

**(For Private Circulation Only)**

Addendum to Shelf Disclosure Document(SDD)  
SDD No: JUNE 2020 Dated June 30, 2020

Tranche Disclosure Document(TDD)  
TDD No: T-5/July 2020/JUNE 2020  
Dated: July 23 , 2020  
Series : MLD-3A , Option I



**Muthoot Finance Ltd**  
(the "Company" or the "Issuer")

Registered and Corporate Office: 2nd Floor, Muthoot Chambers, Opposite Saritha Theatre Complex,  
Banerji Road, Kochi. India - 682 018

Tel: (+91 484) 239 4712; Fax: (+91 484) 239 6506

Website: [www.muthootfinance.com](http://www.muthootfinance.com); Email: [ncd@muthootgroup.com](mailto:ncd@muthootgroup.com)

Corporate Identity Number: L65910KL1997PLC011300

Company Secretary and Compliance Officer: Rajesh A.  
Tel: (+91 484) 6690247; Fax: (+91 484) 239 6506; E-mail: [cs@muthootgroup.com](mailto:cs@muthootgroup.com)

**TRANCHE DISCLOSURE DOCUMENT ("TDD") FOR ISSUE OF SECURED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES - LISTED ("SECURED NCDs"/ "DEBENTURES"), OF FACE VALUE OF RS. 10,00,000/- EACH FOR AN AMOUNT OF RS.100 MILLION ("TRANCHE V BASE ISSUE SIZE") WITH AN OPTION TO RETAIN OVERSUBSCRIPTION UPTO RS.1900 MILLION AGGREGATING UPTO 2,000 SECURED NCDs AMOUNTING TO RS.2,000 MILLION ("TRANCHE V ISSUE SIZE") ON A PRIVATE PLACEMENT BASIS ("TRANCHE V ISSUE"). THE SECURED NCDs IN THE ISSUE WILL BE PRINCIPAL PROTECTED AND MARKET LINKED. THIS TRANCHE V ISSUE IS BEING MADE PURSUANT TO THE TERMS AND CONDITIONS OF THIS TDD, WHICH SHOULD BE READ TOGETHER WITH THE SDD DATED JUNE 30, 2020 FOR ISSUE OF 29,100 SECURED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES - LISTED ("SECURED NCDs"/ "DEBENTURES"), OF FACE VALUE OF RS. 10,00,000/- EACH FOR CASH AGGREGATING TO RS. 29,100 MILLION ("SHELF LIMIT") ON A PRIVATE PLACEMENT BASIS ("ISSUE") IN ONE OR MORE TRANCES**

This TDD is issued in terms of and pursuant to the SDD dated June 30, 2020. All the terms , conditions, information and stipulations contained in the SDD are incorporated herein by reference as if the same were set out herein. Investors are advised to refer to the same to the extent applicable. This TDD must be read in conjunction with the SDD.

This TDD contains details of this Tranche and any material changes in the information provided in the SDD , as set out herein. Accordingly set out below are the updated particulars/ changes in the particulars

set out in the SDD , which additional / updated information/particulars shall be read in conjunction with other information/particulars appearing in the SDD.

1. The Secured NCDs in the issue are 'Principal Protected and Market Linked' (PP-MLD) and are in compliance with SEBI circular no. /IMD/DF/17/2011 dtd. September 28, 2011 on "Guidelines for Issue and Listing of Structured Products/ Market Linked". Additional disclosures required as per the guidelines over and above that required under Schedule I of of Debt Regulations read with Regulation 21(1) of the SEBI (Issue and Listing of Debt Securities) Regulations , 2008 are made in this TDD. SEBI circular No. SEBI/HO/DDHS/CIR/P/2018/05 dated January 05, 2018,which mandated the use of Electronic Book Provider platform (EBP Platform), for private placement of securities is not applicable for issue of Market Linked Debt Products.
2. Annexure - A Summary Term Sheet
3. Annexure - B Illustration of Cash Flows on Secured NCDs
4. Annexure - C Rating letters dated July 16 ,2020 from CRISIL Ltd for Long Term Principal Protected Market Linked Debentures
5. Annexure - D Rating letters dated July 16, 2020 from CRISIL Ltd for for Non-Convertible Debentures
6. Annexure – E Terms and Conditions with respect to Underlying/Reference Index
7. Annexure – F Additional Risk Factors
8. Annexure – G Additional Disclaimers

### **For Muthoot Finance Ltd**



Oommen K Mammen  
Chief Financial Officer

Date : July 23 , 2020  
Place : Kochi

## SUMMARY TERM SHEET

<b>Issuer</b>	Muthoot Finance Limited
<b>Type of Instrument</b>	Secured Redeemable Non Convertible Debentures (Secured NCDs)
<b>Nature of Instrument</b>	Secured , Principal Protected & Market Linked
<b>Seniority</b>	Senior
<b>Mode of Issue</b>	Private Placement
<b>Principal Protection</b>	Principal is protected at maturity
<b>Eligible Investors</b>	<p>The following categories of investors may apply for the Debentures:</p> <ol style="list-style-type: none"> <li>1. Scheduled Commercial Banks</li> <li>2. Financial Institutions</li> <li>3. Insurance Companies</li> <li>4. Primary/ State/ District/ Central Co-operative Banks (subject to permission from RBI)</li> <li>5. Regional Rural Banks</li> <li>6. Mutual Funds</li> <li>7. Companies, Bodies Corporate authorized to invest in Debentures</li> <li>8. Provident Funds, Gratuity, Superannuation &amp; Pension Funds, subject to their Investment guidelines</li> <li>9. Trusts</li> <li>10. Individuals</li> <li>11. Foreign Institutional Investors</li> <li>12. Or any other investor category eligible to invest subject to current applicable rules, act, laws etc.</li> </ol> <p>Although above investors are eligible to apply, only those investors, who are individually addressed through direct communication by the Company / Sole Arranger, are eligible to apply for the Debentures. Number of investors in the issue will be as per guidelines issued by Reserve Bank Of India and applicable provisions of the Companies Act, 2013 and Rules framed thereunder. No person who has not received a direct communication from the Company may apply in this Issue. Filing of Disclosure Document on the website of the Stock Exchange should not be construed as an offer to Issue and the same may be hosted to comply with regulatory requirements.</p> <p>Investors should check about their eligibility before making any investment. All investors are required to comply with the relevant regulations/guidelines applicable to them for investing in the Issue of debentures.</p>
<b>Arranger</b>	Nil

<b>Listing &amp; Timeline for listing</b>	<p>The Company shall get the Secured NCDs listed on the Wholesale Debt Market(WDM) segment of BSE Limited. The Issuer shall be responsible for the costs of such listing of the Secured NCDs.</p> <p>Issuer intends to list the Secured NCDs within 20days. In the event that any Investors are SEBI registered FIIs/sub-accounts of FIIs/Qualified Foreign Investors , the Issuer shall get the Secured NCDs listed on the BSE within 15 days from the date of allotment , failing which the Issuer shall immediately redeem / buyback the Secured NCDs from such Investors in compliance with the regulations.</p>
<b>Credit Rating of the instrument</b>	<p><b>CRISIL PP-MLD AAr/Positive</b></p> <p>A prefix of 'PP-MLD' indicates that the instrument is a principal-protected market-linked debenture. The terms of such instruments indicate that while the Issuer promises to pay back the face value/principal of the instrument, the coupon rates of these instruments will not be fixed, and could be linked to one or more external variables such as commodity prices, equity share prices, indices, or foreign exchange rates. The 'r' suffix indicates that payments on the rated instrument have significant risks other than credit risk. The terms of the instrument specify that the payments to investors will not be fixed, and could be linked to one or more external variables such as commodity prices, equity indices, or foreign exchange rates. This could result in variability in returns because of adverse movement in value of the external variables, and/or possible material loss of principal on early redemption of the instrument. The risk of such adverse movement in price / value is not addressed by the rating.</p>
<b>Security</b>	<p>The Secured NCDs shall be secured by First pari passu charge over identified immovable property (Land admeasuring approximately 945 square feet super built up area and 685 square feet built up area situated in Flat No. 804, 8th Floor, 'D' Wing, RNA Courtyard Co-operative Housing Society Limited, Dr. B.A. Marg, Mira Road (East), Taluka and District Thane, Maharashtra – 401 107 bearing old survey numbers 212 and 214 and new survey numbers 44 and 46 respectively) and a first pari passu floating charge on current assets, book debts, loans, advances and receivables including gold loan receivables both present and future of the Issuer(Mortgaged Properties). The Secured NCDs shall rank pari-passu inter se present and future and will be subject to any obligation under applicable statutory and/or regulatory requirements. The Issuer shall create and maintain security for the Secured NCDs in favour of the Debenture Trustee for the Secured NCD Holders on the book value of the above assets as appearing in Balance Sheet from time to time to the extent of 100.00% of the amount outstanding in respect of Secured NCDs at any time. Accordingly, Issuer will execute an Umbrella Debenture Trust Deed within the timeline as permitted</p>

