

**Addendum to Disclosure Document dated December 14<sup>th</sup> 2017**

**Pricing Supplement Dated 27<sup>th</sup> December 2018**

**Private Placement of Unsecured, Redeemable, Non-Convertible Subordinated debenture as Tier - II Capital issue of Tata Capital Financial Services Limited pursuant to Disclosure Document dated December 14<sup>th</sup> 2017**

Private Placement of 2000 Unsecured, Redeemable, Non-Convertible, Subordinated Debentures as Tier II Capital (the “Unsecured NCDs”) of the Face Value of Rs. 10,00,000 (Rupees Ten Lacs only) each aggregating to Rs. 200,00,00,000 (Rupees Two Hundred Crore Only) to be listed on the WDM Segment of the NSE.

Security Name	9.32% Unsecured, Redeemable, Non- Convertible, Subordinated Debenture as Tier-II Capital – TCFSL Tier-II Bond “A” Series FY 2018-19
Issuer / Company	Tata Capital Financial Services Limited
Type of Instrument	Unsecured, Redeemable Non-Convertible, Subordinated Debentures as Tier II Capital
Nature of Instrument	Un-Secured
Seniority	Subordinated Debt
Mode of Issue	Private Placement
Eligible Investors	Refer (IX) Offering Information in Point No.09 of the Disclosure Document
Listing (including name of stock Exchange(s) where it will be listed and timeline for listing	On the Wholesale Deb Market(WDM) segment of National Stock exchange of India Limited
Rating of the instrument	“[ICRA] AAA” & CRISIL AAA/Stable
Issue Size	Rs. 100,00,00,000 (Rupees One Hundred Crores Only)  Rs. 100,00,00,000 (Rupees One Hundred Crores Only) Green Shoe Option
Option to retain oversubscription (Amount)	The Green Shoe parameter set for EBP Bidding was Rs 100 Crore. We have received and accepted bids for an amount of Rs 100.00 Crore under the Green Shoe Option.
Object of the Issue	Refer (IX) Offering Information of the Disclosure Document
Details of the utilization of the proceeds	Refer (IX) Offering Information of the Disclosure Document
Coupon Rate	9.32% p.a.
Step Up / Step Down Coupon Rate	Not Applicable
Coupon Payment Frequency	Annually and on Maturity
Coupon Payment Dates	Refer Cash-Flow Sheet
Coupon Type	Fixed Rate
Coupon Reset Process (including rates, Spread, effective date, interest rate cap and floor etc.	Not Applicable

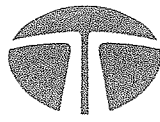
**TATA CAPITAL FINANCIAL SERVICES LIMITED**

Corporate Identity Number U67100MH2010PLC210201

11th Floor Tower A Peninsula Business Park Ganpatrao Kadam Marg Lower Parel Mumbai 400 013

Tel 91 22 6606 9000 Web [www.tatacapital.com](http://www.tatacapital.com)

Registered Office 11th Floor Tower A Peninsula Business Park Ganpatrao Kadam Marg Lower Parel Mumbai 400 013



**TATA**

Days Count Basis	Actual by Actual	
Interest on Application Money	Not Applicable	
Default Interest Rate	-	
Tenor from Deemed Date of allotment	3653 Days from Deemed Date of allotment	
Redemption Date	28-12-2028	
Redemption Amount per NCD	Rs 10,00,000 Per NCD	
Redemption Premium / Discount	NIL	
Issue Price	At Par, Rs. 10,00,000 (Rupees Ten Lacs only) per NCD	
Discount at which security is issued and the effective yield as a result of such discount	-	
Put Option Date /Put Option Price	None	
Call Option Date	None	
Call Option Price	None	
Put Notification Time	None	
Call Notification Time	None	
Face Value	Rs. 10,00,000 (Rupees Ten Lacs only)	
Minimum Application and in multiples of Debt securities thereafter	Minimum Subscription of 1 NCD's (Face Value per NCD Rs.10,00,000/-)	
Funds Transfers Details	Kindly Transfer Fund / RTGS to NSCCL Virtual account as per EBP guidelines	
Issue Timing Issue Opening Date Issue Closing Date Pay-in Date Deemed Date of Allotment	27 <sup>th</sup> December- 2018 (EBP Portal – Bidding Open – 12.00 noon) 27 <sup>th</sup> December- 2018 (EBP Portal – Bidding Close – 01.00 pm) 28 <sup>th</sup> December- 2018 28 <sup>th</sup> December- 2018	
Bank Account details in case of application amount remitted by Real Time Gross Settlement (RTGS)	Name of beneficiary	Tata Capital Financial Services Limited
	Name of Bank	HDFC Bank Limited
	Account No	00600310030555
	Branch	Fort Branch
	Address of Bank / Branch	Motwani Chambers, Fort, Mumbai 400001
	IFSC Code	HDFC0000060
Issuance mode of the Instrument	Demat only	
Trading mode of the Instrument	Demat only	
Settlement mode of the Instrument	Refer (IX) Offering Information in Point No.20 of the Disclosure Document	
Depository	National Securities Depository Limited & Central Depository Services (India) Limited	
Business Day Convention	Refer (IX) Offering Information of the Disclosure Document	
Record Date	15 Days prior to the relevant event.	
Security	Unsecured	
Security Cover	Not Applicable	

*Handwritten signature*

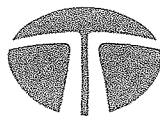
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Transaction Documents	As per Mutual Agreement and Relevant Applicable Guidelines
Condition Precedent to Disbursement	None
Condition Subsequent to Disbursement	None
Events of Default	-
Provision related to Cross Default Clause	-
Role and Responsibilities of Debenture Trustee	Refer (IX) Offering Information in Point No.31 of the Disclosure Document
Governing Law and Jurisdiction	India
Arrangers/Broker's Name	ITI Gilts Limited, ICICI Bank Limited, Taurus Corporate Advisory Services Limited

