IIFL FINANCE

TERM SHEET

Details of debt securities issued and sought to be listed including face value, nature of debt securities, mode of issue i.e private placement, etc. information

Security Name	IIFL - Secured Redeemable Non-Convertible Debentures Market Linked Debenture–Series D14 Maturity - 2024
Issuer	IIFL Finance Limited
Type of Instrument	Principal Protected - Market Linked Redeemable Non-Convertible Debenture
Nature of Instrument	Secured Redeemable Non-Convertible Debentures
Seniority	Senior
Principal Protection	Principal is protected at Maturity
Underlying/ Reference Security	10-year Government security price (Issue date 12-July, 2021) (Maturity 12-July-2031)
Mode of Issue	Private Placement
Eligible Investor	Only the persons who are specifically addressed through direct communication by or on behalf of the Company are eligible to apply for the Debentures. An application made by any other person will be deemed as an invalid application and rejected. **Note:** Each of eligible investor(s) is required to check and comply with extant rules/regulations/guidelines etc governing or regulating their investments as issued by their respective regulatory authorities and the Company is not in any way, directly or indirectly responsible for any statutory or regulatory breaches by any investor, neither is the Company required to check or confirm the same.
Listing (including name of stock Exchange(s) where it will be listed and timeline for listing)	The Debentures to be issued under this private placement issue are proposed to be listed on wholesale debt Market (WDM) segment of the Bombay Stock Exchange of India Limited. The company undertakes that it will make the listing application to list the Debentures in the WDM segment of BSE and procure the listing approval from BSE within 4 (four) Business Days from the Issue Closing Date. Upon failure of the Issuer to obtain listing approval and list the Debentures in the WDM segment of BSE, the Issuer will pay penal interest of at least @ 1% p.a. over the coupon rate from the deemed date of allotment till the actual listing of such Debentures. *[With effect from 1/12/2020, in case of delay in listing of Debentures beyond the timelines specified in para 2 of the SEBI Circular Ref: SEBI/HO/DDHS/CRI /P/2020/198 dated 5/10/2020 the issuer shall pay interest of 1% p.a. over the coupon rate from the date of allotment till the listing of such debentures]*
Additional Compliance as and when applicable	Compliance of all provision of SEBI Circular Ref.: SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated 22/10/2020 with regard to "Contribution by Issuers of listed or proposed to be listed debt securities towards creation of "Recovery Expense Fund" and submission of documentary evidence for the same.
Creation of Recovery Expense Fund	The Issuer has created and maintained the recovery expense fund as per the terms of the Applicable Laws.
Rating of the Instrument	PP-MLD AAr by CRISIL Limited

Base Issue Size	Issue of Rs. 50 Crores
Option to retain oversubscription i.e. Green Shoes option	Option to retain over subscription (i.e. Green shoe option) up to Rs.150 crores Total issue size including green shoe option is Rs 200 crores Issuer can reissue further NCD's under the above options in future within its overall borrowing program.
Objects of the Issue	Onward lending and general business purpose
Details of the utilization of the Proceeds	The funds raised through this Issue, after meeting the expenditures of and related to the Issue, will be used for various financing activities including onward lending and for the business operations including the general Business purposes and working capital requirements.
Frequency of Coupon payent	Coupon if any will be paid at the maturity
Tenor	36 months from deemed date of allotment (i.e 1096 days from the deeded date of allotment)
Interest Payment Date	At Maturity
Day Count Basis	Actual / Actual
Interest Reset Date	NA
Interest on Application Money	NA
Coupon Type	NA
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc).	NA
Step Up/Step Down Coupon Rate	NA
Issue Opening Date	7th September 2021
Issue Closing Date	7th September 2021
Initial Fixing Date	12th July 2021
Initial Fixing Level	Issue Price of 10-year Government security price (Issue date 12th July, 2021) (Maturity – 12th July 2031) on Initial Fixing Date Bloomberg Ticker - IGB 6.10 07/12/2031 Govt ISIN: IN0020210095 (Pricing source – Reserve Bank of India)
Final Fixing Date	1st August 2024
Final Fixing Level	Closing Price of 10-year Government security price (Issue date 12th July, 2021) (Maturity – 12th July 2031) on Final Fixing Date Bloomberg Ticker - IGB 6.10 07/12/2031 Govt ISIN: IN0020210095 (Pricing source – Reserve Bank of India)
Redemption Date	07th September 2024