	under regulations.
<b>Objects Of Issue</b>	The main objects clause of the Memorandum of Association of the Company permits Company to undertake its existing activities as well as the activities for which the funds are being raised through this Issue. This Issue is being made to augment funding resources of the Company.
<b>Details of the utilization proceeds</b>	The funds raised through this Issue will be utilised for our various financing activities including lending and investments, to repay our existing liabilities or loans and towards our business operations including for our capital expenditure and working capital requirements and general corporate purposes, after meeting the expenditures of and related to the Issue and subject to applicable statutory/regulatory requirements. No part of the proceeds shall be utilised directly/indirectly towards capital markets (debt and equity), land acquisition or usages that are restricted for bank financing under the RBI guidelines or applicable regulation. Pending utilisation of the proceeds out of the Issue for the purposes described above, the Company intends to temporarily invest funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks or temporarily deploy the funds in investment grade interest bearing securities as may be approved by the Board / Committee of Directors of the Company, as the case may be. Such investment would be in accordance with the investment policy of our Company approved by the Board or any committee thereof from time to time.
<b>Debenture Trustee</b>	IDBI Trusteeship Services Limited
<b>Issue</b>	Shelf Disclosure Document ("SDD") for Issue of 29,100 Secured, Redeemable, Non-convertible Debentures - listed ("Secured NCDs"/ "Debentures"), of face value of Rs. 10,00,000/- each for cash aggregating to Rs. 29,100 million ("Shelf Limit") on a private placement basis ("Issue"). The Secured NCDs will be issued in one or more tranches (each a "tranche Issue") on terms and conditions as set out in the relevant Tranche Disclosure Document ("TDD") for any tranche Issue
<b>Underlying / Reference Index</b>	'NIFTY 50' Index
<b>Tranche V Base Issue</b>	Rs.100 million (Rs.10crs)
<b>Option to Retain Oversubscription(A mount)</b>	Rs.1900 million(Rs.190crs)
<b>Face Value</b>	Rs.1 million per Secured NCD (Rs.10lakhs)
<b>Total Number of Secured NCD's</b>	Upto 2000

<b>Market Lot</b>	1 (One) Secured NCD												
<b>Minimum Subscription</b>	The minimum subscription of Secured NCD's is 10 (Ten) Debenture and in multiples of 1(One) thereafter												
<b>Step Up/Step Down Coupon Rate</b>	Nil												
<b>Day Count Basis</b>	Actual/Actual												
<b>Coupon Type</b>	Coupon linked to performance of Underlying/Reference Index												
<b>Coupon Reset Process</b>	Not Applicable												
<b>Discount at which security is issued and the effective yield as a result of such discount</b>	Not Applicable												
<b>Interest On Application Money</b>	Not Applicable												
<b>Tranche Issue opening date</b>	Friday , July 24 , 2020												
<b>Tranche Issue closing date</b>	Friday , July 24 , 2020												
<b>Tranche Pay-in date</b>	Friday , July 24 , 2020 (T+0)												
<b>Pay-in Of Funds</b>	<table border="1"> <tr> <td>Bank Name</td> <td>IndusInd Bank Limited</td> </tr> <tr> <td>Beneficiary Name</td> <td>Muthoot Finance Limited NCD PP A/C</td> </tr> <tr> <td>Account No.</td> <td>200999746297</td> </tr> <tr> <td>IFSC Code</td> <td>INDB0000010</td> </tr> <tr> <td>Bank Branch</td> <td>Kochi Branch</td> </tr> <tr> <td>Bank Branch Address</td> <td>Gowri Narayan,40/8399-8400, Opp.New Jayalakshmi Silks, M.G.Road, Ernakulam,Kochi-682 035</td> </tr> </table>	Bank Name	IndusInd Bank Limited	Beneficiary Name	Muthoot Finance Limited NCD PP A/C	Account No.	200999746297	IFSC Code	INDB0000010	Bank Branch	Kochi Branch	Bank Branch Address	Gowri Narayan,40/8399-8400, Opp.New Jayalakshmi Silks, M.G.Road, Ernakulam,Kochi-682 035
Bank Name	IndusInd Bank Limited												
Beneficiary Name	Muthoot Finance Limited NCD PP A/C												
Account No.	200999746297												
IFSC Code	INDB0000010												
Bank Branch	Kochi Branch												
Bank Branch Address	Gowri Narayan,40/8399-8400, Opp.New Jayalakshmi Silks, M.G.Road, Ernakulam,Kochi-682 035												
<b>Tranche Deemed Date of Allotment</b>	Friday , July 24 , 2020 (T+0)												
<b>Manner Of Bidding</b>	Not Applicable												
<b>Mode Of Allotment</b>	Uniform												
<b>Clearing Depository</b> /	National Securities Depository Limited / Central Depository Services (India) Limited												

<b>Issuance mode of the Instrument</b>	Demat only
<b>Trading mode of the Instrument</b>	Demat only
<b>Settlement mode of the Instrument</b>	RTGS/NEFT/Fund Transfer
<b>Working Days convention</b>	All days excluding the second and the fourth Saturday of every month, Sundays and a public holiday in Kochi or Mumbai or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881.
<b>Day count convention</b>	Actual/Actual
<b>Effect of holidays on payment</b>	If any date specified does not fall on a Working Day, then the succeeding Working Day will be considered as the effective date. In case the Maturity Date falls on a holiday, redemption and Coupon , as applicable, are payable on the immediately previous Working Day.
<b>Record Date</b>	The Record Date for repayment of principal and Coupon in connection with the Secured NCDs shall be 15 days prior to the date of redemption and Coupon. Provided that trading in the Secured NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of Secured NCDs and the date of redemption or as prescribed by the Stock Exchange, as the case may be. In case Record Date falls on a day when Stock Exchange is having a trading holiday, the immediate subsequent trading day or a date notified by the Company to the Stock Exchanges, will be deemed as the Record Date.
<b>Other Terms</b>	Nil
<b>Default Interest Rate</b>	<p>1)Delay in Security Creation- In case of delay in execution of Trust Deed and Charge documents within 60 days from deemed date of allotment , the Company will refund the subscription with agreed rate of interest or will pay penal interest of at least 2% p.a. over the coupon rate till these conditions are complied with at the option of the investor.</p> <p>2)Delay in Listing- In case of delay in listing of the debt securities beyond 20 days from the deemed date of allotment, the Company will pay penal interest of 1 % p.a. over the coupon rate from the expiry of 30 days from the deemed date of allotment till the listing of such debt securities to the investor.</p> <p>3)Default in payment- In case of default in payment of Interest and/or principal redemption on the due dates, additional interest of 2% p.a.</p>