### Redemption / Payment of Interest

In order to ensure uniformity for payment of interest / redemption with respect to debt securities, it has been decided that interest / redemption payments shall be made only on the days when the money market is functioning in Mumbai. (Refer SEBI Circular CIR/IMD/DF-1/122/2016 dated November 11, 2016)

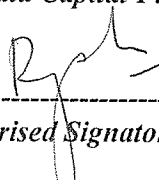
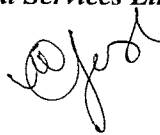
Redemption amount payable to each debenture holder shall be paid by warrants bearing the redemption payment dates or by way of RTGS where such details have been provided. Such warrants shall be dispatched to the debenture holders whose names appear on the register of debenture holders on the record date i.e. 15 days before the redemption payment date and in case of joint holders, to the one whose name appears first in the Register of debenture holders. In the event of the company not receiving any notice of transfer on the record date i.e. 15 days before the redemption payment date, the transferee(s) for the debentures shall not have any claim against the company in respect of amount so paid to the registered Debenture holders.

The interest payable to each Debenture Holder(s) / Investor(s) shall be paid by interest warrants bearing the interest payment dates or by way of RTGS where such details have been provided. Such warrants shall be dispatched to the Debenture Holder(s) / Investor(s) whose names appear on the register of Debenture Holder(s) / Investor(s) on the record date i.e. 15 days before the Interest payment date, and in case of joint holders, to the one whose name appears first in the Register of Debenture Holder(s) / Investor(s). In the event of the company not receiving any notice of transfer on the record date i.e. 15 days before the interest payment date, the transferee(s) for the NCDs shall not have any claim against the company in respect of amount so paid to the registered Debenture Holder(s) / Investor(s).

Wherever the signature(s) of such transferor(s) in the intimation sent to the company is/are not in accordance with the specimen signature(s) of such transferor(s) available on the records of the company, all payments on such debenture(s) will be kept at abeyance by the company till such time as the company is satisfied in this regard.

*(The Issuer reserves the right to vary any of the above dates at its sole discretion, without giving any reasons or prior notice)*

**For Tata Capital Financial Services Limited**

  
  
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**Authorised Signatories**

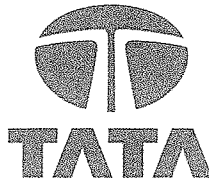
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Tata Capital Financial Services Limited

Cash flow Sheet - TCFSL Tier II Bond "A" Series FY 2018-19

Date	Event	From	To	Number of Days	Coupon Rate	Face Value per NCD	Amount in Rupees - Per NCD
30-Dec-19	Interest	28-Dec-18	27-Dec-19	365	9.32%	1,000,000	93,200
28-Dec-20	Interest	28-Dec-19	27-Dec-20	366	9.32%	1,000,000	93,200
28-Dec-21	Interest	28-Dec-20	27-Dec-21	365	9.32%	1,000,000	93,200
28-Dec-22	Interest	28-Dec-21	27-Dec-22	365	9.32%	1,000,000	93,200
28-Dec-23	Interest	28-Dec-22	27-Dec-23	365	9.32%	1,000,000	93,200
30-Dec-24	Interest	28-Dec-23	27-Dec-24	366	9.32%	1,000,000	93,200
29-Dec-25	Interest	28-Dec-24	27-Dec-25	365	9.32%	1,000,000	93,200
28-Dec-26	Interest	28-Dec-25	27-Dec-26	365	9.32%	1,000,000	93,200
28-Dec-27	Interest	28-Dec-26	27-Dec-27	365	9.32%	1,000,000	93,200
28-Dec-28	Interest	28-Dec-27	27-Dec-28	366	9.32%	1,000,000	93,200
28-Dec-28	Principal					1,000,000	93,200
	Total			3,653			1,000,000
							1,932,000

Y of

**TATA CAPITAL FINANCIAL SERVICES LIMITED**

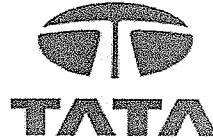
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**PRIVATE PLACEMENT DOCUMENT (THE “DISCLOSURE DOCUMENT”) CONTAINING  
DISCLOSURES AS PER SCHEDULE I OF SEBI (ISSUE AND LISTING OF DEBT  
SECURITIES) REGULATIONS, 2008 (As amended)**



**TATA CAPITAL FINANCIAL SERVICES LIMITED**

(A Public Limited Company incorporated under the Companies Act, 1956)

CIN: U67100MH2010PLC210201

Date of Incorporation: November 19, 2010

Registered Office: One Forbes, Dr. V.B. Gandhi Marg, Fort, Mumbai - 400 001

Address for Correspondence : 11<sup>th</sup> Floor, Tower A, Peninsula Business Park,

Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013

Board Line 91 22 6606 9000, Fax 91 22 66562699

Website: [www.tatacapital.com](http://www.tatacapital.com)

Compliance Officer: Ms. Avan Doomasia; e-mail id: [avan.doomasia@tatacapital.com](mailto:avan.doomasia@tatacapital.com)

Grievance Redressal email id: [compliance.ncd@tatacapital.com](mailto:compliance.ncd@tatacapital.com)

**ISSUE BY TATA CAPITAL FINANCIAL SERVICES LIMITED (“Company” or “Issuer”) OF 5000 UNSECURED, REDEEMABLE NON CONVERTIBLE, SUBORDINATED DEBENTURES (“Unsecured NCDs”) OF THE FACE VALUE OF Rs. 10,00,000 EACH (RUPEES TEN LAKH ONLY), AGGREGATING TO RS. 500,00,00,000/- (RUPEES FIVE HUNDRED CRORES ONLY) ON A PRIVATE PLACEMENT BASIS (“Issue”) TO BE LISTED ON THE WHOLESALE DEBT MARKET (“WDM”) SEGMENT OF THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED (“NSE”) TO BE ISSUED IN ONE OR MORE TRANCHES**

Credit Rating: “CRISIL AA+/ Stable” by CRISIL Limited & “ICRA AA+” by ICRA Limited

**RISKS IN RELATION TO TRADING OF SECURITIES**

No assurance can be given regarding an active or sustained trading in the securities of the Company/Issuer nor regarding the price at which the securities will be traded after listing.