<table>
<tr><td>Redemption Value</td><td>Face Value*(1+Coupon)</td></tr>
<tr><td>Pay-in-Date</td><td>07th September 2021</td></tr>
<tr><td>Redemption Premium/Discount</td><td>NA</td></tr>
<tr><td>Deemed Date of Allotment</td><td>07th September 2021</td></tr>
<tr><td>Underlying Performance</td><td>(Final Fixing Level / Initial Fixing Level) – 1</td></tr>
<tr><td>Coupon</td><td><table>
<tr><th>Scenario</th><th>Coupon</th></tr>
<tr><td>If Final Fixing Level>25% of the Initial Fixing level</td><td>25.9980%

(XIRR 8%)</td></tr>
<tr><td>If Final Fixing Level<=25% of the Initial Fixing level</td><td>0%</td></tr>
</table></td></tr>
<tr><td>Put option Date</td><td>N.A.</td></tr>
<tr><td>Put option Price</td><td>N.A.</td></tr>
<tr><td>Call Option Date</td><td>N.A.</td></tr>
<tr><td>Call Option Price</td><td>N.A.</td></tr>
<tr><td>Put Notification Time</td><td>N.A.</td></tr>
<tr><td>Call Notification Time</td><td>N.A.</td></tr>
<tr><td>Face Value</td><td>Rs. 10,00,000/- per debenture (Rupees Ten Lakhs per debenture)</td></tr>
<tr><td>Issue Price</td><td>Rs. 10,00,000/- per debenture (Rupees Ten Lakhs per debenture)</td></tr>
<tr><td>Discount at which security is issued and the effective yield as a result of such discount.</td><td>N.A.</td></tr>
<tr><td>Minimum Application and in multiples of Debt securities thereafter</td><td>10 Debentures and in multiples of 1 Debenture thereafter</td></tr>
<tr><td>Issuance mode of the Instrument</td><td>Demat</td></tr>
<tr><td>Trading mode of the Instrument</td><td>Demat</td></tr>
<tr><td>Depository</td><td>NSDL &/or CDSL</td></tr>
<tr><td>Business Day Convention</td><td>Should any of the date(s), including the Interest payment date or record date falls on a Saturday or a Sunday or a public holiday or no high value clearing or RTGS is available for any reason whatsoever at the place of issuer's registered/ corporate office, the next working day shall be considered as the effective date. However, for payment of principal amount, previous working day to be considered as effective date.</td></tr>
<tr><td>Record Date</td><td>15 days prior to interest payment date/redemption date</td></tr>
<tr><td>Security (where applicable) (Including description, type of security, type of charge, likely date of creation of security, minimum security cover,</td><td>One time Secured (i) by way of first pari passu charge on the Mortgaged Properties; and (ii) by way of first pari passu charge over the Receivables. The Company has already created a security in terms of the debenture trust deed dated October 1st, 2018. The said document is available for inspection. The said document is available for inspection.</td></tr>
</table>

