

**PART A – SUMMARY TERM SHEET**

1.	Security Name	Reliance Financial Limited Market Linked Debentures Series B/161230 (“ <b>Debentures</b> ”)
2.	Issuer / Company	Reliance Financial Limited
3.	Category of Debentures	Category B Debentures
4.	Type of Instrument / Kind of Security	Rated, Listed, Secured, Redeemable, Principal Protected, Non-Convertible, Market Linked Debentures
5.	Series Number	B/161230
6.	Board Resolution Dated	October 13, 2016
7.	Shareholders’ General Resolution Dated	April 13, 2016
8.	Nature of instrument	Secured
9.	Seniority	Senior The Debentures Holders shall have pari passu first charge over the Security created with the Trustee and the other lenders.
10.	Mode of Issue	Private Placement
11.	Eligible Investor(s)	As mentioned in “Eligible Investors” on page 69 of the Information Memorandum
12.	Listing	The Issuer proposes to submit the listing document relating to the Debentures issued under this Information Memorandum to the Wholesale Debt Market (“WDM”) Segment of the BSE within 15 (fifteen) days of the Date of Allotment
13.	Rating of the Instrument	CARE PP-MLD AA (SO) (Credit Watch) by Credit Analysis & Research Limited (“CARE”)
14.	Principal Amount / Face Value per Debenture	INR 1,00,000/- (Rupees One Lakh Only)
15.	Minimum Application and in multiples of thereafter	The minimum subscription size for Category I Investors shall be INR 25,00,000/- and in multiples of Rs. 1,00,000/- and the maximum shall not exceed INR 99,00,000/- The minimum subscription size for Category II Investors shall be INR Rs. 1,00,00,000/- and in multiples of Rs. 1,00,000/-.
16.	Issue size / Amount which the Company intends to raise	INR 3,00,00,000/- (Rupees Three Crore only) (i.e. 300 Debentures)
17.	Option to retain oversubscription (amount)	INR 2,00,00,000/- (Rupees Two Crore only)
18.	Utilisation of Issue Proceeds / Objects of the Issue	The Debentures have been issued to raise resources to meet the ongoing funding requirements for the Company’s business activities, for general corporate purposes and refinancing of the existing debt obligations of the Company.
19.	Details of utilization of the Proceeds	The issue proceeds shall be utilized in accordance with the “Utilisation of Issue Proceeds / Objects of the Issue” provision above.

20.	Interest on Application Money	Not Applicable
21.	Default Interest Rate	Please refer to the “Default in payment” section on page 40 of the Information Memorandum
22.	Call Option (Redemption at the Option of the Company) Call Option Date Call Option Price Call Notification Time	Not Applicable
23.	Put Option (Redemption at the Option of Debenture holders) Put Option Date Put Option Price Put Notification Time	Not Applicable, but see clause 46 below
24.	Issue Timing/ Proposed Time Schedule  1. Issue Open Date  2. Issue Close Date  3. Pay in Date  4. Deemed Date of Allotment	December 30, 2016  December 30, 2016  Between the Issue Open Date and Issue Close Date (both inclusive)  December 30, 2016  The Issue Close Date / Pay-in Date / Deemed Date of Allotment may be rescheduled at the sole discretion of the Issuer, to a date falling not later than 07 (seven) working days from the date mentioned herein. The actual Issue Close Date / Pay-in Date / Deemed Date of Allotment shall be communicated to each investor in the Allotment Advice.
25.	Issuance mode of the Instrument	These Debentures would be issued only in dematerialized form (Demat) through authorized DP
26.	Trading mode of the Instrument	Demat mode only
27.	Settlement mode of the Instrument	RTGS / NEFT / Fund Transfer to the bank details as per the depositories records.
28.	Depository(ies)	NSDL and CDSL
29.	Business Day Convention	Please refer page to the “Effect of Holidays” section on page 73 of the Information Memorandum
30.	Record Date	15 days prior to each Coupon Payment / Final Redemption Date / Contingent Early Redemption Date (if applicable) / Call Option Date (if applicable) / Put Option Date (if applicable)

