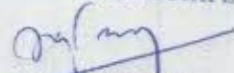


**INDICATIVE TERM SHEET FOR INVESTMENT IN
MARKET LINKED DEBENTURES TO BE ISSUED BY
MUTHOOT MICROFIN LIMITED**

The purpose of this document ("the Indicative Term Sheet") is to outline the terms and conditions of a potential Debenture issuance by the Issuer proposed to be subscribed to by the Investor. This Indicative Term Sheet does not constitute a final offer, is not exhaustive and may be subject to change.

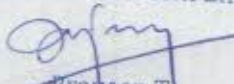
DESCRIPTION	PARTICULARS
Issuer/Company	Muthoot Microfin Limited ("MML")
Type of Instrument	Senior, secured, rated, listed, redeemable, taxable principal protected market linked (PP-MLD) redeemable non-convertible debentures.
Debenture Trustee	Catalyst Trusteeship Limited
Rating Agency	CRISIL Limited
Rating	"PP-MLD A; Stable" by CRISIL Limited
Promoter	Muthoot Fincorp Limited Mr. Thomas Muthoot Mr. Thomas John Muthoot Mr. Thomas George Muthoot Ms. Preethi John Muthoot Ms. Nina Muthoot Ms. Remmy Thomas
Nature of Instrument	Secured
Issuance Size	INR 50,00,00,000/-
Green Shoe	INR 50,00,00,000/-
Underlying / Reference Index	YIELD OF GOVERNMENT SECURITY: 6.10% GS 2031 HAVING ISIN: IN0020210095 MATURING ON "12-Jul-2031" as on Initial Fixing Date, as published by FBIL on www.fbil.org.in
Seniority	Senior
Mode of Issue	Private Placement
Face value	INR 10,00,000 (Indian Rupees Ten Lakhs Only)
Issue Price	INR 10,00,000/- Per Debenture (Indian Rupees One Lakhs Only)
Minimum subscription Size	1 Debenture bearing face value of Rs. 10,00,000/- each and in multiples of 1 Debenture(s) thereafter.
Issue Schedule*	Issue Open Date 25 th March, 2022 Issue Close Date 25 th March, 2022 Pay in Date 25 th March, 2022 Deemed Date of Allotment 25 th March, 2022
Initial Fixing Date	3 working days prior to Issue Open Date (21 st March, 2022)
Initial Fixing Level	Official Closing Level Yield of GOVERNMENT SECURITY: 6.10% GS 2031 HAVING ISIN: IN002021p0095 MATURING ON "12-Jul-2031" as on Initial Fixing Date, as published by FBIL on www.fbil.org.in
Final Fixing Date	1 calendar month prior to Maturity Date 25 th August, 2023
Final Fixing Level	Official Closing Level Yield of GOVERNMENT SECURITY: 6.10% GS 2031 HAVING ISIN: IN0020210095 MATURING ON "12-Jul-2031" as on Initial Fixing Date, as published by FBIL on www.fbil.org.in
Coupon	If Yield of underlying on Final Fixing Date Coupon (XIRR) Is <=12% 10.10% XIRR Is <=18% and >12% 10.05% XIRR Is > 18% 0% XIRR
Tenor	18 months from the Deemed Date of Allotment

