

**PART A – SUMMARY TERM SHEET**

**PROSPECTIVE PURCHASERS OF THE NON PRINCIPAL PROTECTED DEBENTURES SHOULD ENSURE THAT THEY UNDERSTAND THE NATURE OF THE NON PRINCIPAL PROTECTED DEBENTURES AND THE EXTENT OF THEIR EXPOSURE TO RISKS AND THAT THEY CONSIDER THE SUITABILITY OF THE NON PRINCIPAL PROTECTED DEBENTURES AS AN INVESTMENT IN LIGHT OF THEIR OWN CIRCUMSTANCES AND FINANCIAL CONDITIONS. IN PARTICULAR, THESE NON PRINCIPAL PROTECTED DEBENTURES ARE UNLISTED, UNRATED, AND INVOLVE A HIGH DEGREE OF RISK INCLUDING THE RISK THAT THE INVESTOR MAY LOSE ALL OR PART OF THEIR INVESTMENT AND/OR RECEIVE LESS THAN 100% OF THE FACE VALUE OF THE NON PRINCIPAL PROTECTED DEBENTURES. POTENTIAL INVESTORS SHOULD BE PREPARED TO SUSTAIN A TOTAL LOSS OF THE INITIAL INVESTMENT IN THE NON PRINCIPAL PROTECTED DEBENTURES AND/OR RECEIVE LESS THAN 100% OF THE FACE VALUE OF THE NON PRINCIPAL PROTECTED DEBENTURES.**

**SEE “RISKS RELATING TO THE NON PRINCIPAL PROTECTED DEBENTURES” ABOVE.**

1.	Security Name	Reliance Financial Limited Market Linked Debentures Series B/170120N (“ <b>Debentures</b> ”)
2.	Issuer / Company	Reliance Financial Limited
3.	Category of Debentures	Category B Debentures
4.	Type of Instrument / Kind of Security	Secured, Redeemable, Unrated, Unlisted, Non Principal Protected, Non-Convertible, Market Linked Debentures
5.	Series Number	B/170120N
6.	Board Resolution Dated	January 16, 2017
7.	Shareholders’ General Resolution Dated	January 16, 2017
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 68 of the Information Memorandum
12.	Listing	The Debentures will not be listed on any stock exchange
13.	Rating of the Instrument	Unrated
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 2,00,00,000/- (Rupees Two Crore only) (i.e. 200 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 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 point 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	January 20, 2017  January 20, 2017  Between the Issue Open Date and Issue Close Date (both inclusive)  January 20, 2017  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 depositories records.
28.	Depository(ies)	NSDL and CDSL
29.	Business Day Convention	Please refer page to the “Effect of Holidays” section on page 72 of the Information Memorandum
30.	Record Date	15 days prior to each Coupon Payment / Final Redemption Date / Contingent Early Redemption 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) Consent letter of Karvy Computershare Private Limited to act as Registrar &amp; Transfer Agent for the proposed issue;</p> <p>(iv) Tripartite agreement between the Company, NSDL/CDSL and the Registrar and Transfer Agent;</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 78 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 78 of the Information Memorandum
40.	Governing Law and Jurisdiction	Please refer to the “Governing Law and Jurisdiction” section on page 81 of the Information Memorandum
41.	Payment Details	<p>Settlement Bank: HDFC Bank Limited</p> <p>Branch: FORT, Mumbai</p> <p>Account Number: 00600340037467</p> <p>Account Name: Reliance Financial Limited</p> <p>RTGS / IFSC Code: HDFC0000060</p>
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 if applicable, 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 03 (three) 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 Bond/ Price of the Security & Justification	100.00% of Principal Amount ( Face Value )  (The security is being issued at par, with the Coupon Rate and Coupon Payment Frequency as already mentioned above 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	January 20, 2017  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.	Final Valuation Date	The Nifty 50 Index futures expiry dates in the month of September 2019  (i.e. September 26, 2019, provided that, if such date is not a scheduled Nifty 50 Index futures expiry date, then the Nifty 50 Index futures expiry date as notified by the National Stock Exchange for that month will be considered as the Final Valuation Date)
5.	Final Redemption Date / Final Maturity Date	July 20, 2020  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.
6.	Tenor	1,277 (One Thousand Two Hundred and Seventy Seven) days from the Deemed Date of Allotment
7.	Redemption Premium / Discount	Not Applicable
8.	Coupon Type / Basis (a) Reference Index (b) Index Sponsor	Reference Index Linked Nifty 50 Index India Index Services & Products Limited (IISL)
9.	Change of Coupon Basis/Step Up/Step Down Coupon Rate	Not Applicable
10.	Coupon Payment Dates/ Frequency	Final Redemption Date / Final Maturity Date only