	<p>over the coupon rate will be payable by the Company for the defaulting period.</p> <p>The interest rates mentioned in above three cases are the minimum interest rates payable by the Issuer and are independent of each other.</p>
<b>Transaction Documents</b>	<p>A. Material Contracts</p> <p>The Issuer has executed/shall execute the contracts including but not limited to the following in connection with the Issue:</p> <ol style="list-style-type: none"> <li>1) Debenture Trustee Agreement</li> <li>2) Debenture Trust Deed</li> <li>3) Tripartite Agreement between Issuer, Registrar and NSDL</li> <li>4) Tripartite Agreement between Issuer, Registrar and CDSL</li> <li>5) MOU between Issuer and Registrar</li> <li>6) Application made to BSE seeking its in-principle approval for listing debentures</li> <li>7) Shelf Disclosure Document &amp; Tranche Disclosure Document</li> </ol> <p>B. Material Documents</p> <ol style="list-style-type: none"> <li>1) Credit Rating letter from CRISIL Ltd</li> <li>2) Consent Letter from Debenture Trustee</li> <li>3) In-principle approval from BSE for listing of debentures</li> <li>4) Resolution passed by the shareholders of the Company at the Annual General Meeting approving the overall borrowing limit of Company</li> <li>5) Resolution passed by the Board of the Company approving the Private Placement of debentures</li> </ol>
<b>Conditions precedent to disbursement</b>	Not Applicable
<b>Conditions subsequent to disbursement</b>	Not Applicable
<b>Mandatory Compliance Clause</b>	<ol style="list-style-type: none"> <li>1) Company reserves right to make multiple issuances under the same ISIN at terms and conditions it deems fit in line with SEBI Circular CIR/IMD/DF-1/67/2017 dtd June 30 , 2017</li> <li>2) Issue can be made either by way of creation of fresh ISIN or by way of issuance under the existing ISIN at premium/par/discount , as the case may be, at terms and conditions it deems fit in line with SEBI circular CIR/IMD/DF-1/67/2017 dtd June 30 ,2017</li> </ol>
<b>Events Of Default</b>	The occurrence of any one of the following events shall constitute an event of default by the Company ("Event of Default"):

	<ul style="list-style-type: none"> <li>(a) default is committed in payment of any interest or principal amount of the Secured NCDs on the due date(s);</li> <li>(b) default is committed in the performance or observance of any term, covenant, condition or provision contained in the SDD or TDD or Summary Term Sheet or these presents and/or the Financial Covenants and Conditions (other than the obligation to pay principal and interest) and, except where the Debenture Trustee certifies that such default is in its opinion incapable of remedy (in which case no notice shall be required), such default continues for thirty days after written notice has been given thereof by the Debenture Trustee to the Company requiring the same to be remedied;</li> <li>(c) any information given by the Company to the Secured NCD holders or the Debenture Trustee in the Transaction Documents and the warranties given or deemed to have been given by it to the Secured NCD holders or the Debenture Trustee is misleading or incorrect in any material respect , which is capable of being cured and is not cured within a period of 30 days from such occurrence;</li> <li>(d) a petition for winding up of the Company have been admitted and an order of a court of competent jurisdiction is made for the winding up of the Company or an effective resolution is passed for the winding up of the Company by the members of the Company is made otherwise than in pursuance of a scheme of amalgamation or reconstruction previously approved in writing by the Debenture Trustee and duly carried out into effect or consents to the entry of an order for relief in an involuntary proceeding under any such law, or consents to the appointment or taking possession by a receiver, liquidator, assignee (or similar official) for any or a substantial part of its property or any action is taken towards its re-organisation, liquidation or dissolution;</li> <li>(e) an application is filed by the Company, the financial creditor or the operational creditor (as defined under the Insolvency and Bankruptcy Code, 2016, as amended from time to time ) before a National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016, as amended from time to time and the same has been admitted by the National Company Law Tribunal.</li> <li>(f) proceedings are initiated against the Company under the insolvency laws or a resolution professional has been appointed under the insolvency laws and in any such event, the same is not stayed or discharged within 45 days.</li> </ul>
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	<ul style="list-style-type: none"> <li>(g) if in the opinion of the Debenture Trustee further security should be created to secure the Secured NCDs and to maintain the security cover specified and on advising the Company , fails to create such security in favour of the Debenture Trustee to its reasonable satisfaction;</li> <li>(h) if without the prior written approval of the Debenture Trustee, the Mortgaged Properties or any part thereof are sold, disposed off, charged, encumbered or alienated, pulled down or demolished, other than as provided in the Debenture Trust Deed;</li> <li>(i) an encumbrancer, receiver or liquidator takes possession of the Mortgaged Properties or any part thereof, or has been appointed or allowed to be appointed of all or any part of the undertaking of the Company and such appointment is, in the opinion of the Debenture Trustee, prejudicial to the security hereby created;</li> <li>(j) if an attachment has been levied on the Mortgaged Properties or any part thereof or certificate proceedings have been taken or commenced for recovery of any dues from the Company;</li> <li>(k) the Company without the consent of Secured NCD Holders / Debenture Trustee cease to carry on its business or gives notice of its intention to do so;</li> <li>(l) one or more events, conditions or circumstances whether related or not, (including any change in Applicable Law) has occurred or might occur which could collectively or otherwise be expected to affect the ability of the Company to discharge its obligations under this Issue;</li> <li>(m) the Company enters into amalgamation, reorganisation or reconstruction without the prior consent of the Debenture Trustee in writing; and</li> <li>(n) in the opinion of the Debenture Trustee, the Security created for the benefit of Secured NCD Holders is in jeopardy.</li> </ul>
<b>Cross Default</b>	Nil
<b>Role and Responsibilities of Debenture Trustee</b>	As per Debenture Trust Deed, Debenture Trustee Agreement, Shelf Disclosure Document and Tranche Disclosure Document
<b>Governing Law &amp; Jurisdiction</b>	Indian Law & Mumbai.
<b>Valuation Agency</b>	CRISIL Ltd

<b>Valuation Frequency &amp; Publication</b>	<p>Weekly</p> <p>The Valuation Agency will publish a valuation on its website at least once every calendar week. The valuation shall be available on the website of the Valuation Agency.</p> <p>The Issuer will also make available, as soon as practicable, the valuation provided by the Valuation Agency on the website of the Issuer.</p> <p>The latest and historical valuations for these Debentures / NCDs will be published on the website of the Issuer at :</p> <p><a href="https://muthootfinance.com">https://muthootfinance.com</a> and</p> <p>the website of the Valuation Agency at :</p> <p><a href="https://www.crisil.com/en/home/our-businesses/india-research/capital-market/crisil-market-linked-debenture-valuations.html">https://www.crisil.com/en/home/our-businesses/india-research/capital-market/crisil-market-linked-debenture-valuations.html</a></p> <p>Upon request by any Debenture/NCD Holder for the valuation of these Debentures/NCDs, the Issuer shall provide them with the latest valuation.</p>
<b>Valuation Agency Fees</b>	Fees paid to Valuation Agent by the Issuer shall not exceed 0.05% of Issue size and shall be borne by the Issuer.
<b>Arranger Fees</b>	Not Applicable
<b>Specific Risk Factors associated with Market Linked Debentures to be disclosed as per SEBI Guidelines</b>	<p>The securities are created based on complex mathematical models involving multiple derivative exposures which may or may not be hedged and the actual behaviour of the securities selected for hedging may significantly differ from the returns predicted by the mathematical models.</p> <p>The principal amount is subject to the credit risk of the Issuer whereby the investor may or may not recover all or part of the funds in case of default by the Issuer.</p> <p>Please refer Risk Factors stated in SDD and TDD for details of other risk factors.</p>
<b>Premature Exit</b>	Not Applicable
<b>Early Redemption</b>	Not Applicable
<b>Calculation Agent</b>	Issuer

### Option I

<b>Security Name</b>	7.75%MUTHOOTFINANCEAUGUST2022MLD
<b>ISIN</b>	To be applied
<b>Series</b>	MLD-3A
<b>Option-I Base Issue Size</b>	Rs.100 million (Rs.10crs)