**GENERAL RISKS**

Prospective investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer including the risks involved. The Securities and Exchange Board of India (the “SEBI”), as a policy does not recommend or approve any issue nor does SEBI guarantee the accuracy or adequacy of this Disclosure Document.

Specific attention of the investors is drawn to the Statement of Risk Factors on page nos. 13-22 of this Disclosure Document. This Disclosure Document has not been submitted, cleared or approved by SEBI. It should be clearly understood that the Company is solely responsible for the correctness, adequacy and disclosure of all relevant information herein.

**ISSUER’S ABSOLUTE RESPONSIBILITY**

The Issuer having made all reasonable inquiries, accepts responsibility for, and confirms that this Disclosure Document contains all information with regard to the Issuer and the Issue, which is material in the context of the Issue, that the disclosures contained in this Disclosure Document are true and correct in all material aspects and are not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and there are no other facts, the omission of which makes this Disclosure Document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

**LISTING**

The Unsecured NCDs are proposed to be listed on the WDM segment of the NSE.

**CREDIT RATING**

The rating is not a recommendation to buy, sell or hold securities and investors should take their own decisions. Each rating may be subject to revision or withdrawal at any time by the assigning rating agency on the basis of new information and each rating should be evaluated independently of any other rating.

**REGISTRARS & TRANSFER AGENTS**

TSR Darashaw Limited  
6-10, Haji Moosa Patrawala Industrial Estate,  
20, Dr. E Moses Road, Mahalaxmi,  
Mumbai – 400011  
Tel: 022 66568484  
Fax: 022 66568494  
Contact : Ms. Nandini Nair  
Email: [nnair@tsrdarashaw.com](mailto:nnair@tsrdarashaw.com)  
SEBI Regn No: INR000004009

**This Disclosure Document is dated December 14, 2017**

Note: This Disclosure Document is neither a Prospectus nor a Statement in lieu of Prospectus. It does not constitute an offer or an invitation to the public to subscribe to the NCDs to be issued by the Issuer. This Disclosure Document is intended to form the basis of evaluation for potential investors to whom it is addressed and who are willing and eligible to subscribe to these NCDs. The contents of this Disclosure Document are intended to be used by the investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient. The Company can, at its sole and absolute discretion change the terms of the issue subject to requisite statutory and regulatory approvals.

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## PROFORMA PRICING SUPPLEMENT

Private Placement of \_\_\_\_ Unsecured, Redeemable, Non-Convertible, Subordinated Debentures as Tier – II Capital of the Face Value of Rs. 10,00,000/- (Rupees Ten Lakh Only) each aggregating Rs. \_\_\_\_ Crore

Security Name	
Issuer / Company	
Type of Instrument	
Nature of Instrument	
Seniority	
Mode of Issue	
Eligible Investors	
Listing (including name of stock Exchange(s) where it will be listed and timeline for listing	
Rating of the instrument	
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Option to retain oversubscription (Amount)	
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Details of the utilization of the proceeds	
Coupon Rate	
Step Up Coupon Rate	
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Coupon Payment Frequency	
Coupon Payment Dates	
Coupon Type	
Coupon Reset Process	
Days Count Basis	
Interest on Application Money	
Default Interest Rate	
Tenor	
Redemption Date	
Redemption Amount per NCD	
Redemption Premium / Discount	
Issue Price	
Discount at which NCD is issued and the effective yield as a result of such discount	
Put Option	
Put Option Price	
Call Option Date	
Call Option Price	
Put Notification Time	
Call Notification Time	
Face Value	
Minimum Application and in multiples of ____ NCD thereafter	



Issue Timing	
Issue Opening Date	
Issue Closing Date	
Pay-in Date	
Deemed Date of Allotment	
Issuance mode of the Instrument	
Trading mode of the Instrument	
Settlement mode of the Instrument	
Depository	
Business Day Convention	
Record Date	
Security	
Security Cover	
Transaction Documents	
Condition Precedent to Disbursement	
Condition Subsequent to Disbursement	
Events of Default	
Provision related to Cross Default Clause	
Role and Responsibilities of Debenture Trustee	
Governing Law and Jurisdiction	
Arrangers /Broker's Name	
Bank Account details in case of application amount remitted by Real Time Gross Settlement (RTGS)	