revaluation, replacement of security).	
Transaction Documents	• Disclosure Document along with respective term sheets executed in pursuance with the Disclosure Document, • Application Form, • Debenture Trust Deed • Any other document that trustee may require • All documents customary to the nature of this deal
Conditions Precedent to Disbursement	NIL
Condition Subsequent to Disbursement	NIL
Events of Default	An event of default shall have occurred upon the happening of any event, as under: 1) Non Payment of principal and Interest on the due date. 2) If issuer has taken or suffered any action to be taken for its reorganization, liquidation or dissolution. 3) The Company shall have voluntarily or involuntarily become the subject of proceedings under bankruptcy or insolvency law including any corporate action, legal proceedings or other procedure or step which has been taken (including the making of an application, the presentation of a petition, the filing or service of a notice or the passing of a resolution). 4) As provided in Debenture trust deed
Provisions related to Cross Default Clause	N.A.
Default Interest Rate	**Default in Payment:** (i) Upon occurrence of an Event of Default, the Company shall pay to the Debenture Holders a default interest of 1% p.m. (one percent per month) on the outstanding amounts of the Debentures (including Principal Amounts, accrued Coupon and Redemption Premium), on and from the date of occurrence of any Event of Default till the Event of Default is cured to the satisfaction of the Trustee and the Debenture Holders. The Default Interest calculated in terms of this Clause shall be paid at the time of redemption of the Debentures. **Delay in Listing:** In the event the Debentures are not listed within 4 (four) trading days from the issue closure date, the Company shall pay to the Debenture Holders an additional default interest at the rate of 1% p.a. (one per cent per annum) on the outstanding amounts of the Debentures (including Principal Amounts, accrued Coupon and Redemption Premium), calculated on and from the Deemed Date of Allotment until such time the Debentures are listed. The Default Interest calculated in terms of this Clause shall be paid at the time of redemption of the Debentures.
Risk factors pertaining to the Issue	Following are the certain risks in relation to the Debentures: 1. Management's perception of Risk Factors a. Early Termination for Extraordinary Reasons, Illegality and Force Majeure; b. Interest Rate Risk on Bonds/ Government securities; c. Changes or discontinuance of the Underlying; d. Credit Risk; e. Returns on Debentures are subject to Model Risk; f. Increasing competition from banks, financial institutions and NBFCs; g. Downgrading in Credit Rating;

	h. Security may be insufficient to redeem debentures; and i. Repayment is subject to the credit risk of Issuer. 2. External Risk Factors a. The Debentures and the Assets provided as Security cover may be illiquid; b. A slowdown in economic growth in India; c. Material changes in regulations to which the Company is subject; d. Conditions in the Indian Debt market may affect the coupon on the Debentures; e. Conditions in the Indian Equity market may affect the coupon on the Debentures; and f. Spread of COVID-19 and the consequent nationwide lockdown to impact the Issuer's operations and financial condition Please refer to the Disclosure Documents for details.
Delay in security creation/execution of DTD	Before making the application for listing of debt securities, the Issuer shall create charge as specified in the Offer Document/Placement Memorandum (PPM), in favour of the debenture trustee and also execute Debenture Trust Deed (DTD) with the debenture trustee. The Stock Exchange(s) shall list the debt securities only upon receipt of a due diligence certificate as per format specified in Schedule IV of the SEBI (Issue and Listing of Non Convertible Securities) Regulations, 2021 and SEBI Circular No. SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 dated November 03, 2020 from debenture trustee confirming creation of charge and execution of the DTD. The charge including execution of Deed of Hypothecation and / or such other charge creation document/s will be created by the Issuer prior to the listing and shall be registered with Registrar of Companies, CERSAI, Depository etc., as applicable, within 30 days of creation of such charge. In case the charge is not registered anywhere or is not independently verifiable, then the same shall be considered a breach of covenants/ terms of the issue by the Issuer. The Company is in the process of execution of Debenture Trust Deed and the security documents with the debenture trustee. Where the Issuer fails to execute the security documents within the period specified, the Issuer shall without prejudice to any liability arising on account of violation of the provisions of the Act and these Regulations, the Company shall also pay interest of at least 2% p.a. to the debenture holder, over and above the agreed coupon rate, till the execution of the security document.
Valuation Agency Fees	Fees paid to Valuation Agency by the Issuer shall be in the range of 1 bps p.a. to 6 bps p.a. on the face value of the outstanding Debentures.
Valuation Agency	Name of Agency: CRISIL or any other registered valuation agency
Debenture Trustee	Catalyst Trusteeship Limited
Role and Responsibilities of Debenture Trustee	In terms of the agreement entered into with the debenture trustee i.e.. Catalyst Trusteeship Limited, which document is available for inspection The Trustees shall perform its duties and obligations and exercise its rights and discretions, in keeping with the Trust Reposed in the Trustees by the holder(s) of the Debentures and shall further conduct itself and comply with the provisions of all applicable laws provided that, the provisions of Sec. 20 of the Indian Trusts Act, 1882 shall not be applicable to the Trustees. The Trustees shall carry out its duties and perform its functions as required to discharge its obligations under the terms of Company Act 2013, SEBI Debt Regulations, the Securities and Exchange