31.	Security	<p>(a) A first ranking mortgage and charge over the Company's Gujarat Immovable Property more particularly described in the Annexure I; and</p> <p>(b) In addition to the above, for each category of Debentures the following respective security shall be available</p> <p>(i) <u>Category A Debentures</u>: a first charge on the present and future investments (excluding investments in equity and preference shares) of the Company; with a minimum asset cover of 100% at all times during the tenor of the Debentures</p> <p>(ii) <u>Category B Debentures</u>: a first charge on present and future book debts and business receivables which includes Fixed Assets, Current Assets (excluding Cash and Bank Balances) and investments of the Company (excluding security towards securing Category A Debentures more specifically described in Clause (b) (i) above); and having a minimum asset cover of 100% at all times during the tenor of the Debentures.</p> <p>Provided that the assets of the Company over and above minimum asset cover as described in Clause (b) above, as may be identified by the Company from time to time in consultation with the Trustees, shall be available to the Company for providing security in favour of other lenders</p>
32.	Security Cover	The Company shall maintain a minimum security cover of 100% at all times.
33.	Contribution being made by Promoters or directors either as part of the offer or separately in furtherance of such objects	Nil
34.	Transaction Documents	<p>(i) Debenture Trust Deed;</p> <p>(ii) Information Memorandum;</p> <p>(iii) Rating letter from CARE;</p> <p>(iv) Consent letter of Karvy Computershare Private Limited to act as Registrar &amp; Transfer Agent for the proposed issue;</p> <p>(v) Tripartite agreement between the Company, NSDL/CDSL and the Registrar and Transfer Agent; and</p> <p>(vi) Uniform Listing Agreement with BSE Limited</p>
35.	Conditions Precedent to Disbursement	Not Applicable
36.	Condition Subsequent to Disbursement	Not Applicable
37.	Events of Default	Please refer to the "Main events of default and remedies under the Debenture Trust Deed" section on page 79 of the Information Memorandum
38.	Provisions related to Cross Default Clause	Not Applicable
39.	Role and Responsibilities of Debenture Trustee	Please refer to the "Main events of default and remedies under the Debenture Trust Deed" section on page 79 of the Information Memorandum
40.	Governing Law and Jurisdiction	Please refer to the "Governing Law and Jurisdiction" section on page 82 of the Information Memorandum

41.	Payment Details	Settlement Bank:       HDFC Bank Limited Branch:                    FORT, Mumbai Account Number:        00600340037467 Account Name:           Reliance Financial Limited RTGS / IFSC Code:      HDFC0000060
42.	Registrar and Transfer Agents	Karvy Computershare Private Limited
43.	Trustees	Vistra ITCL (India) Limited (formerly known as IL&FS Trust Company Limited)
44.	Placement Fee	<p>For each of the Debenture applied for, a placement Fee of up to 3.00% of the Issue Price may be payable to the distributor (if any) by the Investor over and above the Issue Price.</p> <p>Note: For each of the Debenture applied for, the Issuer shall collect the Placement Fee, in addition to the Issue Price of the Debenture, from the Investor and credit such Placement Fee to the account of the distributor (if any). For the avoidance of doubt such Placement Fee is not and should not be construed as payment of commission as mentioned under section 40 of the Companies Act, 2013 and the rules made thereunder.</p>
45.	Early Redemption	<p>If, for reasons beyond the control of the Company, the performance of the Company's obligations under this Issue is prevented by reason of force majeure including but not limited to an act of state or situations beyond the reasonable control of the Company, 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 Company 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 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").</p> <p>Provided however if the Company believes or is advised that it is necessary to only redeem and/or arrange for the purchase of the Debentures held by only certain class of Debenture Holders to overcome or mitigate any such force majeure, then the Company may without obligation to do so, redeem and/or arrange for the purchase of only such number of The Debentures actually held by such class of Debenture Holders at the relevant time.</p> <p>If the Debentures are bought by the Company, the Company will, if and to the extent permitted by applicable law, pay to each Debenture Holder in respect of each of the Debentures held by such Debenture Holder an amount equal to the Early Redemption Amount of a Debenture notwithstanding the illegality or impracticability, as determined by the Company in its sole and absolute discretion.</p> <p>For the purpose of this paragraph, Early Redemption Amount means an amount equal to the fair market value minus associated costs.</p>