For Muthoot Microfin Limited


Praveen T
Chief Financial Officer

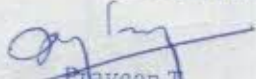
Step Up/Step Down Coupon Rate	<p>In the event, credit rating of the Debentures is downgraded from the current rating of "CRISIL PP-MLD A (Stable)" ("Rating") and/or the credit rating of the Company is downgraded from the current rating of "A" ("Company Rating") at any point of time during the tenor of the Debentures, the Coupon Rate shall increase by 0.5% (zero decimal five percent) for each notch downgrade of 1 (one) notch from the rating of the Debentures and/or Company ("Step Up Rate"). Such increased rate of interest shall be applicable from the date of such downgrade ("Step Up").</p> <p>Following the Step Up until the rating of the Debentures and/or Company is restored to the Rating and/or the Company Rating (as the case may be), if the rating of the Debentures and/or the Company is upgraded, the prevailing Step Up Rate shall be decreased by 0.5% (zero decimal five percent) for each upgrade of 1 (one) notch from the rating of the Debentures and/or the Company (until the rating of the Debentures and/or the Company is restored to the Rating and/or the Company Rating (as the case may be)) and such decreased rate of interest shall be applicable from the date of such upgrade. PROVIDED THAT the decreased rate of interest in accordance with this provision cannot, in any case, be lower than the Coupon Rate.</p> <p>It is clarified that, if following the Step Up, the rating of the Debentures and/or the Company is restored to the Rating and/or the Company Rating (as the case may be), then the interest shall be payable at the Coupon Rate, from the date that the relevant rating is restored.</p> <p>In case the Company has obtained rating in relation to the Debentures and/or the Company from more than one rating agency, the lowest rating issued by the rating agency in relation to the Debentures and/or the Company shall be considered for the purpose of increase in the Coupon Rate.</p>
Ranking	<p>Each Debenture issued by the Issuer will constitute direct, senior and secured obligations of the Issuer. The claims of the Debenture Holders shall be akin to the claims of senior, secured investors / lenders and shall rank pari passu to all senior, secured indebtedness of the Issuer.</p> <p>Each of the Debenture Holders shall inter-se rank pari passu in relation to their rights and benefits in relation to the Debentures, without any preference or privilege.</p>
Registrar & Transfer Agent	KFin Technologies Private Limited
Depository	NSDL & CDSL
Issuance mode	Dematerialized, Private Placement
Trading mode	Dematerialized
Settlement mode	RTGS / NEFT
Listing	<p>The Debentures are proposed to be listed on the Bombay Stock Exchange ("BSE") within 4 trading days of the Closure Date. Provided always that the application for listing is required to be completed within 4 trading days of the Issue Closure Date.</p> <p>In case of delay in listing of securities issued on privately placement basis beyond the timelines specified above, the issuer shall;</p> <ul style="list-style-type: none"> • pay penal interest of 1% p.a. over the coupon rate for the period of delay to the investor (i.e. from date of allotment to the date of listing) • be permitted to utilise the issue proceeds of its subsequent two privately placed issuances of securities only after receiving final listing approval from Stock Exchanges.

For Muthoot Microfin Limited


Praveen T.
Chief Financial Officer

Business Days	<p>The day on which payment of interest/redemption with respect to debt securities falls due, it has been decided that interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai.</p> <p>Additionally, a day (other than a Saturday, a Sunday or a Bank Holiday) on which banks are open for general business in Chennai.</p>
Business Convention	<p>Day</p> <ul style="list-style-type: none"> • If any coupon payment date falls on a day that is not a working day, the payment shall be made on the immediately succeeding working day. • If the redemption date of the Debentures falls on a day that is not a working day, the redemption proceeds shall be paid on the immediately preceding working day • If the Maturity Date (also the last coupon payment date) of the Debentures falls on a day that is not a working day, the redemption proceeds and coupon payment shall be paid on the immediately preceding working day.
Record Date	<p>15 (Fifteen). The date, as may be fixed by the Company, which will be 15 calendar days prior to the redemption date on which the determination of the persons entitled to receive coupon/redemption amount in respect of the Debentures (i.e., persons whose names are registered in the register of Debenture Holders or NSDL/CDSL record) shall be made.</p> <p>In the event that the Record date falls on a day which is not a Business Day, the next Business day will be considered as the Record Date</p>
End Use	<p>The proceeds of the Issuance will be utilized for the following purposes:</p> <ul style="list-style-type: none"> • General corporate purposes • for the ordinary course of business of the Issuer including repayment/re-financing of existing debt <p>No part of the proceeds shall be utilized directly/indirectly towards capital markets (debt and equity), land acquisition or usages that are restricted for bank financing.</p>
Issue price	At par
Security	<p>The Issue shall be secured by way of a first ranking exclusive and continuing charge to be created pursuant to the deed of hypothecation to be executed between the Issuer and the Debenture Trustee ("Deed of Hypothecation") over certain identified receivables of the Issuer (the "Hypothecated Assets"). A security cover of 1.1x (One Decimal Point One 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 ("Security Cover").</p> <p>The security will be created upfront and perfected within 30 (thirty) days from the Deemed Date of Allotment. Issuer's failure to create and perfect security shall attract 2% additional interest and give an option to the Debenture holders for early redemption.</p> <p>The charge for the security with ROC shall be modified within 15 (Fifteen) days from end of every 3 monthly period from the deemed date of allotment wherein charge over the replaced security shall be created and security which does not meet the eligibility criteria shall be removed.</p> <p>The Issuer undertakes to provide a list and details on a quarterly basis, of Hypothecated Receivables client loan ("Hypothecated Asset Report") to the Debenture Trustee.</p> <p><u>Eligibility Criteria for the Hypothecated Receivables:</u></p>

