

USDINR FX VANILLA PUT OPTION MUMBAI

Indicative Terms

The following term sheet is subject to the terms of the final Confirmation and the ISDA Master Agreement. Capitalized terms used and not otherwise defined herein shall have the meanings given to them in the 1998 FX Definitions, published by the International Swap and Derivatives Association, Inc. (the "ISDA Definitions") or as defined in the Confirmation. In the event of any inconsistency between the ISDA Definitions and this term sheet or the Confirmation, the terms as defined in the Confirmation shall govern.

General Terms

Party A:	JPMorgan Chase Bank, N.A., Mumbai
Party B:	
Trade Date:	1 st April 2022
Currency Pair:	USDINR
USDINR Spot Reference:	75.48
Business Day Convention:	Modified Following
Business Days for Expiration:	Preceding
Business Days for Valuation:	Mumbai, New York
Business Days for Settlement:	Mumbai, New York
Calculation Agent:	JPMorgan (unless stated otherwise in ISDA)
Governing Law:	English
Documentation:	ISDA
Delta of the Option:	USD 1,633,924
Premium:	INR 514,000
Premium Payer:	Party A
Premium Payment Date:	06 April 2022
Dealer Name:	
Client Type:	

This proposal (including all indications as to costs, returns and cash flows) is indicative only and although the information set forth above is reflective of the terms as of the specified date, and is based on current assumptions and market conditions under which JPMorgan believes the transaction can be carried out, no assurance can be given by JPMorgan that the transaction could in fact be executed and JPMorgan is not obliged to enter into the transaction. Information herein is believed to be reliable but JPMorgan does not warrant its completeness or accuracy. Opinions and estimates constitute JPMorgan's judgment and are subject to change without notice. Past performance is not indicative of future results. Client is advised to make an independent review and reach its own conclusion and judgment regarding whether this proposal is appropriate and proper for it, and regarding the legal, credit, tax and accounting aspects of this proposal relating to its own particular circumstances. This material is not intended as an offer or solicitation for the purchase or sale of any financial instrument. JPMorgan or a company or person connected or associated with it may be an underwriter or distributor of, or a market maker or otherwise hold a long or short position as a principal in, a security or financial instrument (or in options, futures, or other derivative instrument related thereto) connected with the transaction described in this proposal. JPMorgan is the marketing name for J.P. Morgan Chase & Co. and its subsidiaries and affiliates worldwide. Client should contact analysts at and execute transactions through a JPMorgan entity in their home jurisdiction unless governing law permits otherwise.

Option Details:

Buyer:	Party A
Seller:	Party B
Currency Option Style:	European
Currency Option Type:	USD Put / INR Call
Put Currency and Put Currency Amount:	USD 10,000,000
Put Strike Price:	75.00
Expiration Date:	11 April 2022
Expiration Time:	3:00 p.m. Tokyo Time
Settlement Date:	13 April 2022

Risk Disclosure:

There are significant risks associated with this Transaction including, but not limited to, foreign exchange risk, price risk, liquidity risk and credit risk. Counterparties should consult their own financial, legal, accounting, and tax advisors about the risk associated with this Transaction, the appropriate tools to analyze the Transaction, and the suitability of the Transaction in each counterparty's particular circumstances. No counterparty should enter into the Transaction described above unless that counterparty understands and has sufficient financial resources to bear the price, foreign exchange, market, liquidity, structure, and other risks associated with the Transaction.

Foreign Exchange Risk:

This Transaction is exposed to movements in USDINR spot rate and forward exchange rates as illustrated below.

Volatility Risk:

This Transaction is exposed to movements in volatility. If volatility changes from its current position, there is a risk that the mark to market value of the Transaction for Party B will be adversely affected.

Liquidity Risk:

This Transaction is not a readily liquid instrument. There may exist a time when there is a lack of liquidity or low trading volume in the market for the Transaction, and this potential illiquidity could significantly decrease the market value of the Transaction for Party B.

Credit Risk:

This transaction carries the credit risk of Party A.

Ordinary Course of Business:

In the ordinary course of their business, JPMorgan or any of its affiliates or subsidiaries may affect transactions for their own account or for the account of their customers. In conducting such business neither JPMorgan nor any of its affiliates or subsidiaries is obliged to take into account the circumstances of the parties to the Transaction or act in a manner which is favorable to them. Such activity may, or may not affect the value of the Transaction, but potential investors should be aware that a conflict may arise.