46.	Premature Exit	<p>At the request of an Investor, the Company shall at its discretion and without being obliged to do so, arrange for the buyback ("Premature Exit") of such number of Debentures as the Investor shall request.</p> <p>Such Premature Exit shall occur at a price:</p> <p>(a) which shall take into consideration the market value of the Debentures, all costs incurred by the Company (including costs of unwinding any hedge); and</p> <p>(b) the price computed under (a) above shall be further reduced by such amount not exceeding 10.00% of the face value of the Debentures/NCDs to be determined by the Company at its sole discretion.</p> <p>A request for Premature Exit by an Investor shall not be considered if made within 06 (six) months from the Deemed Date of Allotment.</p>
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**PROVISIONS RELATING TO COUPON (IF ANY) AND REDEMPTION AMOUNT PAYABLE**

1.	Issue Price per Debenture/ Price of the Debenture & Justification	100.00% of Principal Amount (Face Value)  (The security is being issued at par, with the Coupon Amount / Rate and Coupon Payment Frequency as mentioned below which is in accordance with the prevailing market conditions at the time of issue)
2.	Discount at which security is issued and the effective yield as a result of such discount	Not Applicable
3.	Initial Valuation Date	December 30, 2016  The Initial Valuation Date may be rescheduled, at the sole discretion of the Issuer, to a date falling not later than 07 (seven) working days from the date mentioned herein. The actual Initial Valuation Date shall be communicated to each investor in the Allotment Advice.
4.	Contingent Early Redemption	Contingent Early Redemption is deemed to have occurred if the "Contingent Early Redemption Condition" is satisfied.  Should a Contingent Early Redemption occur, the Debenture will be redeemed in whole, but not in part, on the Contingent Early Redemption Date at an amount equal to  100% of Principal Amount + Contingent Early Redemption Amount  Please refer to "Coupon Amount / Rate" below for the definition of "Contingent Early Redemption Amount".
5.	Contingent Early Redemption Condition	If the Shout Option is exercised, and the value of "Portfolio Return" as defined below is <i>greater than or equal to</i> zero
6.	Contingent Early Redemption Date	January 30, 2018
7.	Final Valuation Date	The NSE Bond futures expiry date in the month of December 2017  (i.e. December 28, 2017, provided that, if such date is not a scheduled NSE Bond futures expiry date, then the NSE Bond futures expiry date as notified by the National Stock Exchange for that month will be considered as the Final Valuation Date)
8.	Final Redemption Date / Final Maturity Date  (applicable only if the Contingent Early Redemption Condition is not satisfied)	September 30, 2019  Since the Deemed Date of Allotment, Initial Valuation Date may be rescheduled at the sole discretion of the Issuer, to a date falling not later than 07 (seven) working days from the respective dates mentioned herein, this could result in change in the Final Redemption Date / Final Maturity Date.  The actual Final Redemption Date / Final Maturity Date shall be communicated to each investor in the Allotment Advice.
9.	Tenor  (applicable only if the Contingent Early Redemption Condition is not satisfied)	1,004 (One Thousand and Four) days from the Deemed Date of Allotment
10.	Redemption Amount  (applicable only if the	On the Redemption Date / Final Maturity Date, each Debenture holder will receive per Debenture held an amount equal to

