, including book debts and receivables, cash and bank balances, loans and advances, both present and future of our Company equal to the value one time of the debentures outstanding plus interest accrued thereon.</p> <p>The claims of all other lenders shall rank higher than Unsecured NCDs.</p>									
Security	<p>The principal amount of the Secured NCDs to be issued in terms of the Draft Prospectus together with all interest due on the Secured NCDs, as well as all costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of first ranking pari passu charge with Existing Secured Creditors, on current assets, including book debts, loans and advances, cash and bank balances (not including reserves created in accordance with law) and receivables, both present and future of the Company.</p> <p>No security will be created for the Unsecured NCDs to be issued in terms of the Issue.</p>									
Depositories	NSDL and CDSL									
Pay- in Date	Application Date. The entire Application Amount is payable on Application.									
Record date	<p>The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 7 Working Days prior to the date on which interest is due and payable, and/or the date of redemption. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchange, as the case may be.</p> <p>In case Record Date falls on a day when Stock Exchange is having a trading holiday, the immediate subsequent trading day will be deemed as the Record Date</p>									

** The Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. (Indian Standard Time), during the period indicated above, except that the Issue may close on such earlier date or extended date (subject to a period of maximum 30 days from the date of the Prospectus) as may be decided by the Board of Directors of our Company ("Board") or the Debenture Committee. In the event of such an early closure or extension subscription list of the Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in a reputed national daily newspaper with wide circulation on or before such earlier date or extended date of closure. Applications Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3:00 p.m. and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE*

INVESTMENT DETAILS

Tenure	480 Days	24 Months	24 Months	42 Months	50 Months	66 Months	84 Months
Nature	Secured					Unsecured	
Options	I	II	III	IV	V	VI	VII
Frequency of interest Payment	Monthly	Monthly	Cumulative	Monthly	Cumulative	Monthly	Cumulative
Minimum Application	10 NCDs (₹10,000) (across all options of NCDs)						
In multiples, of	1 NCD after the minimum application						
Face Value of NCDs (₹/NCD)	₹1,000						
Issue Price (₹₹/₹NCD)	₹1,000						
Mode of Interest Payment/ Redemption	Through various options available						
Coupon rate % Per Annum	8.75%	9.00%	NA	9.50%	NA	10.00%	NA
Effective Yield % Per Annum	9.11%	9.38%	9.54%	9.92%	10.22%	10.47%	10.41%
Redemption Amount of ₹1,000	1000	1000	1200	1000	1500	1000	2000
Coupon Type	Fixed						
Put and Call Option	Not Applicable						
Deemed date of Allotment	The date on which the Board or a duly authorised committee approves the Allotment of NCDs. All benefits relating to the NCDs including interest on the NCDs shall be available to the investors from the Deemed Date of Allotment. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment.						

WHO CAN APPLY

Category I	Category II	Category III*#
<ul style="list-style-type: none"> ➤ Resident public financial institutions as defined in Section 2(72) of the Companies Act 2013, statutory corporations including state industrial development corporations, scheduled commercial banks, co-operative banks and regional rural banks, and multilateral and bilateral development financial institutions which are authorised to invest in the NCDs; ➤ Provident funds of minimum corpus of ₹2,500 lakhs, pension funds of minimum corpus of ₹2,500 lakhs, superannuation funds and gratuity fund, which are authorised to invest in the NCDs; ➤ Alternative investment funds, subject to investment conditions applicable to them under the Securities and Exchange Board of 	<ul style="list-style-type: none"> ➤ Companies falling within the meaning of Section 2(20) of the Companies Act 2013; bodies corporate and societies registered under the applicable laws in India and authorised to invest in the NCDs; ➤ Educational institutions and associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment; which are authorised to invest in the NCDs; ➤ Trust including public/private charitable/religious trusts which are authorised to invest in the NCDs; ➤ Association of persons; ➤ Scientific and/or industrial research organisations, which are authorised to invest in the NCDs; ➤ Partnership firms in the name of the partners; 	<ul style="list-style-type: none"> ➤ Resident Indian individuals; and ➤ Hindu undivided families through the Karta. <p>*applications aggregating to a value not more than ₹ 5 lakhs #applications upto a value of ₹2 lakhs can be made under the UPI Mechanism</p>