This proposal (including all indications as to costs, returns and cash flows) is indicative only and although the information set forth above is reflective of the terms as of the specified date, and is based on current assumptions and market conditions under which JPMorgan believes the transaction can be carried out, no assurance can be given by JPMorgan that the transaction could in fact be executed and JPMorgan is not obliged to enter into the transaction. Information herein is believed to be reliable but JPMorgan does not warrant its completeness or accuracy. Opinions and estimates constitute JPMorgan's judgment and are subject to change without notice. Past performance is not indicative of future results. Client is advised to make an independent review and reach its own conclusion and judgment regarding whether this proposal is appropriate and proper for it, and regarding the legal, credit, tax and accounting aspects of this proposal relating to its own particular circumstances. This material is not intended as an offer or solicitation for the purchase or sale of any financial instrument. JPMorgan or a company or person connected or associated with it may be an underwriter or distributor of, or a market maker or otherwise hold a long or short position as a principal in, a security or financial instrument (or in options, futures, or other derivative instrument related thereto) connected with the transaction described in this proposal. JPMorgan is the marketing name for J.P. Morgan Chase & Co. and its subsidiaries and affiliates worldwide. Client should contact analysts at and execute transactions through a JPMorgan entity in their home jurisdiction unless governing law permits otherwise.

Potential Conflicts of Interest:

Potential conflicts of interest may exist in the structure and operation of the strategy and the course of the normal business activities of JPMorgan or any of its affiliates or subsidiaries or their respective directors, officers, employees, representatives, delegates or agents of their normal business activities.

Underlying Exposure

This Transaction has been entered into by Party B for the purpose of hedging its underlying USD exposure (“Underlying Exposure”), details of which are as follows:

USD 10,000,000 Imports maturing on or after **13 April 2022**

Purpose of the Transaction:

Party B has confirmed that this transaction has been carried out at Party B’s request and it is entering into this Transaction for the purpose of hedging its Underlying USD Exposure. Under this transaction:

- If USDINR spot rate at Expiration Date is below 75.00, Party B has the obligation to buy USD 10,000,000 at 75.00
- If USDINR spot rate at Expiration Date is above 75.00, Party B can buy USD 10,000,000 at market rate

Scenario Analysis

The following Scenario Analysis is provided for illustrative and convenience purposes only. It should not be relied on by Party B, and JPMorgan expressly disclaims any responsibility or reliance by Party B. In case of any doubt, Party B should consult with their own professional advisers

The following Scenario analysis assumes various levels of USDINR spot rate which, in JPMorgan’s view, represents low, medium and high risk scenarios on the relevant expiration dates and shows the resultant cash flow gain/loss to Party B. The scenario analysis represented here are not comprehensive.

A negative number in Gain/ Loss denotes a LOSS to Party B.

USD Notional	USDINR spot rate at Expiration Date	Gain/ Loss in INR (taking into account premium)
10,000,000	74.50	-4,486,000.00
10,000,000	74.70	-2,486,000.00
10,000,000	74.90	-486,000.00
10,000,000	75.10	514,000.00
10,000,000	75.30	514,000.00
10,000,000	75.50	514,000.00
10,000,000	75.70	514,000.00
10,000,000	75.90	514,000.00

Mark-to-Market (MTM) Sensitivity Analysis

This proposal (including all indications as to costs, returns and cash flows) is indicative only and although the information set forth above is reflective of the terms as of the specified date, and is based on current assumptions and market conditions under which JPMorgan believes the transaction can be carried out, no assurance can be given by JPMorgan that the transaction could in fact be executed and JPMorgan is not obliged to enter into the transaction. Information herein is believed to be reliable but JPMorgan does not warrant its completeness or accuracy. Opinions and estimates constitute JPMorgan’s judgment and are subject to change without notice. Past performance is not indicative of future results. Client is advised to make an independent review and reach its own conclusion and judgment regarding whether this proposal is appropriate and proper for it, and regarding the legal, credit, tax and accounting aspects of this proposal relating to its own particular circumstances. This material is not intended as an offer or solicitation for the purchase or sale of any financial instrument. JPMorgan or a company or person connected or associated with it may be an underwriter or distributor of, or a market maker or otherwise hold a long or short position as a principal in, a security or financial instrument (or in options, futures, or other derivative instrument related thereto) connected with the transaction described in this proposal. JPMorgan is the marketing name for J.P. Morgan Chase & Co. and its subsidiaries and affiliates worldwide. Client should contact analysts at and execute transactions through a JPMorgan entity in their home jurisdiction unless governing law permits otherwise.

The following MTM Analysis is provided for illustrative and convenience purposes only. It should not be relied on by Party B, and JPMorgan expressly disclaims any responsibility or reliance by Party B. In case of any doubt, Party B should consult with their own professional advisers.

Please note that the below MTM Analysis is only accurate as of Trade Date. Changes in the MTM due to shifts in USDINR spot rate are tabulated in the MTM analysis.