	Contingent Early Redemption does not occur)	100% of Principal Amount + Final Performance Amount  Please refer to “Coupon Amount / Rate” below for the definition of “Final Performance Amount”
11.	Redemption Premium / Discount	Not applicable
12.	Coupon Type / Basis (a) Reference Index (b) Index Sponsor	Reference Index Linked  Nifty 10 yr Benchmark G-Sec (Clean Price) index  India Index Services & Products Limited (IISL)
13.	Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.)	Not Applicable
14.	Change of Coupon Basis/Step Up/Step Down Coupon Rate	Not Applicable
15.	Coupon Payment Dates/ Frequency	If the “Contingent Early Redemption Condition” is satisfied, then the relevant Coupon Amount (i.e. the Contingent Early Redemption Amount) will be payable on the Contingent Early Redemption Date; or  If the “Contingent Early Redemption Condition” is not satisfied, then the relevant Coupon Amount (i.e. the Final Performance Amount) will be payable on the Final Redemption/Final Maturity Date.
16.	Shout Option	Shout Option shall be deemed to be exercised if each of the original Debenture Holder(s) provides a confirmation to the Issuer to elect an Exchange Business Day in the period starting from the Initial Valuation Date up to (and including) (i) the Final Valuation Date or, (ii) Knock-Out Date, whichever is earlier, to be a “ <b>Shout Date</b> ”. The Debenture Holder(s) shall provide a confirmation for such option at or before 2:30 pm IST on the Shout Date elected.  Provided that, if the Debenture Holder(s) does not exercise this option then the Shout Option shall be deemed to be exercised on the Final Valuation Date.  Provided that, the Debenture Holder(s) may exercise this option only once and the Shout Date shall be the same for each Debenture.
17.	Shout Level	The Level of the Reference Index, which shall be between the Low Price and High Price of the Reference Index on the Shout Date, as determined by the Company.  Shout Level as defined herein shall be communicated to each Debenture Holder(s) on or after the Shout Date.
18.	Knock-Out Event	Knock-Out Event is deemed to have occurred if at any time on any Knock-Out Event Observation Date, the level of the Reference Index is less than or equal to the Knock-Out Level.  The day on which the Knock-Out Event occurs shall be deemed to be the “ <b>Knock-Out Date</b> ”
19.	Knock-Out Level	96.50% of Initial Level (i.e. 0.9650 * Initial Level)  Knock-Out Level as defined herein shall be communicated to each Debenture Holder(s) in the Allotment Advice

20.	Observation Dates	<p>The Initial Valuation Date, the Final Valuation Date, and each Knock-Out Event Observation Date as under:</p> <p><b><u>Knock-Out Event Observation Dates:</u></b></p> <p>Each Exchange Business Day in the period starting from the Initial Valuation Date up to (and including) (i) the Final Valuation Date or, (ii) the Shout Date; whichever is earlier</p>																						
21.	Portfolio Return	<p><b>If the Knock-Out Event does not occur,</b></p> <p style="padding-left: 40px;">Cushion Rate + PR * Shout Performance</p> <p><b>or,</b></p> <p><b>If the Knock-Out Event occurs,</b></p> <p style="padding-left: 40px;">Cushion Rate + PR * KO Performance</p> <p>Where,</p> <p>“PR” = Participation Ratio, which shall be 400%</p> <p>“Shout Performance” = Shout Level / Initial Level – 1</p> <p>“KO Performance” = Frozen Level / Initial Level – 1</p> <p>“Initial Level” = The Level of the Reference Index, as determined by the Company, which shall be communicated to each Debenture Holder(s) in the Allotment Advice</p> <p>“Frozen Level” = The Level of the Reference Index, which shall be between the Low Price and High Price of the Reference Index either on the Knock-Out Date or the next Exchange Business Day, as determined by the Company. Frozen Level as defined herein shall be communicated to each Debenture Holder(s) on or after the Knock-Out Date</p> <p>“Cushion Rate” = the rate which shall be the determined based on Observation Period in which the Knock-Out Date or Shout Date (whichever is applicable) falls, as below</p> <table border="1" data-bbox="549 1308 1505 1648"> <thead> <tr> <th rowspan="2">S.No.</th> <th colspan="2">Observation Period (inclusive of Start Date and End Date)</th> <th rowspan="2">Cushion Rate</th> </tr> <tr> <th>Start Date</th> <th>End Date</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Initial Valuation Date</td> <td>March 30, 2017</td> <td>7.13%</td> </tr> <tr> <td>2.</td> <td>March 31, 2017</td> <td>June 29, 2017</td> <td>5.76%</td> </tr> <tr> <td>3.</td> <td>June 30, 2017</td> <td>September 28, 2017</td> <td>4.35%</td> </tr> <tr> <td>4.</td> <td>September 29, 2017</td> <td>December 28, 2017</td> <td>2.93%</td> </tr> </tbody> </table>	S.No.	Observation Period (inclusive of Start Date and End Date)		Cushion Rate	Start Date	End Date	1.	Initial Valuation Date	March 30, 2017	7.13%	2.	March 31, 2017	June 29, 2017	5.76%	3.	June 30, 2017	September 28, 2017	4.35%	4.	September 29, 2017	December 28, 2017	2.93%
S.No.	Observation Period (inclusive of Start Date and End Date)			Cushion Rate																				
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3.	June 30, 2017	September 28, 2017	4.35%																					
4.	September 29, 2017	December 28, 2017	2.93%																					
22.	Coupon Amount / Rate	<p>If the “Contingent Early Redemption Condition” is satisfied:</p> <p>Coupon Amount = <b>Contingent Early Redemption Amount</b>; or</p> <p>If the “Contingent Early Redemption Condition” is not satisfied,</p> <p>Coupon Amount = <b>Final Performance Amount</b></p> <p>“<b>Contingent Early Redemption Amount</b>” is</p> <p>Principal Amount * Max(0, Portfolio Return)</p>																						