**Note: The Company reserves the right to change the series timetable.**

(I) DEFINITIONS / ABBREVIATIONS	
TCL	Tata Capital Limited, a public limited company incorporated under the Companies Act, 1956 and registered with the Reserve Bank of India u/s 45-IA of the Reserve Bank of India Act, 1934 and classified as a Core Investment Company
TCFSL / The Company / Issuer	Tata Capital Financial Services Limited, a public limited company incorporated under the Companies Act, 1956 and registered with the Reserve Bank of India under section 45-IA of the Reserve Bank of India Act, 1934 and classified as a 'Systemically Important Non-Deposit Accepting Non Banking Financial Company'
Arrangers	Any arranger associated with the issuance
Articles	Articles of Association of the Company
ALM	Asset Liability Management
Board / Board of Directors	The Board of Directors of the Issuer and includes any Committee thereof
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CAR	Capital Adequacy Ratio
ICRA	ICRA Limited
CARE	Credit Analysis & Research Limited
CRISIL	CRISIL Limited
CDSL	Central Depository Services (India) Limited
CFAB	Consumer Finance and Advisory Business
Debentures / NCDs/ Un-Secured NCDs	Un-Secured, Redeemable, Non-Convertible Subordinated Debentures in the nature of Tier II Capital of the face value of Rs.10,00,000/- each
Current Assets	Means current assets of the Company comprising of all receivables arising out of loan, lease and hire purchase transactions, all other book debts, Trade Advances and such other current assets as may be identified by the Company from time to time and accepted by the Debenture/ Security Trustee.
Debenture Holder(s) / Investor(s)	Depending on the context in which it is used, debenture holders mean the holder(s) of all the secured/unsecured debentures issued prior to this Issue or holder(s) of the NCDs issued through this Disclosure Document.
Depository(ies)	National Securities Depository Limited ("NSDL") and /or Central Depository Services (India) Limited ("CDSL")
Depositories Act	The Depositories Act, 1996, as amended from time to time
Disclosure Document / Document	This Disclosure Document is prepared under Schedule I of the SEBI (Issue and Listing of Debt Securities) Regulations, 2008 issued vide Circular No. LAD-NRO/GN/2008/13/127878 dated June 06, 2008 as amended from time to time.
DP	Depository Participant
EBP	Electronic Bidding Platform
FY	Financial Year
GAAP	Generally Accepted Accounting Principles
High Court	Hon'ble High Court of Judicature at Bombay
I.T. Act	The Income Tax Act, 1961 (as amended from time to time)
Issue	Private placement of Unsecured, Redeemable, Non-Convertible Subordinated Debentures as Tier II Capital of the face value of Rs.10,00,000/- each for cash, aggregating Rs. 500 Crore.
Movable Property	means Current Assets of the Company
MCA	Ministry of Corporate Affairs, Government of India
NBFC	Non Banking Financial Company
NBFC-ND-SI	Systemically Important Non-Deposit Accepting NBFC
NPA	Non Performing Assets
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited

Pricing Supplement	Supplement to be issued by the Company containing the issue price, coupon rate and other conditions regarding NCDs												
Promoter	Tata Capital Limited												
RBI	Reserve Bank of India												
Rs./ INR/ Rupees	The lawful currency of the Republic of India.												
ROC	Registrar of Companies												
RTGS	Real Time Gross Settlement												
Remaining Business	As defined in the Scheme												
Scheme	Scheme of Arrangement between TCL and TCFSL as sanctioned by the High Court of Judicature at Bombay. The Scheme has become effective on March 27, 2012												
SEBI	Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992 (as amended from time to time)												
SEBI Regulations	SEBI (Issue and Listing of Debt Securities) Regulations, 2008 issued vide Circular No. LAD-NRO/GN/2008/13/127878 dated June 06, 2008 as amended from time to time												
Subordinated Debt	<p>As per Non-Banking Financial (Non - Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 (as amended from time to time) of RBI, Subordinated Debt means an instrument, which is fully paid up, is unsecured and is subordinated to the claims of other creditors and is free from restrictive clauses and is not redeemable at the instance of the holder or without the consent of the supervisory authority of the non-banking financial company. The book value of such instrument shall be subjected to discounting as provided below:-</p> <table> <tr> <th><u>Remaining maturity of the instruments</u></th><th><u>Rate of discount</u></th></tr> <tr> <td>a) Upto one year</td><td>100%</td></tr> <tr> <td>b) More than one year but upto two years</td><td>80%</td></tr> <tr> <td>c) More than two years but upto three years</td><td>60%</td></tr> <tr> <td>d) More than three years but upto four years</td><td>40%</td></tr> <tr> <td>e) More than four years but upto five years</td><td>20%</td></tr> </table> <p>to the extent such discounted value does not exceed fifty percent of Tier I Capital.</p>	<u>Remaining maturity of the instruments</u>	<u>Rate of discount</u>	a) Upto one year	100%	b) More than one year but upto two years	80%	c) More than two years but upto three years	60%	d) More than three years but upto four years	40%	e) More than four years but upto five years	20%
<u>Remaining maturity of the instruments</u>	<u>Rate of discount</u>												
a) Upto one year	100%												
b) More than one year but upto two years	80%												
c) More than two years but upto three years	60%												
d) More than three years but upto four years	40%												
e) More than four years but upto five years	20%												
Tier I Capital	Tier I Capital means owned fund as reduced by investment in shares of other non-banking financial companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund and perpetual debt instruments issued by a Systemically Important Non-Deposit Accepting Non-Banking Financial Company in each year to the extent it does not exceed 15% of the aggregate Tier I Capital of such company as on March 31 of the previous accounting year.												
Tier II Capital	<p>As per Non-Banking Financial (Non - Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 (as amended from time to time) of RBI, Tier II Capital includes the following :-</p> <p>(a) preference shares other than those which are compulsorily convertible into equity;</p> <p>(b) revaluation reserves at discounted rate of fifty five percent;</p> <p>(c) General Provisions (including that for Standard Assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets;</p> <p>(d) hybrid debt capital instruments;</p> <p>(e) subordinated debt; and</p>												

	(f) perpetual debt instruments issued by a Systemically Important Non Deposit Accepting Non Banking Financial Company which is in excess of what qualifies for Tier I Capital. to the extent the aggregate does not exceed Tier I capital
SME	Small & Medium Enterprise
The Act	The Companies Act, 2013, along with the Rules framed there under (as amended from time to time)
Transferred Undertaking	As defined in the Scheme
Trustees / Debenture Trustee	Trustees for the Debenture Holders
WDM	Wholesale Debt Market
“We”, “us” and “our”	Unless the context otherwise requires, Our Company and its subsidiaries

## (II) GENERAL DISCLAIMER

This Disclosure Document is neither a prospectus nor a statement in lieu of prospectus and does not constitute an offer to the public to subscribe for or otherwise acquire the 5000 Unsecured, Redeemable, Non Convertible Subordinated Debentures as Tier II Capital of face value of Rs. 10,00,000/- each (Rupees Ten Lakh Only) issued by the Company.