<b>Option-I to Retain Oversubscription (Amount)</b>	Upto Rs.1900 million(Rs.190crs)									
<b>Original Tenor</b>	761 days from Original Date Of Allotment ie., July 24 , 2020									
<b>Residual Tenor</b>	Not Applicable									
<b>Clean Price (A)</b>	Rs.100.0000 at a Face Value of Rs.100 ie., Rs.1000000/- per Secured NCD									
<b>Accrued Interest (B)</b>	Not Applicable									
<b>Issue Price (A+B)</b>	Rs.1000000.00 per Secured NCD									
<b>Put Option Date</b>	Not Applicable									
<b>Put Option Price</b>	Not Applicable									
<b>Call Option Date</b>	Not Applicable									
<b>Call Option Price</b>	Not Applicable									
<b>Put Notification Time</b>	Not Applicable									
<b>Call Notification Time</b>	Not Applicable									
<b>Redemption</b>	Bullet repayment at the end of tenor at Face Value									
<b>Redemption Date/Schedule</b>	Wednesday, August 24, 2022									
<b>Redemption Amount per Secured NCD</b>	Rs.1000000.00(Rs.Ten lakhs only) along with applicable Coupon									
<b>Redemption Premium/Discount</b>	Not Applicable									
<b>Coupon Rate</b>	Coupon linked to performance of Underlying / Reference Index									
	<table border="1"> <thead> <tr> <th>Scenario</th> <th>If the Final Fixing Level</th> <th>Coupon</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Greater than or equal to 25% of Initial Fixing Level</td> <td>7.75% XIRR (Annualized yield)</td> </tr> <tr> <td>2</td> <td>Less than 25% of Initial Fixing Level</td> <td>0 %</td> </tr> </tbody> </table>	Scenario	If the Final Fixing Level	Coupon	1	Greater than or equal to 25% of Initial Fixing Level	7.75% XIRR (Annualized yield)	2	Less than 25% of Initial Fixing Level	0 %
Scenario	If the Final Fixing Level	Coupon								
1	Greater than or equal to 25% of Initial Fixing Level	7.75% XIRR (Annualized yield)								
2	Less than 25% of Initial Fixing Level	0 %								
<b>Initial level</b>	[ ] (closing level of NIFTY 50 Index on the Initial Fixing Date)									
<b>Initial Fixing Date</b>	July 24 , 2020									
<b>Final Fixing Level</b>	[ ] (closing level of NIFTY 50 Index on the Final Fixing Date)									
<b>Final Fixing Date</b>	22 months from allotment date-If the final fixing date falls on a public holiday the previous working day will be considered									

	as final fixing date. Accordingly, May 24, 2022 will be the Final Fixing Date
<b>Coupon Payment Frequency</b>	Coupon (if any) Payable at Maturity On redemption date on XIRR basis.
<b>Coupon Payment Dates</b>	Redemption Date

**Illustration of Cash Flow:**

Issuer	Muthoot Finance Limited											
Issue Size	Rs.100 million (Rs.10crs)											
Option to retain oversubscription (Amount)	Rs.1900 million (Rs.190crs)											
Tenor in Days	761 days											
Date of Allotment	July 24, 2020											
Date of Redemption	August 24, 2022											
Initial Fixing Date	July 24, 2020											
Final Fixing Date	May 24, 2022											
Coupon	<table border="1"> <thead> <tr> <th>Scenario</th> <th>If performance of underlying on final fixing date</th> <th>Coupon</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Greater than or equal to 25% of Initial Fixing Level</td> <td>7.75% XIRR (Annualized yield)</td> </tr> <tr> <td>2</td> <td>Less than 25% of Initial Fixing Level</td> <td>0 %</td> </tr> </tbody> </table>			Scenario	If performance of underlying on final fixing date	Coupon	1	Greater than or equal to 25% of Initial Fixing Level	7.75% XIRR (Annualized yield)	2	Less than 25% of Initial Fixing Level	0 %
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1	Greater than or equal to 25% of Initial Fixing Level	7.75% XIRR (Annualized yield)										
2	Less than 25% of Initial Fixing Level	0 %										

Cash Flow	Date	No of Days in Coupon Period	Amount (in Rupees) per debenture
Principal Inflow	July 24, 2020	-	10,00,000.00
Principal + Coupon (on XIRR Basis), on Redemption, if any	August 24, 2022	761	11,68,390.00

Underlying Performance	Annualized Pre-Tax Return	Issue Price per debenture (Rs.)	Maturity Value per debenture (Rs.)
140.00%	7.75%	10,00,000	11,68,390
120.00%	7.75%	10,00,000	11,68,390
100.00%	7.75%	10,00,000	11,68,390
80.00%	7.75%	10,00,000	11,68,390
75.00%	7.75%	10,00,000	11,68,390
70.00%	7.75%	10,00,000	11,68,390
50.00%	7.75%	10,00,000	11,68,390
30.00%	7.75%	10,00,000	11,68,390
25.00%	7.75%	10,00,000	11,68,390
20.00%	0.00%	10,00,000	10,00,000
10.00%	0.00%	10,00,000	10,00,000
0.00%	0.00%	10,00,000	10,00,000

**Scenario analysis**

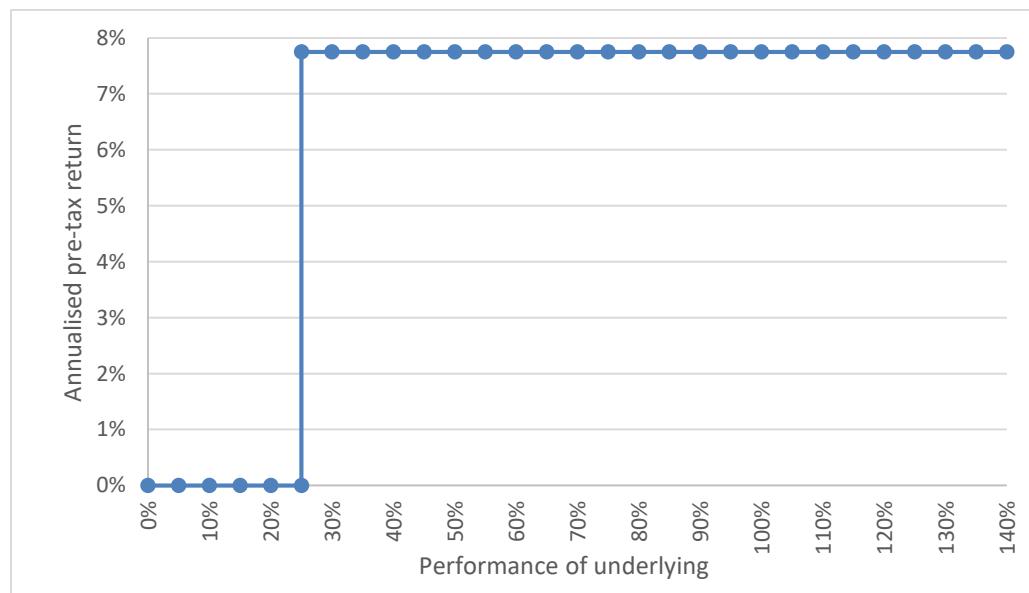
*Note: This scenario analysis is being provided for illustrative purposes only. It does not represent actual termination or unwind prices that may be available to you. It does not present all possible outcomes; describe all factors or tax considerations that may affect the value of the transaction. This scenario analysis does not deal with the outcome of a situation in which the Issuer is unable to redeem the NCD or fulfil its*

*obligation on account of a default. If you have any questions or would like additional information, please consult your financial advisor.*

Scenario	Closing level of NIFTY 50 Index at Initial Fixing Date*	Assumed Closing level of NIFTY 50 Index at Final Fixing Date*	Coupon (XIRR)	Investment per debenture (Rs.)	Maturity per debenture (Rs.)
<u>Rising Scenario:</u> If underlying performance is greater than 100 %	10,100	Greater than 10,100	7.75%	10,00,000.00	11,68,390.00
<u>Stable Scenario:</u> If underlying performance is greater than or equal to 25 %	10,100	Greater than or equal to 2525	7.75%	10,00,000.00	11,68,390.00
<u>Falling Scenario:</u> If underlying performance is less than 25%	10,100	Less than 2525	0.00%	10,00,000.00	10,00,000.00

\*assumption

### Graphical Representation



# Ratings



**CONFIDENTIAL**

MTOFL/251094/LTPPMMLD/16062020/5

July 16, 2020

**Mr. George Alexander Muthoot**

Managing Director

**Muthoot Finance Limited**

Corporate Office: Muthoot Chambersfa

Opposite Saritha Theatre Complex

Banerji Road,

Kochi 682018

Dear Mr. George Alexander Muthoot,

**Re: Review of CRISIL Rating on the Rs.200 Crore Long Term Principal Protected Market Linked Debentures of Muthoot Finance Limited**

All ratings assigned by CRISIL are kept under continuous surveillance and review.

