

MCSL/SEC/23-24/51

May 19, 2023

#### **BSE Limited**

Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai - 400 001
Scrip Code - 511766
Scrip Code (Debenture) - 724596, 974648, 974292, 974550, 974551 and 974552

Dear Sir/Madam,

# Sub: <u>Disclosure pursuant to Regulation 54(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015</u>

With reference to Regulation 54(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we would like to state that:

The following debentures issued by the Company is secured as on 31.03.2023 as per the details given below:

ISIN	Maturity	Secured by way of	Amount	Date of
	Date		(₹ in	Creation of
			Crore)	Security
INE296G07010	21.04.2023	First ranking pari passu and	50	25.06.2020
		continuing charge along with all		
		other lenders by way of		
		hypothecation in favour of the		
		Debenture Trustee over all		
		Receivables of the Company such		
		that the aggregate value of the		
		Receivables, that at any time can		
		be appropriated to the charge		
		created herein are, at all times,		
		equal to at least 1.33 (one decimal		
		three three) times the value of the		
		Outstanding Amounts.		



		CAPITAL		
INE296G07119	06.10.2024	First ranking pari passu, current and continuing charge created pursuant to the Deed of Hypothecation executed between the Issuer and the Debenture Trustee ("Deed of Hypothecation") over all the standard receivables of the Issuer (the "Hypothecated Assets"). A security cover of 1.20x (One Decimal Point Two Zero Times) the value of the outstanding principal plus accrued interest/obligations if any of this Debentures shall be maintained at all times until the redemption of the Debentures from standard receivables of the Issuer ("Security Cover").	100	09.03,2023
INE296G07085	06.04.2024	Initial first charge is created exclusively on amounts lying in the charged account and Fixed Deposit as more particularly set out in the Deed of Hypothecation such that 1x cover on Principal and accrued interest is maintained.  Pari-passu charge is created over trade receivables of the Company after a period of 90 days such that a cover to the extent of 1.1.x is maintained.	20	06.01.2023
INE296G07077	06.01.2025	Initial first charge is created exclusively on amounts lying in the charged account and Fixed Deposit as more particularly set out in the Deed of Hypothecation such that 1x cover on Principal and accrued interest is maintained.  Pari-passu charge is created over trade receivables of the Company after a period of 90 days such that a cover to the extent of 1.1.x is maintained.	20	06.01.2023
INE296G07093	06.01.2026	Initial first charge is created exclusively on amounts lying in the charged account and Fixed Deposit as more particularly set out in the	35	06.01.2023



		CAPITAL		, T
		Deed of Hypothecation such that 1x		
		cover on Principal and accrued		
		interest is maintained.		
		Pari-passu charge is created over		
		trade receivables of the Company		
		after a period of 90 days such that a		
		cover to the extent of 1.1.x is		
		maintained.		
INE296G07101	31.05.2024	The Charge is created over the	35	07.03.2023
		Hypothecated Assets in the		
		following manner:		
		a. From the Deemed Date of		
		Allotment for a period of 90		
		(ninety) days from the Deemed		
		Date of Allotment- A pari passu		
		charge will be created against		
		the free pool consisting of the		
		receivables of the Company.		
		b. From the expiry of 90 (ninety)		
		days from the Deemed Date of		
		Allotment until the Final		
		Settlement Date- a pari passu		
		charge will be created over the		
		receivables created out of		
		onward lending of issue		
		proceeds.		
		-		

We have also enclosed herewith the certificate issued by the Statutory Auditor PKF Sridhar & Santhanam LLP, Chartered Accountants regarding maintenance of 100% security cover in respect of the above mentioned listed Non- Convertible Debentures issued by the Company. Please note that the security cover certificate attached is in the revised format as prescribed by the SEBI Circular SEBI/HO/MIRSD/MIRSD\_CRADT/CIR/P/2022/6 dated May 19, 2022 along with the certification on status of compliance of all the covenants.

Kindly take the same on your information and records.

Thanking You,

Yours Faithfully,

For Muthoot Capital Services Limited

Ramandeep Singh Gill Chief Finance Officer

# **PKF SRIDHAR & SANTHANAM LLP**

Chartered Accountants

To

The Board of Directors,

Muthoot Capital Services Limited,

Kochi.

Independent Auditor's Certificate on maintenance of Asset Cover as at March 31,2023 as per the terms of debenture trust deeds for secured listed non-convertible debt securities.