Muthoot Microfin Limited


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Chief Financial Officer

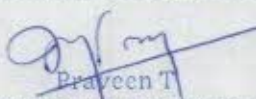
	<p>Each asset provided as security must comply with the portfolio origination criteria below:</p> <ul style="list-style-type: none"> • All applicable "know your customer" requirements prescribed by the RBI have be complied with; • The receivables are existing at the time of selection and have not been terminated or pre-paid; • The receivables have not been restructured or rescheduled and are "standard" loan i.e. less than 90 (Ninety) dpd. • Each client loans must satisfy the Issuer's credit and underwriting policies, including credit referencing agency checks where commonly used; • Each client loan must be directly originated by the Issuer and not loans purchased from a third party; • Each asset shall be standard on the books of Issuer <p>Non eligible receivables shall be replaced with fresh portfolio of same amount within 30 calendar days from the date since which they become ineligible.</p>
Maturity Date	25 th September, 2023
Put Option Date	Not Applicable
Call Option Date	Not Applicable
Put Notification Time	Not Applicable
Call Notification Time	Not Applicable
Day count basis	Actual/Actual
Redemption Date	Entire principal amount is payable to the investors on Maturity Date.
Accelerated/ Mandatory Redemption	<p>Early</p> <p>Subject to Applicable Law, on the occurrence of the following events, and if required by the Debenture Holders (by way of consent of Majority Debenture Holders), the Issuer shall redeem the outstanding Debentures in full together with accrued interest, and all other amounts accrued thereto without any premature redemption penalty whereupon such demand being made, all such outstanding amounts will become due and payable after 30 days:</p> <p>Rating of the instrument downgraded to CRISIL PP MLD BBB or below</p>
Default Interest Rate	<ul style="list-style-type: none"> • In case of default in payment of interest and / or principal redemption on the due dates, additional interest @ 2% p.a. over the Coupon Rate will be payable by the Issuer for the defaulting period. • In case of default by the Issuer in the performance of any of the covenants of this Issuance, including but not limited to the financial covenants of this Issuance, additional interest @ 2% p.a. over the Coupon Rate will be payable by the Issuer for the defaulting period
Prepayment Penalty	No prepayment is allowed.
Redemption Amount	$Face\ Value * [(1 + Coupon)^{(Tenor\ in\ Days/365)}]$
Interest on application money	<p>Interest at the Coupon Rate (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) will be paid to the applicants on the application money for the Debentures for the period starting from and including the date of realization of application money in Issuer's bank account up to one day prior to the Deemed Date of Allotment</p> <p>Where Pay-in Date and Deemed date of Allotment are the same, no interest on Application money is to be paid</p>
Transaction documents	<ol style="list-style-type: none"> Debenture Trust Deed, Deed of Hypothecation Debenture Trustee Agreement