11.	Final Redemption Amount	<p>On the Final Redemption Date / Final Maturity Date, each Debenture Holder will receive per Debenture held an amount equal to</p> <p><b>A) If the Knock Out Event has occurred,</b> Principal Amount * (100.00% + 50.00%)</p> <p>Or,</p> <p><b>B) If the Knock Out Event has not occurred,</b> Principal Amount * (100.00% + Perf)</p> <p>Where, “Perf” is</p> <p>If Final Level &gt;= 110.00% of Initial Level Perf = 70.00%</p> <p>If Final Level &lt; 110.00% of Initial Level Perf = Min(0, Final Level / Initial Level – 1.05)</p> <p>“Final Level” = <math>\left(\frac{1}{6}\right) \times \sum_{i=1}^6 Level(i)</math></p> <p>“Level(i)” = Official Closing Level of the Reference Index on the Subsequent Observation Date(i)</p> <p>“Initial Level” = Official Closing Level of the Reference Index on the Initial Observation Date</p> <p><b>Note that the Final Redemption Amount as calculated above may be less than the Principal Amount.</b></p>
12.	Knock-Out Event	Knock-Out Event is deemed to have occurred if the Official Closing Level of the Reference Index on any Knock-Out Observation Date(k) is greater than or equal to the Knock-Out Level
13.	Knock-Out Level	<p>160% of Initial Level (i.e. 1.60 * Initial Level)</p> <p>Knock-Out level as defined herein shall be communicated to each investor in the Allotment Advice</p>
14.	Observation Dates	<p>The Initial Observation Date, each Subsequent Observation Date, and each Knock-Out Observation Date as under:</p> <p><b><u>Initial Observation Date:</u></b> The Initial Valuation Date</p> <p><b><u>Subsequent Observation Dates:</u></b> The Nifty 50 Index futures expiry dates in the months of April 2019 to September 2019 (both inclusive), which are expected to be as below *:</p>

S.No. (i)	Subsequent Observation Date(i)
1	April 25, 2019
2	May 30, 2019
3	June 27, 2019
4	July 25, 2019
5	August 29, 2019
6	September 26, 2019

**Knock-Out Observation Dates:**

The Nifty 50 Index futures expiry dates in the months of February 2017 to September 2019 (both inclusive), which are expected to be as below \*:

S.No. (k)	Knock-Out Observation Date(k)
1	February 23, 2017
2	March 30, 2017
3	April 27, 2017
4	May 25, 2017
5	June 29, 2017
6	July 27, 2017
7	August 31, 2017
8	September 28, 2017
9	October 26, 2017
10	November 30, 2017
11	December 28, 2017
12	January 25, 2018
13	February 22, 2018
14	March 29, 2018
15	April 26, 2018
16	May 31, 2018
17	June 28, 2018
18	July 26, 2018
19	August 30, 2018
20	September 27, 2018
21	October 25, 2018
22	November 29, 2018
23	December 27, 2018
24	January 31, 2019
25	February 28, 2019
26	March 28, 2019
27	April 25, 2019
28	May 30, 2019
29	June 27, 2019
30	July 25, 2019
31	August 29, 2019
32	September 26, 2019



		* Provided that, if any such date is not a scheduled Nifty 50 Index futures expiry date, then the Nifty 50 Index futures expiry date as notified by the National Stock Exchange for that month will be considered as the observation date.
15.	Coupon Rate/Amount	Please refer to Final Redemption Amount

**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	January 20, 2017
Date of Allotment	January 20, 2017
Final Redemption Date	July 20, 2020
Coupon Rate	Market Linked
Frequency of Coupon Payment with specified dates	On the Final Maturity Date/ Final Redemption Date only
Day Count Convention	Not Applicable

Cash Flows	Date (of actual payment)	No. of Days in Coupon Period	Amount in Rupees
<b>Coupon</b>	July 20, 2020	1,277	Market Linked
<b>Principal Redemption</b>	July 20, 2020	1,277	INR 1,00,000
<b>Total</b>			<b>INR 1,00,000 + Market Linked Coupon</b>

