

MCSL/SEC/23-24/207

October 27, 2023

**BSE Limited**

Phiroze Jeejeebhoy Towers

Dalal Street,

Mumbai - 400 001

**Scrip Code – 511766**

**Scrip Code (Debenture & CP) – 974648, 974915, 974292, 974550, 974551, 974552 and 725660**

Dear Sir/Madam,

**Sub: Disclosure pursuant to Regulation 54(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

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 30.09.2023 as per the details given below:

ISIN	Maturity Date	Secured by way of	Amount (₹ in Crore)	Date of Creation of Security
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	For the first 90 days, charge is created exclusively on the 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.	20	06.01.2023

		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.		
INE296G07077	06.01.2025	<p>For the first 90 days, charge is created exclusively on the 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.</p> <p>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.</p>	20	06.01.2023
INE296G07093	06.01.2026	<p>For the first 90 days, charge is created exclusively on the 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.</p> <p>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.</p>	35	06.01.2023
INE296G07101	31.05.2024	<p>The Charge is created over the Hypothecated Assets in the following manner:</p> <ol style="list-style-type: none"> <li>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.</li> <li>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.</li> </ol>	35	07.03.2023



INE296G07127	31.05.2025	Hypothecation of Trade Receivables of the Company with security cover of 1.1X	49	16.06.2023
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We have also enclosed herewith the certificate issued by the Statutory Auditor PKF Sridhar & Santhanam LLP, Chartered Accountants regarding maintenance of 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**  
**Chief Finance Officer**

# PKF SRIDHAR & SANTHANAM LLP

Chartered Accountants

To

The Board of Directors,

Muthoot Capital Services Limited,

Kochi.

Independent Auditor's Report on Asset Cover as at September 30, 2023 under Regulation 54 read with Regulation 56(1)(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) for submission to the National Stock Exchange (NSE), BSE Limited and to Vardhaman Trusteeship Private Limited (the "Debenture Trustee")

1. This Report is issued in accordance with the terms of our engagement letter dated 15<sup>th</sup> June 2023.
2. 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 30<sup>th</sup> September 2023. The Certificate is issued to the Board of Directors of the Company; as per the requirement of Regulation 54 read with Regulation 56(1)(d) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended the purpose of submission to National Stock Exchange (NSE), BSE Limited and Vardhaman Trusteeship Private 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.

S.no	Private Placement/Public Issue	ISIN no	Sanctioned Amount (Rs. In Lakhs)	Debenture Trustee	Secured/ Unsecured
1	Private Placement	INE296G07127	4,900	Vardhaman Trusteeship Private Limited	Secured by Pari-Passu on receivables
2	Private Placement	INE296G07119	10,000	Vardhaman Trusteeship Private Limited	Secured by Pari-Passu on receivables
3	Private Placement	INE296G07101	3,500	Vardhaman Trusteeship Private Limited	Secured by Pari-Passu on receivables
4.1	Private Placement	INE296G07085	2,000	Vardhaman Trusteeship Private Limited	Secured by Pari-Passu on receivables
4.2	Private Placement	INE296G07077	2,000	Vardhaman Trusteeship Private Limited	Secured by Pari-Passu on receivables
4.3	Private Placement	INE296G07093	3,500	Vardhaman Trusteeship Private Limited	Secured by Pari-Passu on receivables



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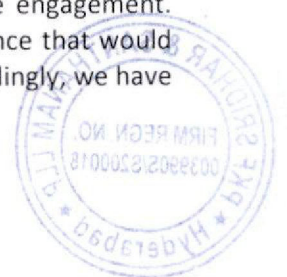
REGISTRATION NO. WITH ICAI IS 003990S/S200018

### Management responsibility

3. 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.
4. 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.
5. The Management is also responsible to ensure that Assets Cover Ratio as on September 30, 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

6. Our responsibility, for the purpose of this certificate is to verify the particulars contained in the Statement, on the basis of the reviewed financial results 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.
7. We have reviewed the Financial Results for the quarter ended 30<sup>th</sup> September 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 October 27, 2023. Our review of these financial results for the quarter ended September 30, 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.
8. 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.
9. 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.
10. Our scope of work did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial results of the Company taken as a whole. We have not performed an audit, the objective of which would be the expression of an opinion on the financial results, specified elements, accounts or items thereof, for the purpose of this report. Accordingly, we do not express such opinion.
11. A *limited* assurance engagement includes performing procedures to obtain sufficient appropriate evidence on the applicable criteria, mentioned in paragraph 6 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 September 30, 2023 to the reviewed financial results of the Company and unaudited books of account maintained by the Company as at September 30, 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 results of the Company and unaudited books of account maintained by the Company as on September 30, 2023.
- (e) Obtained the list of security created in the register of charges maintained by the Company and Form CHG-9 filed with Ministry of Corporate Affairs. Traced the value of charge created against assets to the asset cover.
- (f) Obtained the list and value of assets placed under lien or encumbrance for the purpose of 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

13. (A) Based on the procedures performed by us, as referred to in paragraph 11 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 September 30, 2023 which would adversely affect the borrowing facilities.