For Muthoot Microfin Limited


 Praveen A
 Chief Financial Officer

	iv. Disclosure Document; v. PAS-4 vi. Board Resolution authorizing this Issuance; vii. Applicable Shareholder Resolutions under the Companies Act 2013; and viii. Tripartite Agreements with the Depository(ies) and Registrar & Transfer Agent Such other documents as agreed between the Issuer and the Debenture Trustee.
Conditions Precedent	1. Execution of Disclosure Document 2. Credit Rating Letter & Rationale 3. Trustee Consent Letter 4. Resolution of the Company's board of directors authorizing the issuance of debentures; 5. Resolution of the shareholders of the Company under 180(1)(c) of the Act 6. Obtaining In-principal approval for Listing from BSE 7. Execution of any other documents as agreed between the Issuer and the Debenture Trustee/ Investor.
Conditions Subsequent	The Company shall fulfil the following conditions subsequent, to the satisfaction of the Debenture Trustee, pursuant to the Deemed Date of Allotment: <ol style="list-style-type: none"> the Issuer shall ensure that the Debentures are credited into the demat account(s) of the Debenture Holders within 2 (two) Business Days from the Deemed Date of Allotment of the respective Series; the Company will ensure listing of Debentures on the BSE within stipulated timelines; the Company shall, inter alia, file a copy of Form PAS-3 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 with the ROC within 30 (thirty) days of the allotment of Debentures along with a list of the Debenture Holders and PAS 5; Execution of Deed of Hypothecation & Debenture Trust Deed within the stipulated timelines as per Companies Act, 2013 Filing CHG-9 Form with ROC within stipulated timelines Execution of any other documents as customary for transaction of a similar nature and size

For Muthoot Microfin Limited


Praveen T.
Chief Financial Officer


Events of Default	<p>Customary for financings of this nature and others appropriate in the judgment of the Debenture Holders, including but not limited to:</p> <ul style="list-style-type: none"> i) Non-payment of any of the dues under this issuance on the payment day, ii) Payment default on any other indebtedness (cross default); iii) Misrepresentation or misleading information in any of the Transaction Documents; iv) Issuer is unable or admits in writing its inability to pay its debts as they mature or suspends making payment of any of its debts, by reason of actual or anticipated financial difficulties or proceedings for taking it into liquidation have been admitted by any competent court or a moratorium or other protection from its creditors is declared or imposed in respect of any indebtedness of the Issuer; v) A receiver or liquidator, provisional liquidator, supervisor, receiver, administrative receiver, administrator, compulsory manager, trustee or other similar officer in respect of the Issuer or any of its assets is appointed or allowed to be appointed or for all or any part of the undertaking of the Issuer; vi) Lenders processes initiated against the Issuer vii) Repudiation of Transaction Documents viii) Cessation of business ix) Any material act of fraud, embezzlement, misstatement, misappropriation or siphoning off of the Issuer / Promoter funds or revenues or any other act having a similar effect being committed by the management or an officer of the Issuer x) One or more judgments or decrees entered against the Company involving a liability (not paid or not covered by a reputable and solvent insurance company), individually or in the aggregate, exceeding 10% (ten percent) of the Total Assets of the Company provided such judgments or decrees are either final and non-appealable or have not been vacated, discharged or stayed pending appeal within a period of 30 (thirty) days. xi) The Issuer has taken or suffered to be taken any action for re-organisation of its capital or any rearrangement, merger or amalgamation without the prior written intimation of the Debenture Holders; xii) Erosion of 50% or more of the Issuer's net worth. xiii) All or a material part of the undertaking, assets, rights or revenues of the Company are condemned, seized, nationalised, expropriated or compulsorily acquired, or shall have assumed custody or control of the business or operations of the Company, or shall have taken any action for the dissolution of the Company, or any action that would prevent the Company, their member, or their officers from carrying on their business or operations or a substantial part thereof, by or under the authority of any Government or Government authority; xiv) Occurrence of a Material Adverse Effect, as determined by the Debenture Trustee, acting solely on the instructions of the majority debenture holders. xv) Change in management control without prior written intimation.
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For Muthoot Microfin Limited