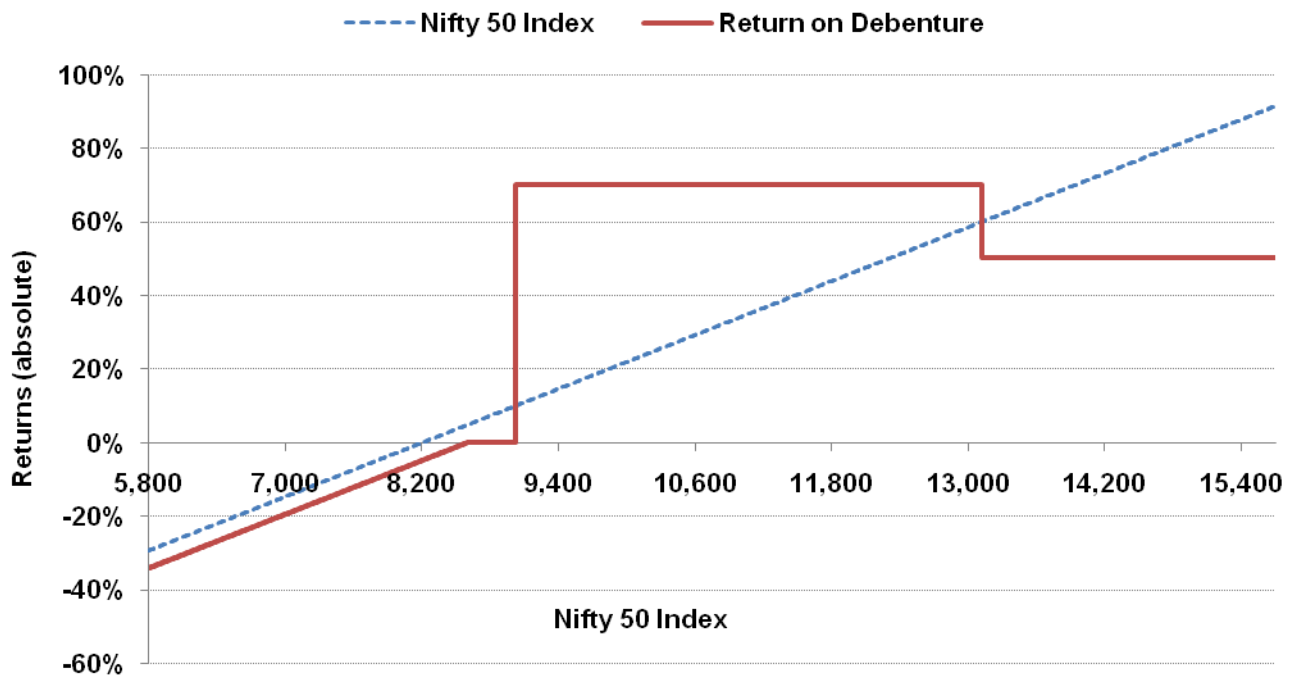
Note: Payment dates are subject to change as per holidays declared in that particular year. Payment convention as specified in SEBI Circular CIR/IMD/DF/18/2013 dated October 29, 2013 shall be followed.

**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 8,400)

**A. Tabular Representation**

Scenarios	Initial Level	Final Level	Performance of Reference Index	Has the Knock-Out Event Occurred?	Return on Debenture	Initial Investment Amount (in INR)	Redemption Amount (in INR)	Return on Debenture (Annualized)
Rising Market Conditions	8,400	14,280	70.00%	Yes	50.00%	100,00,000	150,00,000	12.29%
	8,400	12,600	50.00%	No	70.00%	100,00,000	170,00,000	16.38%
	8,400	10,920	30.00%	Yes	50.00%	100,00,000	150,00,000	12.29%
Stable Market Conditions	8,400	9,408	12.00%	No	70.00%	100,00,000	170,00,000	16.38%
	8,400	8,988	7.00%	No	0.00%	100,00,000	100,00,000	0.00%
	8,400	8,568	2.00%	No	-3.00%	100,00,000	97,00,000	N.A.
Falling Market Conditions	8,400	7,560	-10.00%	No	-15.00%	100,00,000	85,00,000	N.A.
	8,400	6,720	-20.00%	No	-25.00%	100,00,000	75,00,000	N.A.
	8,400	5,880	-30.00%	No	-35.00%	100,00,000	65,00,000	N.A.

**B. Graphical Representation**


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