\*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 2 above and to be submitted with the accompanying Statement to the National Stock Exchange (NSE), BSE Limited and to Vardhaman Trusteeship Private Limited (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: Hyderabad  
Date: 27<sup>th</sup> October 2023

For PKF Sridhar & Santhanam LLP

Chartered Accountants

Firm Registration Number: 003990S/S200018

*KVNSS Viswanadh*

Viswanadh VNSS Kuchi

Partner

Membership No. 210789

UDIN No: 23210789BGYTCO1386



Muthoot Capital Services Limited

Annexure 1

Rs. in Lakhs

Column A	Column B	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	Description of asset for which this certificate relate	Exclusive Charge	Exclusive Charge	Pari-Passu Charge	Pari-Passu Charge	Pari-Passu Charge	Assets not offered as Security	Elimination (amount in negative)	(Total C to H)	Related to only those items covered by this certificate				
		Date for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by pari-passu debt holder (includes debt for which this certificate is issued & other debt with pari-passu charge)	Other assets on which there is pari-passu charge (excluding items covered in column F)		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 (For Eg. Bank Balance, DSRA market value is not applicable)	Market Value for Pari-passu charge Assets	Carrying value/book value for pari-passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Total Value (K+L+M+N)
		Book value	Yes/No	Yes/No	Book value	Book value								
<b>ASSETS</b>														
Property, Plant and Equipment					-	-	198.32	-	198.32			-	-	-
Capital Work-in-Progress					-	-	-	-	-			-	-	-
Right of Use Assets					-	-	-	-	-			-	-	-
Goodwill					-	-	-	-	-			-	-	-
Intangible Assets					-	-	7.49	-	7.49			-	-	-
Intangible Assets under Development					-	-	-	-	-			-	-	-
Investments					13,260.59	-	1,149.10	-	14,409.69			-	13,260.59	13,260.59
Loans*	Book debt receivables				1,58,309.24	-	17,900.91	-	1,76,210.15			-	1,58,309.24	1,58,309.24
Inventories					-	-	-	-	-			-	-	-
Trade Receivables					-	-	-	-	-			-	-	-
Cash and Cash Equivalents					30,448.44	-	-	-	30,448.44			-	30,448.44	30,448.44
Bank Balances other than Cash and Cash Equivalents					7,324.38	-	397.11	-	7,721.49			-	7,324.38	7,324.38
Others					532.56	-	11,357.98	-	11,890.54			-	532.56	532.56
<b>Total</b>					<b>2,09,875.21</b>		<b>31,010.91</b>		<b>2,40,886.12</b>				<b>2,09,875.21</b>	<b>2,09,875.21</b>
<b>LIABILITIES</b>														
**Debt securities to which this certificate pertains				Yes	26,936.31	-	-	-	26,936.31			-	-	-
Other debt sharing pari-passu charge with above debt				No	96,147.15	-	-	-	96,147.15			-	-	-
Other Debt					-	-	-	-	-			-	-	-
Subordinated debt					-	-	1,111.71	-	1,111.71			-	-	-
Borrowings					-	-	-	-	-			-	-	-
Bank					-	-	-	-	-			-	-	-
Debt Securities					-	-	-	-	-			-	-	-
Public deposits	Payable for PTC to SPV, loan from director, Commercial Paper				-	-	2,716.25	-	2,716.25			-	-	-
Others				No	26,343.14	-	5,035.21	-	31,378.35			-	-	-
Trade payables					-	-	2,025.29	-	2,025.29			-	-	-
Lease Liabilities					-	-	-	-	-			-	-	-
Provisions					-	-	196.85	-	196.85			-	-	-
Others				No	3,455.91	-	1,435.59	-	4,891.50			-	-	-
<b>Total</b>					<b>1,52,882.51</b>		<b>12,520.90</b>		<b>1,65,403.41</b>					
Cover on book value					1.37									
Cover on market value		Exclusive Security Cover Ratio	Nil	Pari-Passu Security Cover Ratio	1.37									

\* Loan receivable indicated above consists of Gross loans Rs.1,58,309.24 Lakhs net of over 90 days DPD receivable Rs.17,900.91 Lakhs. The financial statements of the Company reflect Loan Receivable of Rs. 1,39,770.20 Lakhs (consisting of Gross Loans Rs. 1,76,210.15 Lakhs reduced by Impairment provision Rs. 16,439.95 Lakhs)

For Muthoot Capital Services Limited



Ramandeep Singh Gill  
Chief Finance Officer  
Date: 27<sup>th</sup> October 2023



For PKF Sridhar and Santhanam LLP



Viswanadh Kuchi  
Partner