	Board of India (Debenture Trustees), Regulations, 1993, the Bond/Debenture Trusteeship Agreement, Disclosure Document and all other related transaction documents with due care, diligence and loyalty. The Trustees shall be vested with the requisite powers for protecting the interest of holder(s) of the Debentures. The Trustees shall ensure disclosure of all material events on an ongoing basis. The Issuer shall, till the redemption of debenture, submit its latest audited/limited review half yearly consolidated (wherever available) and stand alone financial information such as Statement of Profit & Loss, Balance Sheet and Cash Flow Statement and Audited Qualifications, if any, to the Trustees within the timelines as mentioned in Simplified Listing Agreement issued by SEBI vide Circular No. SEBI/IMD/BOND/1/2009/11/05 dot. May 11, 2009 as amended. Besides, the Issuer shall within 180 days from the end of the Financial Year submit a copy of the latest Annual Report to the Trustees and the Trustees shall be obliged to share the details so submitted with all debenture holder(s) within two working days of their specific request.
Terms and conditions of debenture trustee agreement including fees charged by debenture trustees(s):	Debenture Trustee Agreement (DTA) has been executed as per Applicable Laws before opening of Issue. Service charges of Debenture Trustee are mentioned in the consent letter dated September 28, 2018 / DTA.
Due Diligence Certificate by the Debenture Trustee	The due diligence certificate issued by the Debenture Trustee to BSE in accordance with the SEBI circular dated November 03, 2020 (bearing reference no SEBI/HO/MIRSD/CRADT/CIR/P/2020/218) is annexed hereto
Governing Law and Jurisdiction	Indian law Courts of Mumbai

For IIFL Finance Limited

BHAVIN ROHIT SHAH

Digitally signed by BHAVIN ROHIT SHAH
DN: c=IN, o=Personal, 2.5.4.20=ab803c5d53378ef4b75f45fb235eff564066b245e8db5c9a249e5f8a3dede790, postalCode=401107, st=MAHARASHTRA, serialNumber=8bff2109e929c79704676502a9176a4a3a8d7ecd2af4c24c47e73c85a69c08e1, cn=BHAVIN ROHIT SHAH, l=THANE, pseudonym=3b222cc3d830480aa541ba25ac3a2ddc, email=BHAVIN.SHAH@IIFL.COM
Date: 2021.09.06 15:59:38 +05'30'

Authorized Signatory

DISCLOSURE OF CASH FLOWS: As per SEBI Circular No: CIR/IMD/DF/18/2013 dated October 29, 2013 & CIR/IMD/DF-1/122/2016 dated November 11, 2016

<table>
<tr><td>Company</td><td>IIFL FINANCE LIMITED(the “Issuer”)</td></tr>
<tr><td>Tenure</td><td>36 months from the Deemed Date of Allotment
(i.e 1096 days from the Deemed Date of Allotment)</td></tr>
<tr><td>Face Value</td><td>Rs. 10,00,000 Per Debenture</td></tr>
<tr><td>Issue Price</td><td>Rs. 10,00,000 Per Debenture</td></tr>
<tr><td>Date of Allotment</td><td>07th September 2021</td></tr>
<tr><td>Redemption</td><td>07th September 2024</td></tr>
<tr><td>Coupon Rate</td><td><table>
<tr><td>Scenario</td><td>Coupon</td></tr>
<tr><td>If Final Fixing Level>25% of the Initial Fixing level</td><td>25.9978%
(XIRR 8%)</td></tr>
<tr><td>If Final Fixing Level<=25% of the Initial Fixing level</td><td>0%</td></tr>
</table></td></tr>
<tr><td>Frequency of the interest payment with specified dates</td><td>Coupon if any, will be paid on Redemption Date</td></tr>
<tr><td>Day count Convention</td><td>Not Applicable</td></tr>
</table>

Cash Flows	Date	No. of days in Coupon Period	Amount (in Rupees)
Coupon on Redemption, if any	07th September 2024	36 months from the Deemed date of Allotment (i.e 1096 days)	Coupon linked to Underlying /Reference Index.
Face Value	07th September 2024	36 months from the Deemed date of Allotment (i.e 1096 days)	Rs. 10,00,000/- Per Debenture

DISCLOSURE OF CASH FLOWS:

1. The Cash Flow displayed above is calculated per debenture (face value of Rs. 10,00,000).
2. If the interest payment date falls on a holiday, the payment may be made on the following working day, however the dates of the future coupon payments would be as per the schedule originally stipulated at the time of issuing the security. In other words, the subsequent coupon schedule would not be disturbed merely because the payment date in respect of one particular coupon payment has been postponed earlier because of it having fallen on a holiday. No additional interest will be paid for such days which fall on holiday.
3. The cash flow has been prepared based on the best available information on holidays and could further undergo change(s) in case of any scheduled and unscheduled holiday(s) and/or changes in money market settlement day conventions by the Reserve bank of India/ SEBI.
4. *Interest payments are rounded-off to nearest rupee as per the FIMMDA ‘Handbook on market practices’.*
5. *The cash flows are for illustration purposes.*

For IIFL FINANCE LIMITED

BHAVIN ROHIT SHAH

Digitally signed by BHAVIN ROHIT SHAH
DN: c=IN, o=Personal, 2.5.4.20=ab803c5d53378ef4b75f45fb235eff564066b245e8db5c9a249e5f8a3dede790, postalCode=401107, st=MAHARASHTRA, serialNumber=8bff2109e929c79704676502a9176a4a3a8d7ecd2af4c24c47e73c85a69c08e1, cn=BHAVIN ROHIT SHAH, l=THANE, pseudonym=3b222cc3d830480aa541ba25ac3a2ddc, email=BHAVIN.SHAH@IIFL.COM
Date: 2021.09.06 15:57:54 +05'30'

Authorized Signatory

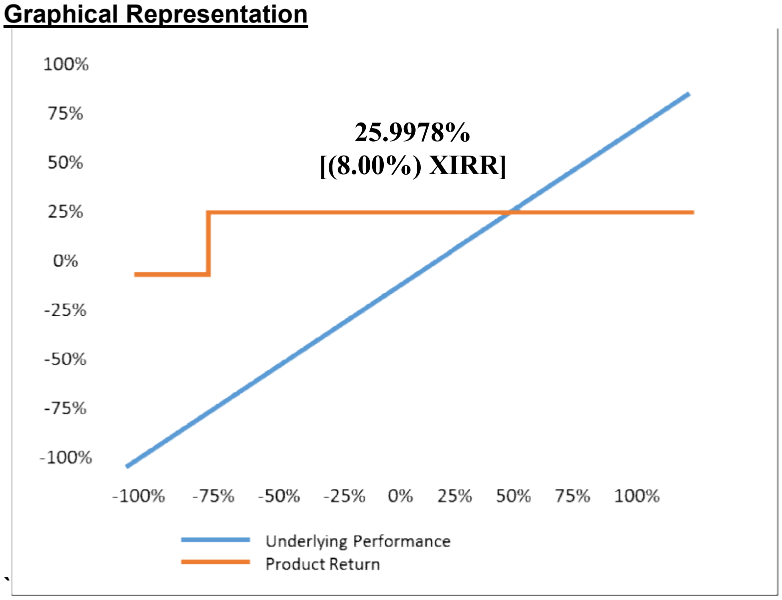
Scenario Analysis

Tabular Representation

The following table shows the value of the Debenture at maturity under different market conditions

Sample Tabular Scenario						
Initial Level	***Final Level***	***Performance***	***Issue Price***	***Coupon***	***Maturity Value***	***XIRR***
100	200	100%	10,00,000	25.9978%	12,59,978	8.00%
100	195	95%	10,00,000	25.9978%	12,59,978	8.00%
100	175	75%	10,00,000	25.9978%	12,59,978	8.00%
100	145	45%	10,00,000	25.9978%	12,59,978	8.00%
100	125	25%	10,00,000	25.9978%	12,59,978	8.00%
100	100	0%	10,00,000	25.9978%	12,59,978	8.00%
100	90	-10%	10,00,000	25.9978%	12,59,978	8.00%
100	50	-50%	10,00,000	25.9978%	12,59,978	8.00%
100	24	-76%	10,00,000	25.9978%	12,59,978	8.00%
100	20	-80%	10,00,000	0.00%	10,00,000	0.00%
100	0	-100%	10,00,000	0.00%	10,00,000	0.00%

Graphical Representation



This scenario analysis is provided for illustrative purposes only and does not represent actual termination or unwind prices, nor does it present all possible outcomes or describe all factors that may affect the value of your investment.