Category I	Category II	Category III**
<ul style="list-style-type: none"> India (Alternative Investment Funds) Regulations, 2012; ➤ Resident venture capital funds registered with SEBI; ➤ Insurance Companies registered with the IRDAI; ➤ National Investment Fund (set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India and published in the Gazette of India); ➤ Insurance funds set up and managed by the Indian army, navy or the air force of the Union of India or by the Department of Posts, India; ➤ Mutual Funds registered with SEBI; and ➤ Systemically Important NBFCs. 	<ul style="list-style-type: none"> ➤ Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); and ➤ Resident Indian individuals and Hindu undivided families through the Karta applying aggregating to a value exceeding ₹5 lakhs. 	

Disclaimer

*“Muthoottu Mini Financiers Limited (**‘MMFL/ Company’**) is subject to market conditions and other considerations, proposing a Public Issue of Secured and Unsecured Redeemable Non-Convertible Debentures and has filed the Draft Prospectus with the BSE Limited and SEBI (for record purposes). The Draft Prospectus is available on the website of the company at www.muthoottumini.com, on the website of the stock exchange at www.bseindia.com and the website of the Lead Manager at www.vivro.net. Investors intending to participate in the Issue should invest only on the basis of information contained in the Draft Prospectus. Please see section entitled “Risk Factors” beginning on page no 15 of the Draft Prospectus for risk in this regard.”*

Disclaimer clause of BSE

BSE limited (“the Exchange”) has given, vide its approval dated [●] permission to this company to use the exchange’s name in the Draft Prospectus as the stock exchange on which the Company’s securities are proposed to be Listed. The exchange has scrutinized the Draft Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this company. The exchange does not in any manner: (a) warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Prospectus; or (b) warrant that this company’s securities will be listed or will continue to be listed on the exchange; or (c) take any responsibility for the financial or other soundness of this company, its promoters, its management or any scheme or project of this company; and it should not for any reason be deemed or construed that the Draft Prospectus has been cleared or approved by the exchange. Every person who desires to apply for or otherwise acquires any securities of this company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer Clause of RBI

The company is having a valid certificate of registration April 13, 2002 and a fresh certificate of registration dated January 1, 2014 bearing registration no. N-16.00175 issued by the Reserve Bank of India under section 45 IA of the Reserve Bank of India Act, 1934. However, RBI does not accept any responsibility or guarantee about the present position as to the financial soundness of the company or for the correctness of any of the statements or representations made or opinions expressed by the company and for repayment of deposits/discharge of liability by the company.

Disclaimer Clause of SEBI

It is to be distinctly understood that submission of Draft Prospectus to the Securities and Exchange Board of India (SEBI) should not in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or the project for which the issue is proposed to be made or for the correctness of the statements made or opinions expressed in the Draft Prospectus. The lead manager, Vivro Financial Services Private Limited, has certified that the disclosures made in the Draft Prospectus are generally adequate and are in conformity with the SEBI (Issue and Listing of Debt Securities) Regulations, 2008 in force for the time being. This requirement is to facilitate investors to take an informed decision for making investment in the proposed issue.

It should also be clearly understood that while the issuer is primarily responsible for the correctness, adequacy and disclosure of all relevant information in the Draft Prospectus, the lead manager is expected to exercise due diligence to ensure that the issuer discharges its responsibility adequately in this behalf and towards this purpose.

Disclaimer of CARE Ratings Limited

CARE'S ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE'S ratings do not convey suitability or price for the investor. CARE'S ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, Guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by care have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by care is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE'S rating.