CRISIL has, after due consideration, reaffirmed its "**CRISIL PP-MLD AAr/Positive**" (pronounced "CRISIL PP-MLD double A r rating with Positive outlook") rating to the captioned debt instrument. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

*A prefix of 'PP-MLD' indicates that the instrument is a principal-protected market-linked debenture. The terms of such instruments indicate that while the issuer promises to pay back the face value/principal of the instrument, the coupon rates of these instruments will not be fixed, and could be linked to one or more external variables such as commodity prices, equity share prices, indices, or foreign exchange rates. The 'r' suffix indicates that payments on the rated instrument have significant risks other than credit risk. The terms of the instrument specify that the payments to investors will not be fixed, and could be linked to one or more external variables such as commodity prices, equity indices, or foreign exchange rates. This could result in variability in returns because of adverse movement in value of the external variables, and/or possible material loss of principal on early redemption of the instrument. The risk of such adverse movement in price / value is not addressed by the rating.*

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL will be necessary.

As per our Rating Agreement, CRISIL would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL reserves the right to withdraw, or revise the rating / outlook assigned to the captioned programme at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL believes may have an impact on the rating.

As per the latest SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at [debtissue@crisil.com](mailto:debtissue@crisil.com). This will enable CRISIL to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us for any clarifications you may have at [debtissue@crisil.com](mailto:debtissue@crisil.com)

Should you require any clarifications, please feel free to contact us.

With warm regards,  
Yours sincerely,

Ajit Velonie  
Director - CRISIL Ratings

Nivedita Shibu  
Associate Director - CRISIL Ratings



**A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL. CRISIL ratings are based on information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy, sell, or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. All CRISIL ratings are under surveillance. CRISIL or its associates may have other commercial transactions with the company/entity. Ratings are revised as and when circumstances so warrant. CRISIL is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of this product. CRISIL Ratings rating criteria are available without charge to the public on the CRISIL web site, [www.crisil.com](http://www.crisil.com). For the latest rating information on any instrument of any company rated by CRISIL, please contact Customer Service Helpdesk at 1800-267-1301.**

**CRISIL Limited**  
Corporate Identity Number: L67120MH1987PLC042363

CONFIDENTIAL

MTOFL/251094/PPMLD/26062020

July 16, 2020

**Mr. George Alexander Muthoot**

Managing Director

**Muthoot Finance Limited**

Corporate Office: Muthoot Chambersfa  
Opposite Saritha Theatre Complex  
Banerji Road,  
Kochi 682018

Dear Mr. George Alexander Muthoot,

**Re: CRISIL Rating on the Rs.200 Crore Long Term Principal Protected Market Linked Debentures of Muthoot Finance Limited**

We refer to your request for a rating for the captioned Long Term Principal Protected Market Linked Debentures.

CRISIL has, after due consideration, assigned a "**CRISIL PP-MLD AAr/Positive**" (pronounced "CRISIL PP-MLD double A rating with positive outlook") rating to the captioned debt instrument. Instruments with this rating are considered to have the high degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

*A prefix of 'PP-MLD' indicates that the instrument is a principal-protected market-linked debenture. The terms of such instruments indicate that while the issuer promises to pay back the face value/principal of the instrument, the coupon rates of these instruments will not be fixed, and could be linked to one or more external variables such as commodity prices, equity share prices, indices, or foreign exchange rates. The 'r' suffix indicates that payments on the rated instrument have significant risks other than credit risk. The terms of the instrument specify that the payments to investors will not be fixed, and could be linked to one or more external variables such as commodity prices, equity indices, or foreign exchange rates. This could result in variability in returns because of adverse movement in value of the external variables, and/or possible material loss of principal on early redemption of the instrument. The risk of such adverse movement in price / value is not addressed by the rating.*

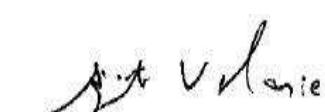
Further, in view of your decision to accept the CRISIL Rating, we request you to apprise us of the instrument details (in the enclosed format) as soon as it has been placed. In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL will be necessary.

As per our Rating Agreement, CRISIL would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL reserves the right to withdraw or revise the ratings assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information or other circumstances, which CRISIL believes, may have an impact on the rating.

As per the latest SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us for any clarifications you may have at debtissue@crisil.com

Should you require any clarifications, please feel free to get in touch with us.

With warm regards,  
Yours sincerely,

  
Ajit Velonie

Director - CRISIL Ratings

  
Nivedita Shibu

Associate Director - CRISIL Ratings



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**CRISIL Limited**  
Corporate Identity Number: L67120MH1987PLC042363

# Ratings

**CONFIDENTIAL**

MTOFL/251094/NCD/062054369/7

July 16, 2020

**Mr. George Alexander Muthoot**

Managing Director

**Muthoot Finance Limited**

Corporate Office: Muthoot Chambers

Opposite Saritha Theatre Complex

Banerji Road,

Kochi - 682018

Dear Mr. George Alexander Muthoot,

**Re: Review of CRISIL Rating on the Rs.2000 Crore Non-Convertible Debentures of Muthoot Finance Limited**

All ratings assigned by CRISIL are kept under continuous surveillance and review.

CRISIL has, after due consideration, reaffirmed its "CRISIL AA/Positive" (pronounced as CRISIL double A rating with Positive outlook) rating on the captioned debt instrument. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL will be necessary.

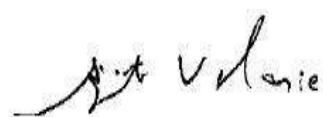
As per our Rating Agreement, CRISIL would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL reserves the right to withdraw or revise the ratings assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information or other circumstances, which CRISIL believes, may have an impact on the rating.

As per the latest SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at [debtsissue@crisil.com](mailto:debtsissue@crisil.com). This will enable CRISIL to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us for any clarifications you may have at [debtsissue@crisil.com](mailto:debtsissue@crisil.com)

Should you require any clarifications, please feel free to get in touch with us.

With warm regards,

Yours sincerely,



Ajit Velonie  
Director - CRISIL Ratings



Nivedita Shibu  
Associate Director - CRISIL Ratings



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**CRISIL Limited**  
Corporate Identity Number: L67120MH1987PLC042363

**CONFIDENTIAL**

MTOFL/251094/NCD/062054369/8

July 16, 2020

**Mr. George Alexander Muthoot**

Managing Director

**Muthoot Finance Limited**

Corporate Office: Muthoot Chambers

Opposite Saritha Theatre Complex

Banerji Road,

Kochi - 682018

Dear Mr. George Alexander Muthoot,

**Re: Review of CRISIL Rating on the Non-Convertible Debentures Aggregating Rs.2000 Crore of Muthoot Finance Limited**

All ratings assigned by CRISIL are kept under continuous surveillance and review.

CRISIL has, after due consideration, reaffirmed its "CRISIL AA/Positive" (pronounced as CRISIL double A rating with Positive outlook) rating on the captioned debt instrument. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

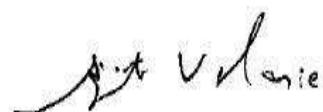
In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL will be necessary.

As per our Rating Agreement, CRISIL would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL reserves the right to withdraw or revise the ratings assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information or other circumstances, which CRISIL believes, may have an impact on the rating.

As per the latest SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at [debtsissue@crisil.com](mailto:debtsissue@crisil.com). This will enable CRISIL to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us for any clarifications you may have at [debtsissue@crisil.com](mailto:debtsissue@crisil.com)

Should you require any clarifications, please feel free to get in touch with us.