Araveen T
Chief Financial Officer

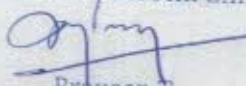
	<p>xvi) Any Transaction Document once executed and delivered, ceases to be in full force or becomes unlawful, invalid and unenforceable;</p> <p>xvii) A petition for the reorganization, arrangement, adjustment, winding up or composition of debts of the Company is filed on the Company (voluntary or otherwise) or have been admitted or makes an assignment for the benefit of its creditors generally and such proceeding is not contested by the company for staying, quashing or dismissed within 15 (Fifteen) days;</p> <p>i) Breach of the following covenants:</p> <ul style="list-style-type: none"> • Affirmative Covenants • Negative Covenants • Financial Covenants • Reporting Covenants • Other terms and conditions of Transaction Documents <p>Other conditions as mentioned in detail in the Transaction Document.</p>
Consequences of Event of Default	<p>Upon occurrence of any of the aforesaid event of default, the Debenture Trustee may by a notice in writing to the Company initiate actions as may be contemplated in the Transaction Documents including the following:</p> <p>i) require the Company to mandatorily redeem the Debentures and repay the Redemption Amount on the Debentures; or</p> <p>ii) declare all or any part of the Debentures to be immediately (or on such dates as the Debenture Trustee may specify) due and payable, whereupon it shall become so due and payable.</p> <p>iii) take any actions in respect of the SEBI Defaults (Procedure) Circular</p> <p>iv) the Debenture Trustee (acting on the instructions of the Debenture Holders) has the option (but not the obligation) to require the obligors underlying the loans hypothecated to secure the Debentures to directly deposit all interest and principal instalments and other amounts in respect of the relevant loans in the account specified by the Debenture Trustee (acting on the instructions of the Debenture Holders). All such payments will be used to discharge the amounts outstanding and due from the Company in respect of the Debentures</p> <p>v) Entering into, and the performance of any obligations under any inter-creditor agreement (pursuant to the RBI's circular no. DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019 on "Prudential Framework for Resolution of Stressed Assets", as amended, modified or restated from time to time) or any resolution plan shall be subject to the terms of the SEBI Defaults (Procedure) Circular (including without limitation, the resolution plan being finalised within the time period prescribed in the SEBI Defaults (Procedure) Circular.</p> <p>vi) take all such other action as is expressly permitted under the Transaction Documents or permitted under Applicable Law (including initiating any insolvency proceedings under the Insolvency and Bankruptcy Code, 2016);</p> <p>Such other remedies as mentioned in the Transaction Documents</p>
Reporting Covenants	Yearly Reports – within 90 (ninety) days from the end of financial year