- 1. This certificate is issued in accordance with the terms of our engagement letter dated 01st December 2022
- 2. This Certificate is prepared to certify whether the company has maintained adequate asset cover for secured listed non-convertible debt securities as at 31<sup>st</sup> March 2023 as per the terms of respective debenture trust deeds. The Report has been prepared in compliance with the requirements of para 80 read with para 32A of Guidance Note on Reports or Certificates for Special Purposes and Standards of Auditing issued by the Institute of Chartered Accountants of India.
- 3. The accompanying statement attached as Annexure 'I' contains details of Asset cover for secured listed non-convertible debt securities issued by the company as at 31st March 2023. The Certificate is issued to the Board of Directors of the Company; as per the requirement of Regulation 56(1)(d) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended for the purpose of submission to IDBI Trusteeship Services Limited, Vardhamaan Trusteeship Private Limited, Oxyzo financial services limited (the Debenture Trustee) in respect of secured listed non-convertible debt securities issued by Muthoot Capital Services Limited vide various disclosure documents as stated below.

	Private Placement/Public Issue	ISIN no	Sanctioned Amount (Rs. In Lakhs)	Secured/ Unsecured
1	Private Placement	INE296G07010	5,000	Secured by Pari-Passu on receivables
2	Private Placement	INE296G07119	10,000	Secured by Pari-Passu on receivables
3	Private Placement	INE296G07101	3,500	Secured by Pari-Passu on receivables

Unit 609, 6th Floor, Jain Sadhguru Images Capital Park, Plot No: 1-98/4/1 – 1328 & 29, Near Metro Pillar No 1765, Madhapur, Hyderabad, Telangana, India 500 081.

Head Office/Registered Office: 91/92, VII Floor, Dr. Radhakrishnan Road, Mylapore, Chennai, 600004, India • Tel.: +91 44 2811 2985-88 Fax.: +91 44 2811 2989 • Email: sands@pkfindia.in • Web: www.pkfindia.in

PKF SRIDHAR & SANTHANAM LLP is a registered Limited Liability Partnership with LLPIN AAB-6552 (REGISTRATION NO. WITH ICAI IS 003990S/S200018)

4.1	Private Placement		2,000	Secured by Isssue proceeds account and FD
4.2	Private Placement	INE296G07077	2,000	Secured by Isssue proceeds account and FD
4.3	Private Placement	INE296G07093	3,500	Secured by Isssue proceeds account and FD

## Management responsibility

- 4. The preparation of the Statement is the responsibility of the Management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
- 5. The Management of the Company is also responsible for ensuring that the Company complies with all the relevant requirements of the SEBI circular, SEBI Regulations, Companies Act, 2013 and other applicable laws and regulations, as applicable.
- 6. The Management is also responsible to ensure that Assets Cover Ratio as on March 31, 2023 is in compliance with SEBI circular no. SEBI/HO/MIRSD/MIRSD\_CRADT/CIR/P/2022/67 dated May 19, 2022 with the minimum asset cover requirement of hundred percent as per the SEBI Regulations as given in Annexure I attached to this certificate.

### **Auditor's Responsibility**

- 7. Our responsibility, for the purpose of this certificate is to verify the particulars contained in the Statement, on the basis of the reviewed financial statements and other relevant records and documents maintained by the Company and to certify asset cover ratio is minimum hundred percent as per the minimum requirement stated in SEBI Regulations.
- 8. We have audited the Financial Statements for the year ended 31 March 2023, prepared by the Company pursuant to the requirements of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and issued an unmodified conclusion dated May 19, 2023. Our Audit of these financial results for the quarter and year ended March 31, 2023 was conducted in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India ("ICAI") respectively.
- 9. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

- 10. We have complied with the relevant applicable requirements of the Standard on Quality Control ("SQC") 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
- 11. A limited assurance engagement includes performing procedures to obtain sufficient appropriate evidence on the applicable criteria, mentioned in paragraph 7 above. The procedures performed vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we have performed the following procedures in relation to the Statement:
  - (a) Obtained and read the Debenture Term sheet and the Information Memorandum in respect of the secured Debenture and noted the asset cover percentage required to be maintained by the Company in respect of such Debenture, as Indicated in Annexure I of the Statement.
  - (b) Traced and agreed the principal amount of the Debentures outstanding as on March 31, 2023 to the audited financial statement of the Company and audited books of account maintained by the Company as at March 31, 2023
  - (c) Obtained and read the particulars of asset cover required to be provided in respect of Debentures as indicated in the Debenture Term sheet and the Information Memorandum.
  - (d) Traced the value of assets indicated in Annexure I of the Statement to the reviewed financial statements of the Company and unaudited books of account maintained by the Company as on March 31, 2023.
  - (e) Obtained the list of security created in the register of charges maintained by the Company. Traced the value of charge created in favor of debenture trustee.
- obtaining any other loan and determined that such assets are not included in the calculation of asset cover in respect of the Debentures.
  - (g) Examined and verified the arithmetical accuracy of the computation of asset cover indicated in Annexure I of the Statement.
  - (h) Traced general and financial covenants from debenture term sheet and verified whether those are complied with.
  - 12. We have no responsibility to update this certificate for events and circumstances occurring after the date of this certificate.