		<p><b>“Final Performance Amount”</b> is Principal Amount * Max(0, Accrual Amount)</p> <p>Where, “Accrual Amount” = <math>[(1 + \text{Portfolio Return}) * (1 + 8.50\%) ^ (\text{DayCount}/365)] - 1</math> “DayCount” = Total number of days in the period starting from the Contingent Early Redemption Date up to (and including) the Final Redemption Date</p>
23.	Valuation Agency	<p>The Valuation Agency i.e. CRISIL Limited or Credit Analysis and Research Limited shall be appointed by the Issuer, and communicated to each Investor in the Allotment Advice</p> <p>In case of CRISIL: 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 at <a href="http://crisil.com/capital-markets/mld-valuations.html">http://crisil.com/capital-markets/mld-valuations.html</a></p> <p>In case of Credit Analysis and Research Limited: 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 at <a href="https://researchreports.careratings.com/mld-valuation/">https://researchreports.careratings.com/mld-valuation/</a></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 at <a href="http://www.reliancefinancial.co.in/">http://www.reliancefinancial.co.in/</a>.</p> <p>The cost of valuation shall be in the range of 0.04% p.a. to 0.15% p.a. of issue size and shall be borne by the Issuer.</p> <p>The latest and historical valuations for the the Debentures will be published on the website of the Issuer <a href="http://www.reliancefinancial.co.in/">http://www.reliancefinancial.co.in/</a> and the website of the respective Valuation Agency.</p> <p>Upon request by any Debenture Holder for the valuation of the Debentures, the Issuer shall provide them with the latest valuation.</p>

**Disclosure of Cash Flows for the Debentures as per SEBI Circular No. CIR/IMD/DF/18/2013 dated October 29, 2013**

Company	Reliance Financial Limited
Principal Amount / Face Value per Debenture	Rs.1,00,000/- (Rupees One Lakh only)
Issue Date	December 30, 2016
Date of Allotment	December 30, 2016
Date of Redemption (applicable only if the Contingent Early Redemption Condition is not satisfied)	September 30, 2019
Coupon Rate	Market Linked
Frequency of the Interest Payment with specified dates	As specified in “Provisions Relating To Coupon (If Any) And Redemption Amount Payable” above,

	<p>If the “Contingent Early Redemption Condition” is satisfied, then the relevant Coupon Amount (i.e. the Contingent Early Redemption Amount) will be payable on the Contingent Early Redemption Date: <u>January 30, 2018</u></p> <p>If the “Contingent Early Redemption Condition” is not satisfied, then the relevant Coupon Amount (i.e. the Final Performance Amount) will be payable on the Final Redemption Date: <u>September 30, 2019</u></p>
Day Count Convention	Not Applicable

a) Applicable if Contingent Early Redemption Condition is satisfied

Cash Flows	Date (of actual payment)	No. of Days in Coupon Period	Amount in Rupees
<b>Coupon (i.e. Contingent Early Redemption Amount)</b>	January 30, 2018	396	Market Linked Coupon
<b>Principal Redemption</b>	January 30, 2018	396	INR 1,00,000
<b>Total</b>			<b>INR 1,00,000 + Market Linked Coupon</b>

b) Applicable if Contingent Early Redemption Condition is never satisfied

Cash Flows	Date (of actual payment)	No. of Days in Coupon Period	Amount in Rupees
<b>Coupon (i.e. Final Performance Amount)</b>	September 30, 2019	1,004	Market Linked Coupon
<b>Principal Redemption</b>	September 30, 2019	1,004	INR 1,00,000
<b>Total</b>			<b>INR 1,00,000 + Market Linked Coupon</b>

**Note:** Payment dates are subject to change as per holidays declared in that particular year. Payment convention as specified in SEBI Circular CIR/IMD/DF/18/2013 dated October 29, 2013 shall be followed.