For Muthoot Microfin Limited


Praveen
Chief Financial Officer

	<ul style="list-style-type: none"> • Certificate from the Independent Chartered Accountant of the Issuer conforming compliance with the financial covenant based on audited financial statement. • Certificate signed by the Independent Chartered Accountant shall be furnished on an annual basis by the Issuer, certifying that the receivables created out of the issuance are hypothecated to the Investor and Investor has exclusive first charge on the receivables created out of the issuance and the minimum asset cover of 1.1 x is available. Certificate to contain details of receivables (Loan ID, location, amount sanctioned, amount outstanding, overdue status) hypothecated to Investor. • Audit financials along with schedules within 120 (One Hundred and Twenty) calendar days from the end of each financial year • Annual Reports – within 180 (One Hundred and Eighty) calendar days from the end of each financial year <p>Quarterly Reports – within 45 (Forty-Five) calendar days from the end of each financial quarter for quarterly reporting as specified below:</p> <ul style="list-style-type: none"> • Certificate signed by Chief Financial Officer and/OR Authorised Signatory the Issuer, confirming the compliance with the Financial Covenants on the basis of last declared quarterly unaudited financial statements of the Issuer. <p>Event Based Reports – In case of changes initiated by the Issuer requiring approval of the board, the reporting shall be made within 5 days post approval of the board, all others will be 15 days. Anything related to Material Adverse Effect , IBC, Potential Default ,etc reporting shall be made within 1 day of the Company having knowledge. These includes the following but not limited to:</p> <ol style="list-style-type: none"> 1. Change in list of Board of Directors; 2. Change in Shareholding structure; 3. Change in senior management officials (any CXO or equivalent); 4. Any fraud amounting to more than 1% of Gross Loan Portfolio; 5. Material changes in accounting policy; 6. Amendment to constitutional documents except amendment of MoA and AoA due to the following events: <ul style="list-style-type: none"> • Increase in authorised Share Capital and/or any re-classification; • Appointment of Observer on behalf of any investor; • Appointment of nominee director on behalf of an investor; • Any change in the Articles as a result of amendments in the shareholders' agreement entered with any shareholder/investor; provided that such amendment(s) are not prejudicial to the interest of the Debenture Holder of this Issue. 7. New segment of business other than the business carried out by the Issuer presently; 8. Material Adverse Effect; 9. Any dispute, litigation, investigation or other proceeding which could result in a Material Adverse Effect; 10. Winding up proceedings; 11. Any Event of Default or Potential Default, and any steps taken/ proposed to remedy the same; 12. Application of insolvency petition under bankruptcy code/ NCLT by the Issuer needs to be notified within 1 calendar day; <p>Other Reporting will be mentioned in the Transaction Document(s)</p>
Financial Covenants	(a) Tier 1 Capital Ratio (Tier 1 Capital / Risk Weighted Assets) of >12% or as per the regulatory requirement prescribed by Reserve Bank of

For Muthoot Microfin Limited


Praveen T
Chief Financial Officer

India, whichever is higher; Tier 1 Capital defined as per the norms applicable by the Reserve Bank of India from time to time

- (b) Capital Adequacy (Tier 1 Capital + Tier 2 Capital) / Risk Weighted Assets) of >16% as per the regulatory requirement prescribed by Reserve Bank of India, whichever is higher; Tier 1 Capital and Tier 2 Capital defined as per the norms applicable by the Reserve Bank of India from time to time.

For the purpose of the calculations of the Capital Adequacy as mentioned above:

- i. The first loss credit enhancement provided by the Company on securitization shall be reduced from Tier I Capital and Tier II Capital and the deduction shall be capped at 15% of the outstanding securitized portfolio.
 - ii. The first loss credit enhancement provided by the Company on Client Loans originated on behalf of other institutions shall be reduced from Tier I Capital and Tier II Capital without any ceiling.
 - iii. Investments made by the Company in share capital shall be reduced from Tier I Capital and Tier II Capital.
- (c) Maintain a ratio of A:B not greater than 9% where A is PAR-90 and B is the Gross Loan Portfolio to be tested from March 31, 2022 onwards up to March 31, 2023 and 5% thereafter
- (d) Maintain a ratio of A:B less than 20% where A is PAR-90 net of loan loss provisions on the Gross Loan Portfolio and B is Tangible Net Worth to be tested from March 31, 2022 onwards
- (e) Maintain a ratio of A:B not greater than 35% (Thirty five percent) where A is Off Balance Sheet Portfolio and B is the Total Assets;
- (f) Maintain a positive After-tax Net Income
- (g) The Company hereby undertakes that until the Final Settlement Date, Promoters shall hold minimum 51% of the equity share capital of the Company, on a fully diluted basis

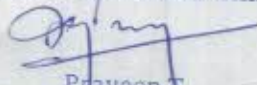
"Gross Loan Portfolio" shall include on balance sheet and off-balance sheet portfolio

"Off Balance Sheet Portfolio" shall mean principal balance of loans originated on behalf of other institutions in respect of which the Issuer has provided credit enhancements in any form or manner whatsoever

"Tangible Net Worth" means the Net worth of the Company, net of intangible assets and deferred tax assets.

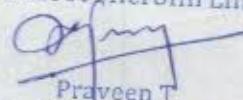
"PAR-30" shall mean the outstanding principal amount of all client loans that have one or more instalments of principal past due for thirty days or more.