The issue of Unsecured NCDs in one or more Tranches and to be listed on the NSE is being made strictly on a private placement basis. This Disclosure Document is intended to be circulated to such number of persons, as may be permitted by the Act, Guidelines, Regulations, Circulars, applicable to the Company. Multiple copies hereof given to the same entity shall be deemed to be given to the same person and shall be treated as such. No invitation or offer is being made to any persons, other than to those to whom the offer letter, application forms along with this Disclosure Document and the Pricing Supplement for a Tranche being issued have been sent. Any application by a person to whom the Disclosure Document, offer letter and application form have not been sent by the Company or Arranger, if any, shall be rejected without assigning any reason. The person who is in receipt of this Disclosure Document shall maintain utmost confidentiality regarding the contents of this Disclosure Document and shall not reproduce or distribute in whole or in part or make any announcement in public or to a third party regarding the contents without the consent of the Issuer.

Apart from this Disclosure Document, no other prospectus has been prepared in connection with this Issue and no prospectus in relation to the Issuer or the Unsecured NCDs relating to this issue has been delivered for registration nor is such a document (including the Disclosure Document) required to be registered under the applicable laws.

This Disclosure Document is issued by the Company. The views contained in this Disclosure Document do not necessarily reflect the views of its directors, officers, employees, affiliates, subsidiaries or representatives and should not be taken as such. This Disclosure Document has been prepared by the Company to provide general information on the Company and does not purport to contain all the information a potential investor may require. Where this Disclosure Document summarizes the provisions of any other document, that summary should not be solely relied upon and the relevant document should be referred to for the full effect of the provisions.

The information relating to the Company contained in this Disclosure Document is believed by the Company to be accurate in all respects as of the date hereof.

This Disclosure Document has been prepared to provide general information about the Issuer and the Issue to potential investors to whom it is addressed and who are willing and eligible to subscribe to the NCDs. This Disclosure Document shall not be considered as a recommendation to purchase the Unsecured NCDs and recipients are urged to determine, investigate and evaluate for themselves, the authenticity, origin, validity, accuracy, completeness, adequacy or otherwise the relevance of information contained in this Disclosure Document. The recipients are required to make their own independent valuation and judgment of the Company and the Unsecured NCDs. It is the responsibility of potential investors to ensure that if they sell/ transfer these Unsecured NCDs, they shall do so in strict accordance with this Disclosure Document and other applicable laws, so that the sale does not constitute an offer to the public, within the meaning of the Act. The potential investors should also consult their own tax advisors on the tax implications relating to acquisition, ownership, sale or redemption of Unsecured NCDs and in respect of income arising thereon. Investors are also required to make their own assessment regarding their eligibility for making investment(s) in the Unsecured NCDs of the Company. The Company or any of its directors, employees, advisors, affiliates, subsidiaries or representatives do not accept any responsibility and/ or liability for any loss or damage however arising and of whatever nature and extent in connection with the said information.

Neither the Arranger, if any, nor any of their respective affiliates or subsidiaries have independently verified the information set out in this Disclosure Document or any other information (written or oral) transmitted or made to any prospective investor in the course of its evaluation of the Issue.

The Arranger, if any, makes no representation or warranty, express or implied, as to the accuracy or completeness of the Disclosure Document, and the Arranger, if any, does not accept any responsibility for the legality, validity, effectiveness, adequacy or enforceability of any documentation executed or which may be executed in relation to this Issue. The Arranger, if any, is not required to file this document with SEBI/ROC/RBI as it is strictly on private placement basis to the potential investor to whom it is distributed and not an offer to the general public.

No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this Disclosure Document or in any material made available by the Issuer to any potential investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer. The intermediaries and their agents or advisors associated with this Issue have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by any such intermediary as to the accuracy or completeness of the information contained in this Disclosure Document or any other information provided by the Issuer. Accordingly, all such intermediaries associated with this Issue shall have no liability in relation to the information contained in this Disclosure Document or any other information provided by the Issuer in connection with the Issue.

The contents of this Disclosure Document are intended to be used only by those investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient.

Each person receiving and acting on this Disclosure Document acknowledges that such person:

- is the person to whom this Disclosure Document was addressed;
- has been afforded an opportunity to request and to review and has received all additional information considered by him/her/it to be necessary to verify the accuracy of or to supplement the information herein and
- has not relied on any intermediary that may be associated with any Tranche or issuance of Unsecured NCDs in connection with its investigation of the accuracy of such information or its investment decision.

The Issuer does not undertake to update the Disclosure Document to reflect subsequent events after the date of the Disclosure Document and thus it should not be relied upon with respect to such subsequent events without first confirming their accuracy with the Issuer. Neither the delivery of this Disclosure Document nor any sale of Unsecured NCDs made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer since the date hereof.

However, the Issuer shall update and file the Disclosure Document, Pricing Supplement and an addendum, if necessary with the NSE.

The Disclosure Document is made available to investors in the Issue on the strict understanding that it is confidential and for private circulation only.

This Disclosure Document does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction outside India in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the Unsecured NCDs or the distribution of this Disclosure Document in any jurisdiction where such action is required. The distribution of this Disclosure Document and the offering and sale of the Unsecured NCDs may be restricted by law in certain jurisdictions. Persons into whose possession this Disclosure Document comes are required to inform themselves about and to observe any such restrictions.

The Unsecured NCDs have not been and will not be registered under any jurisdiction and will not be offered or sold in any jurisdiction other than India. Without prejudice to the generality of the above, the Unsecured NCDs have not been and will not be registered under the United States Securities Act of 1933, as amended ("U.S. Securities Act") and may not be offered or sold within the United States (as defined

under Regulation S under the U.S. Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

### **DISCLAIMER STATEMENT FROM THE ISSUER**

The Issuer confirms that the information contained in this Disclosure Document is true and correct in all material respects and is not misleading in any material respect. All information considered adequate and relevant about the Issue and the Issuer has been made available in this Disclosure Document for the use and perusal of the potential investors and no selective or additional information would be available for a section of investors in any manner whatsoever. The Issuer accepts no responsibility for statements made otherwise than in this Disclosure Document or any other material issued by or at the instance of the Issuer and anyone placing reliance on any other source of information would be doing so at his/her/their own risk.