**Scenario Analysis**

The scenario analysis set out below is an illustrative representation of the returns on the Debentures in the following scenarios. (Assuming Initial Level of the Reference Index is 1,000)

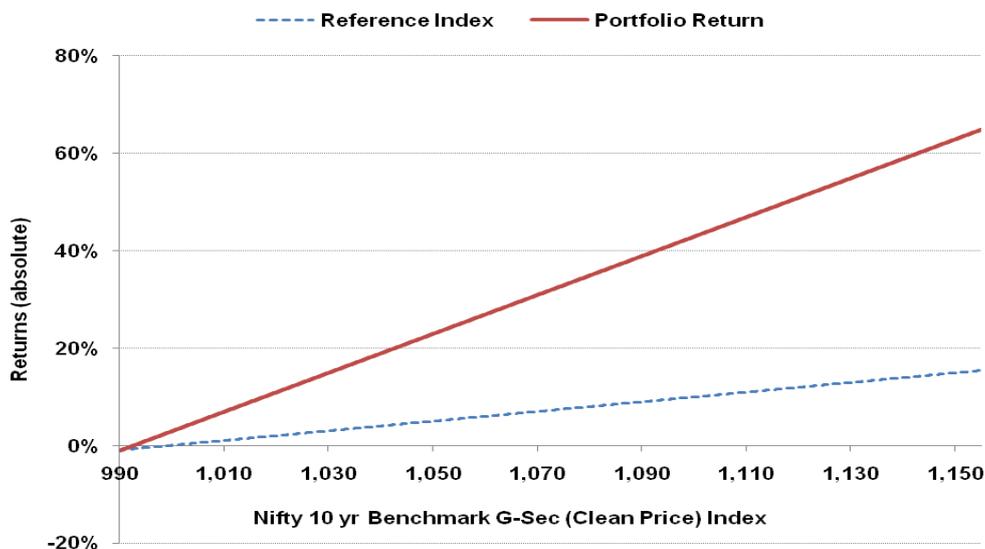
**A. Tabular Representation**

Assuming that the Shout Option is exercised / Knock-Out Event occurs on a date falling in the third Observation Period (i.e. between June 30, 2017 and September 28, 2017, both inclusive)

Scenarios	Initial Level	Final Level	Performance of the Reference Index	Has the Knock-Out Event occurred ?	Portfolio Return	Initial Investment Amount (in INR)	Redemption Amount (in INR)	Redemption Date	Return on Debenture (Annualized)
Rising Market Conditions (i.e. fall in yield)	1,000	1,070	7.00%	No	32.35%	100,00,000	132,35,000	January 30, 2018	29.48%
	1,000	1,053	5.30%	No	25.55%	100,00,000	125,55,000	January 30, 2018	23.33%
	1,000	1,035	3.50%	No	18.35%	100,00,000	118,35,000	January 30, 2018	16.80%
	1,000	1,018	1.80%	No	11.55%	100,00,000	111,55,000	January 30, 2018	10.60%
Stable Market Conditions (i.e. stable yield)	1,000	1,000	0.00%	No	4.35%	100,00,000	104,35,000	January 30, 2018	4.00%
Falling Market Conditions (i.e. rise in yield)	1,000	983	-1.70%	No	-2.45%	100,00,000	111,74,900	September 30, 2019	4.12%
	1,000	965	-3.50%	No	-9.65%	100,00,000	103,50,100	September 30, 2019	1.26%
	1,000	955	-4.50%	Yes	-13.65%	100,00,000	100,00,000	September 30, 2019	Nil

**B. Graphical Representation**

The illustration below assumes that the Shout Option is exercised on the Final Valuation Date and that the Knock-Out Event has not occurred.



**NOTE: This scenario analysis is being provided for illustrative purposes only. It does not represent all possible outcomes.**