With warm regards,  
Yours sincerely,



Ajit Velonie  
Director - CRISIL Ratings



Nivedita Shibu  
Associate Director - CRISIL Ratings



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**CRISIL Limited**  
Corporate Identity Number: L67120MH1987PLC042363

**TERMS AND CONDITIONS RELATING TO THE REFERENCE INDEX**

**“Disruption Event”** means any Change in Law, Market Disruption or Trading Disruption or Reference Index Disruption;

**“Change in Law”** means that, on or after the Issue Date (a) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Company determines in its sole and absolute discretion that (i) it has become illegal for it or any of its affiliates or agents acting on its behalf to hold, acquire or dispose of any Component Asset, or (ii) the Company will incur a materially increased cost in performing its obligations in relation to the Debentures (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Company and/or any of its affiliates or agents acting on its behalf);

**“Component Asset”** means any security comprised within the Reference Index from time to time;

**“Disrupted Day”** means, any Scheduled Trading Day on which a relevant Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred;

**“Early Closure”** means, the closure on an Exchange Business Day of the Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange system for execution at the Valuation Time on such Exchange Business Day;

**“Exchange”** means the BSE Limited, any successor to such exchange or any substitute exchange or quotation system to which trading in such shares underlying such Reference Index has temporarily relocated (provided that the Valuation Agent has determined that there is comparable liquidity relative to such shares underlying such Reference Index on such temporary substitute exchange or quotation system as on the original Exchange);

**“Exchange Business Day”** means, any Scheduled Trading Day on which the Exchange is open for trading during its regular trading sessions, notwithstanding such Exchange closing prior to its Scheduled Closing Time;

**“Exchange Disruption”** means, any event (other than an Early Closure) that (i) disrupts or impairs the ability of market participants in general to obtain market values for, the Reference Index on the Exchange, or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to such Reference Index on any relevant Exchange;

**“Market Disruption Event”** means, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Valuation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (iii) an Early Closure. For the purpose of determining whether a Market Disruption Event exists in relation to the Reference Index at any time, if a Market Disruption Event occurs in respect of a security included in the Reference Index at any time, then the relevant percentage contribution of that security to the level of the Reference Index shall be based on

a comparison of (a) the portion of the level of the Reference Index attributable to that security and (b) the overall level of the Reference Index, in each case immediately before the occurrence of such Market Disruption Event. The Valuation Agent shall, as soon as reasonably practicable, notify the Registered Debenture Holder of the existence or occurrence of a Disrupted Day on any day that but for the occurrence or existence of a Disrupted Day would have been an Observation Date;

**“Observation Date”** shall mean each Date as specified in Annexure A below, provided that if such day is not a Scheduled Trading Day then, as per Modified Following Business Day Convention or if the day which would otherwise be the Observation Date, is a Disrupted Day, then the relevant Observation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Observation Date is a Disrupted Day. In that case (a) that the eighth Scheduled Trading Day shall be deemed to be the relevant Observation Date (notwithstanding the fact that such day is a Disrupted Day) and (b) the Valuation Agent shall determine the level of the Reference Index as of the Observation Time on that eighth Scheduled Trading Day in accordance with the formula for and method of calculating the Reference Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Observation Time on that eighth Scheduled Trading Day of each security comprising the Reference Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on that eighth Scheduled Trading Day); provided always that the final Observation Date will not be later than the eighth Business Day after the Final Fixing Date and if the eighth Scheduled Trading Day would be later than the eighth Business Day after the Final Fixing Date, references to the eighth Scheduled Trading Day shall be deemed to be the eighth Business Day after the Final Fixing Date;

**“Observation Time”** means any time within normal business hours as may be determined by the Valuation Agent;

**“Official Closing Level”** means (subject to what is provided below in reference to Adjustments to the Reference Index), the official closing level of the Reference Index of a given day as determined by the Valuation Agent;

**“Scheduled Closing Time”** means, in respect of the Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours;

**“Scheduled Trading Day”** means any weekday on which the Exchange is scheduled to be open for trading for their respective regular trading sessions (other than special trading sessions);

**“Trading Disruption”** means any suspension of or limitation imposed on trading by the relevant Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the Exchange or otherwise (i) on the Exchange relating to the relevant share that comprise 20.00% or more level of the Reference Index or (ii) in futures or options contracts relating to the Reference Index on any relevant Exchange;

**“Valuation Time”** means the Scheduled Closing Time on the Exchange. If the Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

## Adjustments to the Reference Index

If the Reference Index:

- i. is not calculated and published by the sponsor of the Reference Index (“**Sponsor**”) but is calculated and published by a successor to the Sponsor acceptable to the Valuation Agent; or
- ii. is replaced by a successor index using, in the determination of the Sponsor, the same or a substantially similar formula for and method of calculating the Reference Index, then in each case that index (**the Successor Reference Index**) will be deemed to be the Reference Index.

If:

- (a) on or prior to any Observation Date or any other relevant date, the Sponsor announces that it will make a material change in the formula for or the method of calculating the Reference Index or in any other way materially modifies the Reference Index (other than a modification prescribed in that formula or method to maintain the Reference Index in the event of changes in constituent stock and capitalisation and other routine events) (**a “Reference Index Modification”**); or
- (b) on an Observation Date, the Sponsor fails to calculate and announce the Reference Index (**a “Reference Index Disruption”**) and, together with a Reference Index Modification and a Reference Index Cancellation each a (**“Reference Index Adjustment Event”**), then the Valuation Agent shall, in its sole and absolute discretion, determine if such Reference Index Adjustment Event has a material effect on the Debentures and, if so, the Valuation Agent will calculate the Official Closing Level using, in lieu of a published level for the Reference Index, the level for the Reference Index as at the Valuation Time on the relevant Observation Date as determined by the Valuation Agent in accordance with the formula for and method of calculating the Reference Index last in effect prior to that change, failure or cancellation but using only those securities that comprised the Reference Index immediately prior to that Reference Index Adjustment Event. If the level of the Reference Index in relation to an Observation Date used or to be used by the Valuation Agent to determine the Final Redemption Amount is subsequently corrected and such correction is published by the Sponsor no later than the second Business Day prior to the Final Maturity Date, then the level of the Reference Index for that Observation Date shall be the level of the Reference Index as so corrected. If, on or prior to any Observation Date, the Sponsor permanently cancels the Reference Index and no Successor Reference Index exists (**a “Reference Index Cancellation”**), this shall constitute an Early Redemption Event for Extraordinary Reason as referred to in the Terms and Conditions above and accordingly consequent early redemption of the Debentures by the Company if so elected for by the Company.

(a) If a Disruption Event occurs, the Company in its sole and absolute discretion may require the Valuation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any terms of the Debentures to account for the Disruption Event and determine the effective date of that adjustment;

(b) Upon the occurrence of a Disruption Event, the Company shall give notice as soon as practicable to the Registered Debenture Holders stating the occurrence of the Disruption Event, giving details thereof and the action proposed to be taken in relation thereto, provided that any failure to give, or non-receipt of, such notice will not affect the validity of the Disruption Event.

**Additional Risk Factors (Inaddition to Risk Factors contained in SDD)**

**THESE RISK FACTORS ARE A SUPPLEMENT TO THE RISK FACTORS COVERED IN SI. NO. A(b)(vi) OF THE SHELF DISCLOSURE DOCUMENT(SDD) DATED JUNE 30 , 2020**

**PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ THESE KEY RISKS ASSOCIATED WITH THE DEBENTURES. THESE RISKS ARE NOT, AND ARE NOT INTENDED TO BE, A COMPLETE LIST OF ALL RISKS AND CONSIDERATIONS RELEVANT TO THE DEBENTURES OR YOUR DECISION TO PURCHASE THE DEBENTURES.**

**General Risk factors related to the Reference Index of NIFTY 50:**

- Although the principal value on the NCDs is protected on maturity, the investment return on the NCDs is linked to the performance of the underlying Nifty 50 Index.
- An investor in the NCD will not be entitled to receiving any interest payments and/or dividends and/or other distributions in the constituent stocks of the Nifty 50 index during the term of the NCD.
- Even though the investment return on the NCDs is linked to the Nifty 50 index the return on the NCDs may not reflect the return an investor may realize if the investor was to actually own each of the constituent stocks comprising the Nifty 50 index. Further, the debenture holders will have no ownership rights on the constituent stocks of the Nifty 50 index.

Following are risks specific to 'Principal Protected and Market Linked' Debentures and other risks associated to Secured NCDs stated in the SDD under SI. No. A(b)(vi) will also apply for these 'Principal Protected and Market Linked' Debentures.

**Product related risk factors:**

(a) The composition of the securities underlying the Reference Index to which a Debenture may be linked may change over time.

The composition of the constituents of the Reference Index to which the Debentures are linked may change over time. The Reference Index sponsor may, in its sole discretion, add, delete or substitute the securities underlying the index or make other methodological changes required by certain corporate events relating to the securities underlying the Reference Index that could change the value of the index. There may be additions to the securities in Reference Index to which the Registered Debenture Holders may not want exposure, or deletions of securities to which they would want exposure. The Registered Debenture Holders should not place undue reliance on the creditworthiness, business plans or prospects or other factors relating to any particular issuer of constituents of Reference Index as of the date hereof.

(b) Disclaimer in relation to Valuation.