This Disclosure Document has been prepared to provide general information about the Issuer and the Issue to potential investors to whom it is addressed and who are willing and eligible to subscribe to the NCDs. This Disclosure Document does not purport to contain all the information that any potential investor may require. Neither this Disclosure Document nor any other information supplied in connection with the Unsecured NCDs is intended to provide the basis of any credit or other evaluation and any recipient of this Disclosure Document should not consider such receipt a recommendation to purchase any NCDs. Each Investor contemplating purchasing any Unsecured NCDs should make its own independent investigation of the financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness of the Issuer. Potential investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Unsecured NCDs and should possess the appropriate resources to analyse such investment and the suitability of such investment to such investor's particular circumstances.

### **ELIGIBILITY OF THE ISSUER TO COME OUT WITH THE ISSUE**

Neither the Issuer nor any of its directors have been prohibited from accessing the capital market under any order or directions passed by SEBI.

### **Force Majeure**

The Company reserves the right to withdraw the Issue prior to the earliest closing date in the event of any unforeseen development adversely affecting the economic and regulatory environment or otherwise. In such an event, the Company will refund the application money, if any, along with interest payable on such application money, if any, without assigning any reason.

### **SEBI Disclaimer Clause**

As per the provisions of SEBI Regulations, a copy of this Disclosure Document is not required to be filed with or submitted to SEBI. It is to be distinctly understood that this Disclosure Document has not been cleared or vetted by SEBI. The SEBI does not take any responsibility either for financial soundness of any scheme or the project for which the Issue is proposed to be made, or for the correctness of the statements made or opinions expressed in the Disclosure Document.

### **Stock Exchange Disclaimer Clause**

A copy of the Disclosure Document for issue of Unsecured NCDs aggregating Rs. 500,00,00,000 (Rupees Five Hundred Crore only) on a private placement basis shall be filed with the WDM segment of the NSE in terms of SEBI Regulations at the time of listing of the Unsecured NCDs.

It is to be distinctly understood that submission of the Disclosure Document to the NSE should not in any way be deemed or construed to mean that the Disclosure Document has been cleared or approved by the NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Disclosure Document, nor does it warrant that the Issuer's securities will be listed or will continue to be listed on the NSE; nor does it take any responsibility for the financial or other soundness of the Issuer, its promoters, its management or any scheme or project of the Issuer.

This Disclosure Document is to facilitate investors to take an informed decision for making investment in the proposed Issue.

#### **Disclaimer in respect of Jurisdiction**

Issue of these Unsecured NCDs has been/will be made in India to Investors as specified under clause “Who Can Apply” of this Disclosure Document, who have been/shall be specifically approached by the Company. This Disclosure Document is not to be construed or constituted as an offer to sell or an invitation to subscribe to Unsecured NCDs offered hereby to any person to whom it is not specifically addressed.

#### **Disclaimer Clause of the RBI**

The Company is having a valid certificate of registration dated November 4, 2011 issued by the RBI under section 45 IA of the Reserve Bank of India Act, 1934.

- a) The RBI does not accept any responsibility or guarantee about the present position as to the financial soundness of the Company or for the correctness of any of the statements or representations made or opinions expressed by the Company and for repayments / discharge of liabilities by the Company.”
- b) Neither is there any provision in law to keep, nor does the company keep any part of the deposits with the RBI and by issuing the Certificate of Registration of the Company, the RBI neither accepts any responsibility nor guarantees for the payment of the deposit amount to any depositor.”
- c) The investor may make investment decision on the basis of its own analysis and the RBI does not accept any responsibility about repayment of such investment.

#### **Participation in EBP of NSE**

SEBI has, vide its circular number CIR/IMD/DF1/48/2016 dated April 21, 2016, mandated that electronic book mechanism would be mandatory for all private placements of debt securities in primary market with an issue size of Rs. 500 crore and above, inclusive of green shoe option, if any. Accordingly, the Company is bound by the said Circular, the Frequently Asked Questions issued in connection to the Circular on July 22, 2016, the terms and conditions of the Agreement executed with NSE for the use of the EBP platform and the operating guidelines issued by NSE, all as amended from time to time. The investor may accordingly note that, for issues that are governed by the aforesaid Circular, it can participate in such book building processes on EBP through prior registration with NSE and that the investor will be bound by the terms and conditions of the Circular and the Agreement entered into by the Issuer with NSE in this regard.



### (III) RISK FACTORS

Data contained throughout the Disclosure Document has been supplied by the Company and the same has not been verified from any independent sources (including the original source documents). This data is the responsibility of the Company alone.

Although the intermediaries associated with this Disclosure Document believe that the data used herein is correct, complete and reliable, in the absence of independent verification, neither the Legal Advisors nor any of the intermediaries are or can be held responsible for the correctness, completeness or the adequacy of the data contained herein.

#### (A) Forward Looking Statements:

This Disclosure Document contains certain “forward-looking statements”. These forward looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “shall”, “will”, “will continue”, “will pursue”, “would”, “will likely result”, “is likely”, “expected to”, “will achieve”, “contemplate”, “seek to”, “target”, “propose to”, “future”, “goal”, “project”, “should”, “can”, “could”, “may”, “in management’s judgment” or other words or phrases of similar import or variations of such expressions. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements.