#### Conclusion

deraba

- 13. (A) Based on the procedures performed by us, as referred to in paragraph 12 above and according to the information and explanations received and Management representations obtained, nothing has come to our attention that causes us to believe that the Company has not maintained hundred percent asset cover or asset cover as per the terms of the Debenture Term Sheet and Information Memorandum.
  - (B) Nothing has come to our attention that causes us to believe that the Company has not complied with General\* and Financial Covenants as stated in the respective debenture term sheet in respect of the secured listed non-convertible debt securities as at March 31, 2023.

\*Affirmative and other covenants are verified according to our audit procedures substantiated by reaffirmations from the management.

## **Restriction on Use**

14. The Report has been issued at the request of the Company, solely in connection with the purpose mentioned in paragraph 3 above and to be submitted with the accompanying Statement to the Debenture Trustee and is not to be used or referred to for any other person. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come. We have no responsibility to update this certificate for events and circumstances occurring after the date of this report.

Place: Kochi

Date: 19th May 2023

For PKF Sridhar & Santhanam LLP

**Chartered Accountants** 

Firm Registration Number: 003990S / \$20001

FIRM REGN. NO. 003990S/S200018

Viswanadh VNSS Kuchi

Partner

Membership No. 210789

UDIN No: 23210789BGYTBQ

	ė	ú	í	
	i		ì	
	:	2	١	
ì		ì	i	
j	i			
١	Ċ			

	Coummu 8	Column C	Column D	Column E	. Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column O
Particulars		Exclusive Charge	Exclusive Charge Charge	Pari- Passu Charge		Pari- Passu Charge	Assets not offered as Security	Elimination (amount in negative)	(Total C to H)		Related to on	ly those items cover	Related to only those items covered by this certificate	
	Description of asset for which this certificate relate	Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by pari Other a passu debt holder which the fincludes debt for pari-parish which this certificate is charge issued & other debt (exclud which parish passu coveree coverees.	Other assets on which there is pari- Passu charge (excluding items covered in		Debt amount considered more than once (due to exclusive plus pari passu charge)		Market Value for Assets charged on Exclusive basis	Carrying / book value for exclusive charge assets where market value is not ascertainable or applicable	Market Value for Pari passu charge Assets		Total Value(=K+L+M+ N)
		Book value	Yes/No	Yes/No	Je	Book value					(For Fe Rank Ralanco		(For Se Bank Ralance	
ASSETS														
Property, Plant and Equipment					1		204		204					
Capital Work-in- Progress					٠		٠							
Right of Use Assets					•	,		,						
Goodwill							•	,						
Intangible Assets					•	,			۰				-	
Intangible Assets under Development					•				•					•
Investments					3.405		1 1 70							
Loans*	Book debt		to		1.65.800		43 120		000 80 6			•	3,405	
Inventories	rarawaran alumanaran						271/01	10. (1)	7,06,920				1,65,800	1,65,800
					•		•		•				•	•
Irade Receivables					•	,			•				•	,
Cash and Cash Equivalents		-			49,637	•	550	٠	\$0,187			•	49,637	7 49,637
Bank Balances other than Cash and									1 43		<i>X</i> *			
Cash Equivalents					7,154	•	93		7,247			•	7,154	7,154
Others					206		12,758	-	13.264		•		905	
Total					2,26,502		57,883		2.84.384				2 26 507	30.0



LIABILITIES		-			_		-			_	-	_		_	
**Debt securities to which this certificate pertains				š		*09 01		,							
Other debt sharing pari-passu charge				]		ten'et		/95'/	•	790,062			•	,	
with above debt				No		1,09,463	•			1,09,463			•	,	
Other Debt		¥						,	٠						
Subordinated debt								1 275		216.1					
Borrowings								4,523		C75'T		•			
Bank	Car loan								*						
								9	•	9		•	•		
Dept Securities						•							٠	•	
Public deposits								3,775	-	3,775		•	e.		
											-				
•	Payable for PTC to SPV						-								
	Loan from	- in-													
	director.									·					
Others				No		47,818		678	-	48,496		,	-		
Trade pavables										4					
								3,105		3,105			•	•	
Lease Liabilities									•			•	1.0	,	
Provisions	,					•	•	373	٠	373		,	•		
Others				No		685	•	1.318		2,003					
Total						1,76,661		17.948		1 94 609		•			
Cover on book value Cover on market value			V			1.28									
		Exclusive Security		Pari-Passu						2					
		Cover Ratio	N	Cover Ratio		1.28			-98						
							STATE OF THE PARTY								