This MTM Analysis does not take into account other factors and parameters (market, trading, liquidity or otherwise) or model parameters-marks. If such parameters move in extreme fashions, they may cause the MTM to change significantly and may change in a way that adversely impacts Party B.

A negative number in Gain/ Loss denotes a LOSS to Party B.

USDINR Spot rate	MTM Impact (INR)
74.50	-4,608,337
74.70	-3,151,865
74.90	-1,952,712
75.10	-1,034,187
75.30	-385,827
75.50	32,718
75.70	278,353
75.90	408,841

Level of pricing variables and impact of variables on pricing

The following analysis is provided for information and illustrative purposes only. All information provided herein is indicative, non-exhaustive and is based on certain assumptions and current market conditions and is subject to change without notice.

It should not be relied on by Party B, and JPMorgan makes no representation or warranty regarding the accuracy or completeness of the information herein. JPMorgan expressly disclaims any responsibility or reliance by Party B. In case of any doubt, Party B must make an independent assessment of the Transaction in light of its own circumstances and determine with its own professional advisers any suitability or appropriateness implications of the Transaction.

The market level of primary market variables used in determining the price of the transaction is as follows:

USDINR FX volatility:

Strike	Vol
75.00	5.400%

USDINR forward points: 0.055

The primary market variables used for determining the mark-to-market value along with their directional impact are listed below for information purposes only and is subject to change. Each directional impact assumes that the variable under consideration moves from its current position while all other variables are kept constant. The directional impact

This proposal (including all indications as to costs, returns and cash flows) is indicative only and although the information set forth above is reflective of the terms as of the specified date, and is based on current assumptions and market conditions under which JPMorgan believes the transaction can be carried out, no assurance can be given by JPMorgan that the transaction could in fact be executed and JPMorgan is not obliged to enter into the transaction. Information herein is believed to be reliable but JPMorgan does not warrant its completeness or accuracy. Opinions and estimates constitute JPMorgan's judgment and are subject to change without notice. Past performance is not indicative of future results. Client is advised to make an independent review and reach its own conclusion and judgment regarding whether this proposal is appropriate and proper for it, and regarding the legal, credit, tax and accounting aspects of this proposal relating to its own particular circumstances. This material is not intended as an offer or solicitation for the purchase or sale of any financial instrument. JPMorgan or a company or person connected or associated with it may be an underwriter or distributor of, or a market maker or otherwise hold a long or short position as a principal in, a security or financial instrument (or in options, futures, or other derivative instrument related thereto) connected with the transaction described in this proposal. JPMorgan is the marketing name for J.P. Morgan Chase & Co. and its subsidiaries and affiliates worldwide. Client should contact analysts at and execute transactions through a JPMorgan entity in their home jurisdiction unless governing law permits otherwise.

may no longer hold if more than one variable is allowed to move from their current positions. The primary market variables used for determining the mark-to-market value of the transaction as of Trade Date are listed below along with their directional impact on the mark-to-market value. JPMorgan accepts no responsibility or liability whatsoever to any person in respect of the information herein.

Pricing Variable	Directional Impact
USDINR Spot Rate	If USDINR spot rate moves up, MTM for Party B will get favorably impacted. If USDINR spot rate moves down, MTM for Party B will get adversely impacted.
USDINR FX Volatility	If USDINR FX volatility moves up, MTM for Party B will get adversely impacted. If USDINR FX volatility moves down, MTM for Party B will get favorably impacted.
USDINR Forward Points	If USDINR Forward points move up, MTM for Party B will get favorably impacted. If USDINR Forward points move down, MTM for Party B will get adversely impacted.

Periodicity of valuation statement from JPMorgan

Valuation statements in relation to all Transactions executed between the parties will be made available to the Counterparty on the “Optimize” application present on JPMorgan’s online platform, J.P.Morgan Markets (“Optimize Platform”). The Counterparty will be able to view and download such valuation statements for any period at any point of time from the Optimize Platform. To the extent the Counterparty wishes to receive valuation statements via email or any other mode of communication, it should reach out to its representative at JPMorgan and make a request in writing for such alternate process to be set-up for purposes of sharing valuation statements with the Counterparty. JPMorgan shall consider Counterparty’s request and if reasonable and operationally practicable, JPMorgan may agree to share the valuation statements, within such mutually agreed periodicity, with the Counterparty via email or any alternative mode of communication.