The Issuer has appointed a Valuation Agent. Any valuations as may be provided by the Valuation Agent, on the website of the Issuer and the Valuation Agent or otherwise, do not represent the actual price of the Debentures that may be received upon sale or redemption of Debentures. They merely represent the Valuation Agent's computation of the valuation which may in turn be based on several assumptions.

The valuation will reflect the independent views of the Valuation Agent. It is expressly stated that the valuation will not be the view of the Issuer or its affiliates. The Issuer will not review the valuation and will not be responsible for the accuracy of the valuations. The valuations that will be provided by the Valuation Agent and made available on the website of the Issuer and the Valuation Agent, at a frequency of not less than once a calendar week, and the said valuation will not represent the actual price that may be received upon sale or redemption of the Debentures. It will merely represent the Valuation Agent's computation of the valuation which may in turn be based on several assumptions. The valuations that will be provided by the Valuation Agent may include the use of proprietary models (that are different from the proprietary models used by the Issuer and/or other Valuation agents) and consequently, valuations provided by other parties (including the Issuer and/or other Valuation agents) may be significantly different.

### Structure Risks

- The Debentures being structured debentures are sophisticated instruments which involve a significant degree of risk and are intended for sale only to those Investors capable of understanding the risks involved in such instruments.
- Please note that both the return on the Debentures and the return of the principal amount in full are at risk if the Debentures are not held till, or for any reason have to be sold or redeemed, before the final Redemption Date.
- The Debentures are a principal protected product only upon maturity.
- The Debentures are structured and are complex and an investment in such a structured product may involve a higher risk of loss of a part of the initial investment as compared to investment in other securities unless held till final Redemption Date.
- The Registered Debenture Holder shall receive at least the face value of the Debenture only if the Investor holds and is able to hold the Debentures till the final Redemption Date.
- Prior to investing in the Debentures, a prospective Investor should ensure that such prospective Investor understands the nature of all the risks associated with the investment in order to determine whether the investment is suitable for such prospective Investor in light of such prospective Investor's experience, objectives, financial position and other relevant circumstances. Prospective Investors should independently consult with their legal, regulatory, tax, financial and/or accounting advisors to the extent the prospective Investor considers necessary in order to make their own investment decisions.
- An investment in Debentures where the payment of premium (if any), and/or coupon and/or other consideration (if any) payable or deliverable thereon is determined by reference to one or more equity or debt securities, indices, baskets, formulas or other assets or basis of reference will entail significant risks not associated with a conventional fixed rate or floating rate debt security. Such risks include, without limitation, changes in the level or value of the relevant underlying equity or debt securities or basket or index or indices of equity or debt securities or other underlying asset or basis of reference and the holder of the Debentures may receive a lower (or no) amount of premium, coupon or other consideration than the holder expected. The Company has no control over a number of matters that are important in determining the existence, magnitude and longevity of such risks and their results, including, but not limited to, economic, financial and political events. In addition, if an index or formula used to determine any amounts payable or deliverable in respect of the Debentures contains a multiplier or leverage factor, the

effect of any change in such index or formula will be magnified. In recent times, the values of certain indices, baskets and formulas have been volatile and volatility in those and other indices, baskets and formulas may occur in the future.

### Model Risk

Investment in the Debentures is subject to model risk. The Debentures are created on the basis of complex mathematical models involving multiple derivative exposures which may or may not be hedged and the actual behaviour of the securities selected for hedging may significantly differ from the returns predicted by the mathematical models.

### Risks relating to Debentures due to linkages to the reference asset

- An investment in any series of Debentures that has payments of principal, coupon or both, indexed to the value of any equity share, index or any other rate, asset or index, or a basket including one or more of the foregoing and /or to the number of observation of such value falling within or outside a pre-stipulated range (each of the foregoing, a “Reference Value”) will entail significant risks not associated with a conventional fixed rate or floating rate debt security. Such risks include, without limitation, changes in the applicable Reference Value and how such changes will impact the amount of any principal or coupon payments linked to the applicable Reference Value.
- The Company has no control over a number of matters that are important in determining the existence, magnitude and longevity of such risks and their results, including economic, financial and political events. Past performance of any Reference Value to which any principal or coupon payments may be linked is not necessarily indicative of future performance.
- Investors should be aware that a Reference Value may go down as well as up and/or be volatile and the resulting impact such changes will have on the amount of any principal or coupon payments will depend on the applicable index formula.
- The Registered Debenture Holder shall receive at least the face value of the Debenture only if the Investor holds and is able to hold the Debentures and the Debentures are not sold or redeemed or bought back till the Final Maturity Date.
- If so specified, the early redemption amount, if any, may in certain circumstances be determined by the Valuation Agent based upon the market value of the Debentures less any costs associated with unwinding any hedge positions relating to the particular series of Debentures. In the event the terms and conditions do not provide for a minimum redemption amount even in the event of an early redemption, then on such occurrence a holder may receive less than 100.00% of the principal amount.
- In case of principal/capital protected market linked debentures, the principal amount is subject to the credit risk of the Issuer whereby the Registered Debenture Holder may or may not recover all or part of the funds in case of default by the Issuer. However, if the Debentures are held till the final maturity date, subject to credit risk of the Issuer, the Registered Debenture Holder of the Debenture will receive at least the principal amount.
- The Debentures are likely to be less liquid than conventional fixed or floating rate debt instruments. No representation will be made as to the existence of a market for a series of Debentures. While the Company intends under ordinary market conditions to indicate and/or procure indication of prices for any such Debentures there can be no assurance as to the prices

that would be indicated or that the Company will offer and/or cause to purchase any Debentures. The price given, if any, will be affected by many factors including, but not limited to, the remaining term and outstanding principal amount of the particular series of Debentures, the level of the Reference Value, fluctuations in interest rates and/or in exchange rates, volatility in the Reference Value used to calculate the amount of any coupon or principal payments, and credit spreads. Consequently, prospective Investors must be prepared to hold any series of Debentures for an indefinite period of time or until the redemption or maturity of the Debentures. Trading levels of any Debentures will be influenced by, among other things, the relative level and performance of the applicable Reference Value and the factors described above.

- Early Redemption for Extraordinary Reason, Illegality and Force Majeure, if for reasons beyond the control of the Issuer, the performance of the Issuer's obligations under the Debentures is prevented by reason of force majeure including but not limited to an act of state or situations beyond the reasonable control of the Issuer, occurring after such obligation is entered into, or has become illegal or impossible in whole or in part or in the exercising of its rights, the Issuer may at its discretion and without obligation to do so, redeem and/or arrange for the purchase of all but not some of the Debentures, by giving notice of not less than 5 (five) Business Days to the Registered Debenture Holders which notice shall be irrevocable and shall specify the date upon which the Debentures shall be redeemed (such date on which the Debentures become immediately due and payable, the "Early Redemption Date"). Provided however if the Issuer believes or is advised that it is necessary to only redeem and/or arrange for the purchase of Debentures held by only certain class of Registered Debenture Holders to overcome or mitigate any such force majeure, then the Issuer may without obligation to do so, redeem and/or arrange for the purchase of only such number of Debentures actually held by such class of Registered Debenture Holders at the relevant time. If the Debentures are bought by the Issuer, the Issuer will, if and to the extent permitted by applicable law, pay to each Registered Debenture Holder in respect of each Debenture held by such holder an amount equal to the Early Redemption Amount of a Debenture notwithstanding the illegality or impracticability, as determined by the Calculation Agent in its sole and absolute discretion. Early Redemption Amount means fair market value as determined by the Calculation Agent minus associated costs.

Investment in the debentures which are linked to shares or indices is not the same as investing directly in the shares or indices underlying the debentures

- An investment in the Debentures which are linked to shares or indices is not an investment directly in the shares or the indices themselves. An investment in the Debentures entitles the Debenture Holder to certain cash payments calculated by reference to the shares or indices to which the Debentures are linked. The methodology for calculation of coupon on the Debentures is as set out in this Disclosure Document. The Debenture Holder will have no beneficial interest in the shares or basket of shares constituting the index to which the Debentures are linked and accordingly will not have voting rights in those shares. The Debenture Holders will not have the right to receive the underlying shares or basket of shares and thus will not be able to dispose of some or all of such shares at any point in time. Subject to the applicable conditions of the Debentures, the Debenture holder may have no right to receive dividends or other distributions. The Debentures will not represent a claim against the Company of any shares, and, in the event of any loss, a Debenture holder will not have recourse under the Debentures against such the Company, or against any securities issued by such Company. In the case of Debentures relating to shares, no issuer of such shares has participated in the preparation of the offer document or in establishing the terms of the Debentures and the Company has not made any investigation or

enquiry in connection with such offering with respect to the information concerning such company. Consequently, there can be no assurance that all events occurring prior to the relevant Issue Opening Date (including events that would affect the accuracy or completeness of the publicly available documents described in this paragraph that would affect the trading price of the share) will have been publicly disclosed.