For Muthoot Microfin Limited


Praveen T
Chief Financial Officer

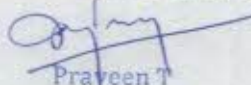
	<p>"PAR-90" shall mean the outstanding principal amount of all client loans that have one or more instalments of principal past due for ninety days or more.</p> <p>"Total Assets" means, for any date of determination, the total Assets of the Company on such date, including owned, securitised and managed (non-owned portfolio</p> <p>And as set out in greater detail in the Debenture Trust Deed</p>
Affirmative Covenants	<ul style="list-style-type: none"> i) To utilise the proceeds of this issue in accordance with applicable laws and regulations and as mentioned in Transaction Documents; ii) To comply with Companies Act, 2013, SEBI Guidelines, corporate governance, fair practices code prescribed by the RBI; iii) Notification of any potential Event of Default or Event of Default; iv) Obtain, comply with and maintain all applicable licenses / authorizations; v) Provide details of any material litigation, arbitration or administrative proceedings (materiality threshold to be agreed in the Transaction Documents); vi) Maintain internal control for the purpose of (i) preventing fraud on monies lent by the Company; and (ii) preventing money being used for money laundering or illegal purposes; vii) Permit visits and inspection of books of records, documents and accounts to Debenture Trustee as and when required by them; viii) Comply with any monitoring and/or servicing requests from Debenture Trustee; <p>Comply with and perform such other conditions as mentioned in detail the Transaction Documents</p>
Negative Covenants	<p>The Issuer shall not without the prior written consent of the Debenture Holders and Debenture Trustee, do or undertake to do any of the following:</p> <ul style="list-style-type: none"> i) Change of business ii) The Issuer shall not enter into any transaction of merger, de-merger, consolidation, re-organization, scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction; iii) The Company shall not make any amendments to its constitutional documents in a manner which would prejudicially affect the interests of the Debenture Holder(s). iv) Sell, assign, transfer, or otherwise dispose of in any manner whatsoever any material Assets, business or division of the Company (whether in a single transaction or in a series of transactions (whether related or not) or any other transactions which cumulatively have the same effect) other than any securitisation/portfolio sale of assets undertaken by the Company in its ordinary course of business

For Muthoot Microfin Limited



Praveen T
Chief Financial Officer

	<p>v) Directly or indirectly lend to any of its group companies, or to its promoters (as defined in the Act, or any Related Parties; or directly or indirectly lend to any of its group companies;</p> <p>vi) Enter into related party transaction (other than in arms' length price and in ordinary course of business)</p> <p>vii) Claim for itself or its Assets immunity from any suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process in any jurisdiction;</p> <p>viii) Any sale of assets/business/division that has the effect of exiting the business or re-structuring of the existing business;</p> <p>ix) To pay dividend, if a payment default has occurred and is subsisting;</p> <p>x) To undertake any new major new business outside financial services or any diversification of its business outside financial services; and</p> <p>Such other covenants as mentioned in the Transaction Documents</p>
Representations & Warranties	<p>The Issuers represents and warrants that:</p> <p>i) The Company duly incorporated and is registered with the RBI as an NBFC</p> <p>ii) No Event of Default has occurred and is continuing on the date of this transaction</p> <p>iii) The Debentures under this Issuance shall rank pari passu amongst themselves and with all other secured, senior creditors/ investors/ lenders.</p> <p>iv) Issuance of this Debenture shall not be in conflict with any other obligations on or the constitutional documents of the Issuer.</p> <p>v) No Material Adverse Change in business, condition or operations of the Issuer</p> <p>vi) Company has the power and authority to issue Debentures and can enter in to Transactions Documents;</p> <p>vii) There as of the date of execution here of no pending or threatened litigation, investigation or proceedings that may have a material adverse effect on the business condition (financial or otherwise), operations, performance or prospects of the Issuer or that purports to affect the Debentures; and</p> <p>viii) Issuance of the Debenture are not illegal or in violation of applicable laws; and</p> <p>Other conditions as set out in greater detail in the Transaction Documents.</p>
Indemnification	<p>The Issuer will indemnify, and hold harmless the Debenture Holders from and against any claim, liability, demand, loss, damage, judgment, or other obligation or right of action which may arise as a result of breach of this Term Sheet by the Issuer or its Promoter/s.</p>
Confidentiality	<p>The terms and conditions described in this Term Sheet, including its existence, shall be confidential information and shall not be disclosed to any third party except to each Party's advisors and counsel. Provided however that if any of the Parties is required by law to disclose information regarding this Term Sheet or to file this Term Sheet with any regulatory body, it shall, at a reasonable time after making any such disclosure or filing, informing the other Parties.</p>
Governing Law & Jurisdiction	<p>This Term Sheet shall be governed and construed exclusively in accordance with the laws of India and any disputes arising there from shall be subject to the jurisdiction of appropriate courts and tribunals at</p>