\*Loan receivable indicated above consists of Gross loans Rs. 208,920.43 Lakhs net of over 90 days DPD receivable (Rs.43,120 Lakhs). The financial statements of the Company reflect Loan Receivable of Rs. 1,68,070.25 Lakhs (consisting of Gross Loans Rs. 2,08,920.43 Lakhs reduced by Impairment provision Rs. 40,950.17 Lakhs)

\*\*Company has issued MLDs (Market Linked Debentures) worth Rs. 75 crores where initial charge will be exclusive on issue Proceeds Account and FD created to cover the accrued interest for 90days. As per MLDs term sheet, Pari passu charge on company's receivables will be created on execution of Deed of hypothecation and NOC from existing lenders for the pari-passu charge is obtained at the end of 90 days of issuance i.e. 7th April 2023. Thus, above recurity cover ratio computation does not include MLDs worth Rs. 75 crores. If the MLDs are considered to have a pari passu charge on company's receivables the

For Muthoot Capital Services Lingited

Ramandeep Singh Gill Chief Finance Officer Date: 19th May 2023

For PKF Stidhar wad Santhangan Li,P

Rich Bat GN, Woo

O039008.6206018

Viswanadh Kuche

Partner

Part



## Annex -IV-A

Disclosure required under regulation 52(7) & 7A of SEBI (LODR) Regulations , 2015 for the quarter ended March ,2023

## a. Statement of utilization of issue proceeds

Name of the issuer	ISIN	Mode of Fund Raising (Public issues/Privat e Placement)	Type of Instrume nt	Date of raising funds	Amoun t Raised	Funds utilize d	Any deviati on(Yes / No)	If 8 is Yes, the specify the purpos e of for which the funds were utilized	Remark s, if any
1	2	3	4	5	6	7	8	9	10
Muthoo t Capital Services Limited	INE296G070	Private placement	Marked linked Debenture s (tranche 1)	07/01/2	20 Crs	19.47 Crs	No	NA	No
Muthoo t Capital Services Limited	INE296G070 77	Private placement	Marked linked Debenture s (tranche 2)	07/01/2	20 Crs	19.15 Crs	No	NA	No
Muthoo t Capital Services Limited	INE296G0709	Private placement	Marked linked Debenture s (tranche 3)	07/01/2 3	35 Crs	32.80 Crs	No	NA	No
Muthoo t Capital Services Limited	INE296G071 01	Private placement	Non- convertible debentures	08/03/2 3	35 Crs	35 Crs	No	NA	No

## b. Statement of deviation/ variation in use of Issue proceeds

Name of listed entity	Muthoot Capital Services Limited
Mode of fund raising	Private placement
	Marked Linked Debentures (3 tranches)
Type of instrument	Non-convertible debentures
	07/01/23 (MLD)
Date of raising funds	8/3/23 (NCD)
	Rs. 75.00 crores (MLD)
Amount Raised	Rs 35.00 crores (NCD)
Report filed for Quarter ended	
Is there a deviation/ variation in use of funds raised?	No
Whether any approval is required to vary the objects of the issue stated in	
the prospectus/ offer document?	No
If yes, details of the approval so required?	NA
Date of approval	NA
Explanation for the deviation/variation	NA
Comments of the audit committee after review	NA
Comments of the auditors if any	NA

Object for which the funds have been raised and where there has been a deviation /Variation in the following table:

Original Object	Modified Object if any	Original allocation	Modified allocation if any	Funds Utilised	Amount of deviation/Variation for the quarter according to applicable object (in Rs crore and in %)	Remarks If any
On lending (MLD-3 tranches)	NA	RS 100 crores	NA	Rs 71.42 crores	Nil	NA
On lending (NCD)	NA	RS 35 crores	NA	RS 35 crores	Nil	NA

Deviation could mean:

a. Deviation in the objects or purposes for which the funds have been raised.

b. Deviation in the amount of funds actually utilized as against what was originally disclosed.

For Muthoot Capital Services Limited

Ramandeep Singh Gill Chief Finance Officer

Date: 19th May 2023