- Moreover, the Company has no ability to control or predict any actions of the issuer of such shares, including any corporate actions of the type or redemption that would require the Valuation Agent to adjust the payment to the Debenture holders upon redemption. The issuer of such shares is not involved in the offering of the Debentures in any way and has no obligation to consider a Debenture holder's interest in a Debenture in taking any corporate actions that might affect the value of the Debentures. In particular, factors related to the underlying shares or indices to which the Debentures are linked which are beyond the relevant Company's control include, but are not limited to: (i) the market price or value of such share, index or basket of shares or indices; (ii) the volatility (frequency and magnitude of changes in price) of such share, index or basket of shares or indices; (iii) the dividend rate on such shares; (iv) geopolitical conditions and economic, financial and political, regulatory or judicial events that affect stock markets generally and which may affect the market price of such share, index or basket of shares or indices; and (v) the creditworthiness, including changes in credit ratings and credit spreads of the relevant issuer of such shares. As the price / value / interest rates of the securities underlying the relevant index fluctuates, the value of the index may go up or down. The value of the relevant index can be expected to fluctuate with movements in the broader equity and bond markets and may be influenced by factors affecting capital and money markets in general, such as, but not limited to, changes in interest rates, currency exchange rates, changes in Governmental policies, taxation, political, economic or other developments and increased volatility in the stock and bond markets. Past performance of the sponsor of the relevant index or the issuer of the underlying stocks of such relevant index does not guarantee future performance of the relevant index.
- The Underlying/Reference Index constitutes of certain identified stocks spread across various sectors. Hence, sector specific risk factors of such underlying stocks will also be applicable. All risks associated with underlying stocks, including their performance, derivative instruments, stock-lending, and off-shore investments etc., will therefore be applicable in the case of the relevant index.
- Investors who intend to invest in the Debentures are required to and deemed to have understood the risk factors of the underlying securities comprising the relevant index.

#### Potential Conflicts

While purchasing or holding any Debentures, the Debenture holder acknowledges that the Issuer, its Affiliates and their respective officers and respective directors may engage in any such activities without regard to this issuance of Debentures or the effect that such activities may directly or indirectly have on the Debentures and the Debenture holder irrevocably waives any claim that it may have in respect thereof.

#### No Claim against reference asset

Registered Debenture Holders do not have any interest in or rights to the underlying assets, indices or securities to which Debentures relate.

**Additional Disclaimers (Inaddition to disclaimers contained in SDD)**

**THESE DISCLAIMERS ARE A SUPPLEMENT TO THE DISCLAIMERS COVERED IN THE SHELF DISCLOSURE DOCUMENT(SDD) DATED JUNE 30 , 2020**

**DISCLAIMER IN RESPECT OF ARRANGER, IF ANY**

The Company has prepared this Information Memorandum and the Company is solely responsible for its contents. The Company will comply with all laws, rules and regulations and has obtained all governmental, regulatory and corporate approvals for the issuance of the Debentures. All the information contained in this Information Memorandum has been provided by the Company or is from publicly available information, and such information has not been independently verified by the Arranger. No representation or warranty, expressed or implied, is or will be made, and no responsibility or liability is or will be accepted, by the Arranger or its affiliates for the accuracy, completeness, reliability, correctness or fairness of this Information Memorandum or any of the information or opinions contained therein, and the Arranger hereby expressly disclaims, to the fullest extent permitted by law, any responsibility for the contents of this Information Memorandum and any liability, whether arising in tort or contract or otherwise, relating to or resulting from this Information Memorandum or any information or errors contained therein or any omissions therefrom. By accepting this Information Memorandum, you agree that the Arranger will not have any such liability.

The only role of the Arranger with respect to the Debentures is confined to marketing and arranging placement of the Debentures on the basis of this Information Memorandum as prepared by the Company. Without limiting the foregoing, the Arranger and its affiliates are not acting, and have not been engaged to act, as an underwriter, merchant banker or any other intermediary with respect to the Debentures. The Arranger and/or any of its affiliates are not and should not in any way be deemed or construed to be responsible for preparing, clearing, approving, scrutinising or vetting this Information Memorandum; or for doing any due-diligence for verification of the truth, correctness or completeness of the contents of this Information Memorandum. Each recipient must satisfy itself as to the accuracy, reliability, adequacy, reasonableness or completeness of the Information Memorandum.

You should carefully read and retain this Information Memorandum. However, you are not to construe the contents of this Information Memorandum as investment, legal, accounting, regulatory or tax advice, and you should consult with your own advisors as to all legal, accounting, regulatory, tax, financial and related matters concerning an investment in the Debentures.

**DISCLAIMER IN RESPECT OF REFERENCE INDEX**

“The Product(s) are not sponsored, endorsed, sold or promoted by NSE INDICES LTD. NSE INDICES LTD does not make any representation or warranty, express or implied, to the owners of the Product(s) or any member of the public regarding the advisability of investing in securities generally or in the Product(s) particularly or the ability of the Nifty 50 Index to track general stock market performance in India. The relationship of NSE INDICES LTD to the Licensee is only in respect of the licensing of certain trademarks and trade names of its Index which is determined, composed and calculated by NSE INDICES LTD without regard to the Licensee or the Product(s). NSE INDICES LTD does not have any obligation to take the needs of the Licensee or the owners of the Product(s) into consideration in determining, composing or calculating the Nifty 50 Index. NSE INDICES LTD is not responsible for or has participated in the

determination of the timing of, prices at, or quantities of the Product(s) to be issued or in the determination or calculation of the equation by which the Product(s) is to be converted into cash. NSE INDICES LTD has no obligation or liability in connection with the administration, marketing or trading of the Product(s)".

NSE INDICES LTD does not guarantee the accuracy and/or the completeness of the Nifty 50 Index or any data included therein and they shall have no liability for any errors, omissions, or interruptions therein. NSE INDICES LTD does not make any warranty, express or implied, as to results to be obtained by the Licensee, owners of the product(s), or any other person or entity from the use of the Nifty 50 Index or any data included therein. NSE INDICES LTD makes no express or implied warranties, and expressly disclaim all warranties of merchantability or fitness for a particular purpose or use with respect to the Index or any data included therein. Without limiting any of the foregoing, NSE INDICES LTD expressly disclaim any and all liability for any damages or losses arising out of or related to the Products, including any and all direct, special, punitive, indirect, or consequential damages (including lost profits), even if notified of the possibility of such damages".

"An investor, by subscribing or purchasing an interest in the Product(s), will be regarded as having acknowledged, understood and accepted the disclaimer referred to in Clauses above and will be bound by it."

#### **DISCLAIMER IN RESPECT OF VALUATION AGENT**

Market Linked Debenture Valuation provided by the Valuation Agent reflects the Valuation Agent's opinion on the value of the Market Linked Debenture on the valuation date and does not constitute an audit of the Issuer by the Valuation Agent. The Valuation is based on the information sought from the Issuer and provided by the Issuer relevant to the specified MLD and/or obtained by the Valuation Agent from sources it considers reliable. The Valuation Agent does not guarantee the completeness or accuracy of the information on which the Valuation is based. The Valuation Agent specifically states that the Valuation is an indicative value of the Debenture on the valuation date and can be different from the actual realizable value of the Debenture. The Valuation does not comment on the market price of the Market Linked Debentures or suitability for a particular investor. The Valuation Agent is not responsible for any errors and especially states that it has no financial liability whatsoever to the users or investors for the Valuation. In the event of early redemption /buy back/any other premature exit, investors may choose to contact the Issuer directly or through their intermediaries (through whom investments in the Specified MLDs were made) or, in the alternative, follow the procedure as set out in the relevant Offer Document.