 Praveen T
 Chief Financial Officer

	Chennai, India.
Transaction Costs	<p>The Issuer shall bear all transaction related costs incurred by the Debenture Holders with respect to legal counsel, valuers and auditors / consultants. Such costs include:</p> <ol style="list-style-type: none"> 1. Trustee fees 2. Listing fees 3. Rating fees 4. Valuation fees 5. Any other reasonable transaction related expense incurred by the Debenture Holders 6. Stamping and registration in relation to all Transaction Documents.
Taxes, Duties, Costs and Expenses	<ol style="list-style-type: none"> 1. Relevant taxes, duties and levies are to be borne by the Issuer. 2. The charges / fees and any amounts payable under this Debentures by the Issuer as mentioned herein do not include any applicable taxes, levies including service tax etc. and all such impositions shall be borne by the Issuer additionally.
Eligible investors	<p>The following categories of investors, when specifically approached, are eligible to apply for this private placement of Debentures • Individuals • Hindu Undivided Family • Trust • Limited Liability Partnerships • Partnership Firm(s) • Portfolio Managers registered with SEBI • Association of Persons • Companies and Bodies Corporate including Public Sector Undertakings. • Commercial Banks • Regional Rural Banks • Financial Institutions • Insurance Companies • Mutual Funds • FPIs /FIIs, /sub-accounts of FIIs • Any other investor eligible to invest in these Debentures</p>

Accepted and agreed

For the Issuer

(Authorised signatory)

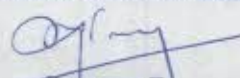
DISCLAIMER:

This term sheet only summarizes the principal terms with respect to a potential investment by the Investor in rated, market-linked, redeemable, debentures proposed to be issued by the Issuer.

This term sheet is intended solely as a basis for further discussion and is not intended to be and does not constitute a legally binding obligation. No legally binding obligations will be created, implied or inferred until the Transaction Documents are executed and delivered. Without limiting the generality of the foregoing, it is the intent of the parties that until the execution of Transaction Documents, no agreement shall exist among them and there shall be no obligations whatsoever based on such things as parol evidence, extended negotiations, "handshakes," oral understandings, or course of conduct.


** The Issuer reserves its sole and absolute right to modify (pre-pone/ postpone) the above issue schedule without giving any reason(s) whatsoever or prior notice. In such a case, investors shall be intimated about the revised time schedule by the Issuer. The Issuer also reserves the right to keep multiple Deemed Date(s) of Allotment at its sole and absolute discretion without any notice. In case the Issue Closing Date/ Pay in Dates is/are changed (advanced/ postponed), the Deemed Date of Allotment may also be changed (advanced/ postponed) by the Issuer at its sole and absolute discretion.*

For Muthoot Microfin Limited


Praveen T.
Chief Financial Officer

Consequent to change in Deemed Date of Allotment, the Dividend Payment Date(s) and/or Redemption Date may also be changed at the sole and absolute discretion of the Issuer.

For Muthoot Microfin Limited


Praveen K
Chief Financial Officer