Representations:

Each party represents to the other party on the date on which it enters into this Transaction that (absent a written agreement between the parties in respect of this Transaction that expressly imposes affirmative obligations to the contrary):

- (i) It is acting for its own account, and it has made its own independent decisions to enter into this Transaction and as to whether this Transaction is appropriate or proper for it based upon its own judgment and upon advice from such tax, accounting, regulatory, legal and financial advisers as it has deemed necessary, and not upon any view expressed by the other. It is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to enter into this Transaction; it being understood that information and explanations related to the terms and conditions of this Transaction shall not be considered investment advice or a recommendation to enter into this Transaction. No communication (written or oral) received from the other party shall be deemed to be an assurance or guarantee as to the expected results of this Transaction;
- (ii) It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of this Transaction. It is also capable of assuming, and assumes, the risks of this Transaction;
- (iii) The other party is not acting as a fiduciary for, or an adviser to it in respect of this Transaction.

This proposal (including all indications as to costs, returns and cash flows) is indicative only and although the information set forth above is reflective of the terms as of the specified date, and is based on current assumptions and market conditions under which JPMorgan believes the transaction can be carried out, no assurance can be given by JPMorgan that the transaction could in fact be executed and JPMorgan is not obliged to enter into the transaction. Information herein is believed to be reliable but JPMorgan does not warrant its completeness or accuracy. Opinions and estimates constitute JPMorgan’s judgment and are subject to change without notice. Past performance is not indicative of future results. Client is advised to make an independent review and reach its own conclusion and judgment regarding whether this proposal is appropriate and proper for it, and regarding the legal, credit, tax and accounting aspects of this proposal relating to its own particular circumstances. This material is not intended as an offer or solicitation for the purchase or sale of any financial instrument. JPMorgan or a company or person connected or associated with it may be an underwriter or distributor of, or a market maker or otherwise hold a long or short position as a principal in, a security or financial instrument (or in options, futures, or other derivative instrument related thereto) connected with the transaction described in this proposal. JPMorgan is the marketing name for J.P. Morgan Chase & Co. and its subsidiaries and affiliates worldwide. Client should contact analysts at and execute transactions through a JPMorgan entity in their home jurisdiction unless governing law permits otherwise.

(iv) This Transaction is subject at all times, to the applicable laws, including but not limited to the Reserve Bank of India ("RBI") and the Foreign Exchange Management Act, 1999, rules, regulations and guidelines issued thereunder, as may be amended from time to time (collectively, the "Regulations") and does not contravene any of the said Regulations.

With respect to this Transaction, Party B represents and confirms to JPMorgan as follows:

1. It has the power to enter into this Transaction and to deliver any document relating to this Transaction and to perform its obligations under this Transaction and has taken all necessary action to authorize such execution, delivery and performance.
2. All necessary governmental and other consents that are required to have been obtained by it with respect to this Transaction (or any part thereof) have been obtained and are in full force and effect and all conditions of any such consents have been (and shall continue to be) complied with.
3. Its entry into and performance of its obligations under this Transaction does not and will not result in a breach or violation of any applicable law or regulation.
4. That it is entering into this Transaction solely for the purpose of hedging its underlying exposure ("Underlying Exposure") and not for purposes of speculation, and the size and tenure of this Transaction is not in excess of Party B's Underlying Exposure.
5. This Transaction has been booked against the said Underlying Exposure and the Underlying Documents in respect of the said Underlying Exposure have been/ will be provided to JPMorgan by Party B.
6. It has familiarized itself and fully understood the above terms and conditions and accepts the risks of entering into this Transaction.

**ACCEPTED and AGREED
for and on behalf of**

Party B

[Name] [Title]

[Date]

This proposal (including all indications as to costs, returns and cash flows) is indicative only and although the information set forth above is reflective of the terms as of the specified date, and is based on current assumptions and market conditions under which JPMorgan believes the transaction can be carried out, no assurance can be given by JPMorgan that the transaction could in fact be executed and JPMorgan is not obliged to enter into the transaction. Information herein is believed to be reliable but JPMorgan does not warrant its completeness or accuracy. Opinions and estimates constitute JPMorgan's judgment and are subject to change without notice. Past performance is not indicative of future results. Client is advised to make an independent review and reach its own conclusion and judgment regarding whether this proposal is appropriate and proper for it, and regarding the legal, credit, tax and accounting aspects of this proposal relating to its own particular circumstances. This material is not intended as an offer or solicitation for the purchase or sale of any financial instrument. JPMorgan or a company or person connected or associated with it may be an underwriter or distributor of, or a market maker or otherwise hold a long or short position as a principal in, a security or financial instrument (or in options, futures, or other derivative instrument related thereto) connected with the transaction described in this proposal. JPMorgan is the marketing name for J.P. Morgan Chase & Co. and its subsidiaries and affiliates worldwide. Client should contact analysts at and execute transactions through a JPMorgan entity in their home jurisdiction unless governing law permits otherwise.