All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include, amongst others:

- General economic and business conditions in India and abroad;
- Our ability to successfully implement our strategy, our growth and expansion plans and technological changes;
- Our ability to compete effectively and access funds at competitive cost;
- Changes in the value of Rupee and other currency changes;
- Unanticipated turbulence in interest rates, equity prices or other rates or prices; the performance of the financial and capital markets in India and globally;
- Availability of funds and willingness of our lenders to lend;
- Changes in political conditions in India;
- The rate of growth of our loan assets and level of NPAs in our portfolio;
- The outcome of any legal or regulatory proceedings we are or may become a party to;
- Our ability to retain our management team and skilled personnel;
- Changes in Indian and foreign laws and regulations, including tax, accounting, banking, securities, investments and loans, foreign exchange, insurance and other regulations; changes in competition and the pricing environment in India; and regional or general changes in asset valuations; and
- Changes in laws and regulations that apply to NBFCs in India, including laws that impact our lending rates and our ability to enforce our collateral.

By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company, our Directors and Officers nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. For further discussion of factors that could cause our actual results to differ, see the section titled “Risk Factors”.

## **(B) Use of Market Data**

In this Disclosure Document, discrepancies if any, in any table, between the total and the sum of the amounts listed are due to rounding-off. There may be differences between Indian GAAP and GAAP followed in other jurisdictions. The Issuer has not attempted to explain these differences or quantify their impact on the financial data included herein, and Investors are urged to consult their own advisors regarding such differences and their impact on financial data.

Unless stated otherwise, macroeconomic and industry data used throughout this Disclosure Document has been obtained from publications prepared by providers of industry information, government sources and multilateral institutions. Such publications generally state that the information contained therein has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although the Issuer believes that industry data used in this Disclosure Document is reliable, it has not been independently verified.

## **(C) RISK FACTORS**

The following are some of the risks envisaged by the management. Investors should consider the same carefully for evaluating the Company and its business before making any investment decision. Unless the context requires otherwise, the risk factors described below apply to Tata Capital Financial Services Limited. If any one of the risks occurs, the Company's business, financial conditions and results of operations could suffer and therefore the value of the Company's debt securities could decline.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Unsecured NCDs issued under this Disclosure Document, but the inability of the Issuer, as the case may be, to pay coupon, principal or other amounts on or in connection with any Unsecured NCDs may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Unsecured NCDs are exhaustive.

Potential investors should also read the detailed information set out elsewhere in this Disclosure Document and reach their own views prior to making any investment decision.

Prior to making an investment decision, potential investors should carefully consider, along with the other matters set out in this Disclosure Document, the following risk factors that may affect investment considerations. If in doubt, potential investors are strongly recommended to consult with their financial, legal and tax advisors before making any investment decision.

Note: Unless specified or quantified in the relevant risk factors, the Company is not in a position to quantify the financial or other implications of any risk mentioned herein below:

### **INTERNAL RISK FACTORS**

#### **1. As an NBFC, one of the most important risks affecting our profitability is the risk of non-payment by the borrowers and other counterparties.**

Our Company's gross loan asset size (excluding inter-corporate deposits) as on September 30, 2017 is Rs. 3,319,554 Lakh. The size of our Company's loan assets is expected to continue to increase in the future as our Company expands its business in India and offers new products. Since our Company's borrowers *inter alia* comprise of individuals and small and medium size companies, our Company's credit risk could be higher due to their potential inability to adapt to changes in the economic and industrial scenario and global technological changes as also changes in the Indian regulatory and political environment. This may lead to an increase in the number and value of our Company's NPAs.

Our Company is exposed to the risk that third parties which owe us money, securities or other assets may not perform their obligations. These parties may default on their obligations to us due to various reasons including bankruptcy, lack of liquidity, operational failure, and other reasons. Further, any delay in enforcing the collateral due to delays in enforcement proceedings before Indian courts or otherwise could expose our Company to potential losses.

A nationwide credit bureau has only recently been established in India. This may affect the quality of information available to our Company about the credit history of our Company's new borrowers. In deciding whether to extend credit to or enter into transactions with customers and counter parties, our Company relies largely on information furnished by or on behalf of its customers, including financial information, based on which the Company performs its credit assessment. The Company may also depend on certain representations and undertakings as to the accuracy, correctness and completeness of information, and the verification of the same by agencies to which such functions are outsourced. Any such information, if materially misleading may increase the risk of default. Our financial condition and results of operations could be negatively affected by relying on information that may not be true or may be materially misleading.

Although our Company regularly reviews credit exposures to clients and counterparties and to industries and geographical regions that our Company believes may present credit concerns, defaults may arise from events or circumstances that are difficult to detect or foresee.

**2. Our inability to control the number and value of NPAs in our portfolio could adversely affect our business and results of operations.**

Our Gross NPAs were Rs. 151,287 lakh, representing 4.55% of the gross value of our customer assets as at September 30, 2017. It may be difficult for us to control or reduce the number and value of NPAs of our portfolio due to adverse global and domestic economic conditions and a prolonged recession period. The Company may not be able to improve its collections and recoveries in relation to its existing NPAs. The Company's inability to control or reduce the number and value of its NPAs may lead to deterioration of the quality of its loan portfolio and may severely impact its business. The Company's Net NPAs were Rs. 41,170 lakh, representing 1.28% as at September 30, 2017. Though the Company's total provisioning against the NPAs at present may be adequate to cover all the identified losses in our loan portfolio, there may not be any assurance that in future, the provisioning though compliant with regulatory requirements will be sufficient to cover all anticipated losses. Further, the Company may not be able to meet our recovery targets set for the particular financial year due to the economic slowdown and intense competition witnessed at both global and domestic levels. In such circumstances, there could be an increase in the number and value of our NPAs which can impact the Company.

Therefore, with the growth of our business, the number and value of our NPAs may increase substantially as a large part of the portfolio is not highly seasoned and which may result in increased provisioning towards our NPAs.

**3. The Company may be exposed to the potential loss of less recovery of value of collaterals due to delays in their enforcement on defaults by the Company's borrowers and also due to market conditions**

The Company's total gross loan portfolio (excluding inter-corporate deposits) is Rs. 3,319,554 lakh, as at September 30, 2017. The value of collaterals especially real estate for the secured loans may decline due to adverse market conditions. Delays in bankruptcy and foreclosure proceedings, defects in title, documentation of collateral and the necessity of obtaining regulatory approvals for the enforcement of such collaterals may affect the valuation of the collateral and the Company may not be able to recover the estimated value of the collateral, thus exposing the Company to potential losses.

4. **We have and are in the process of venturing into new lines of business and there can be no assurance that our ventures will be profitable in future.**

As a part of our growth strategy, we have or otherwise are in the process of venturing into new areas of business. These new activities being launched include portfolio management services, co-branded credit cards and specialized products targeted at the rural sector. Although we have recruited experienced management teams which consist of people who have experience in financial services, there are inherent risks in entering a market for the first time. The systems / processes are yet to be tested in the new business environment and may need improvements or, that the turnover of employees increases or that the products themselves may not find sufficient acceptability in the market.

These businesses consequently are to a larger extent susceptible to competition, economical, political and regulatory conditions than established businesses. This may affect our operations and cash flow positions.

5. **System failures, infrastructure bottlenecks and security breaches in computer systems may adversely affect our business.**

Our businesses are highly dependent on our ability to process, on a daily basis, a large number of increasingly complex transactions. Our financial, accounting or other data processing systems may fail to operate adequately or become disabled as a result of events that are wholly or partially beyond our control, including a disruption of electrical or communications services. If any of these systems do not operate properly or are disabled or if there are other shortcomings or failures in our internal processes or systems, it could affect our operations or result in financial loss, disruption of our businesses, regulatory intervention or damage to our reputation. In addition, our ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports our businesses and the localities in which we are located.

Our operations also rely on the secure processing, storage and transmission of confidential and other information in our computer systems and networks. Our computer systems, software and networks may be vulnerable to unauthorized access, computer viruses or other malicious code and other events that could compromise data integrity and security.

6. **The Company's lending and investment activities are vulnerable to interest rate risks, market risks and asset liability mismatch risks which may have great impact on our financial performance.**

Interest income forms a substantial part of the total income of our Company. The Company extends loans at fixed as well as floating interest rates. The Company's borrowings are also a mix of fixed and floating rates. A mismatch between assets and liabilities may cause our gross spreads to decline and adversely affect our profitability. The Company endeavours to match interest rate positions to minimize interest rate risk but may not be able to do so.

Operations of the Company are susceptible to interest rate movements. Interest rates are highly sensitive to many factors which are beyond our control, including the monetary policies of the RBI, de-regulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. We may be also exposed to interest and currency risks through treasury operations and market risks on our investment portfolio. Sharp increase in interest rates charged on floating rate basis may also result in extension of loan maturities and higher installments due from borrowers, which could result in higher degree of defaults from this segment.

- 7. We face asset-liability mismatches in the short term, which could affect our liquidity position. A portion of our funding requirement is through short-term funding sources and in the event lenders decide to withdraw the existing or committed credit facilities or do not roll over the existing credit facilities, our business could be adversely affected.**

The difference between the value of assets and liabilities maturing, in any time period category provides the measure to which we are exposed to the liquidity risk. As is typical for several NBFCs, a portion of our funding requirements is met through short-term funding sources, i.e. bank loans, working capital demand loans, cash credit, short term loans and commercial papers. However, a large portion of our assets have medium or long-term maturities. In the event that the existing and committed credit facilities are withdrawn or are not available to the Company, funding mismatches may be created and it could have an adverse effect on our business and our future financial performance.

- 8. Our indebtedness and restrictive covenants imposed by our financing agreements could restrict our ability to conduct our business and operations.**

Our financing agreements require us to maintain certain security margins. Should we breach any financial or other covenants contained in any of our financing agreements, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs. Under the terms of some of the loan agreements, our Company is required to obtain the prior written consent of the concerned lender prior to our Company entering into any scheme of expansion, merger, amalgamation, compromise or reconstruction or selling, leasing, transferring all or a substantial portion of its fixed and other assets; making any change in ownership or control or constitution of our Company, or in the shareholding or management or majority of directors, or in the nature of business of our Company; or making amendments in the Company's Memorandum and Articles of Association. This may restrict/ delay some of the actions / initiatives that our Company may like to take from time to time.

- 9. We may not get the benefits of being a Tata company in case of any change of control.**

In case of any change of control due to any event such as transfer of shares by our Promoter, preferential allotment to any investor, including conversion of any convertible instruments, our ability to leverage the "Tata" brand may get affected and the benefits of being a Tata company including leveraging of business from other Tata companies may become unavailable to us and consequently, could adversely impact our business operations and profitability.

- 10. We are exposed to various operational risks including the risk of fraud and other misconduct by employees or outsiders.**

Like other financial intermediaries, we also run the risk of various operational risks which include the risk of fraud or misconduct by our employees or even an outsider, unauthorized transactions by employees or third parties, misreporting and non-compliance of various statutory and legal requirements and operational errors. It may not be always possible to deter employees from the misconduct or the precautions we take to detect and prevent these activities may not be effective in all cases. Any such instances of employee misconduct or fraud, the improper use or disclosure of confidential information, could result in regulatory and legal proceedings and may harm our reputation and also our operations.

- 11. We may not be able to attract or retain talented professionals required for our business.**

The complexity of our business operations requires highly skilled and experienced manpower. Such highly skilled personnel give us a competitive edge. Further the successful implementation of our growth plans would largely depend on the availability of such skilled manpower and our ability to attract such qualified manpower. We may lose many business opportunities and our business would suffer if such required manpower is not available on time. Though we have appropriate human resource policies in place, we may face the risk of losing our key management personnel due to reasons beyond our control and we may not be able to replace them in a satisfactory and timely manner which may adversely affect our business and our future financial performance.

12. We may not be able to access funds at competitive rates and higher cost of borrowings could have significant impact on the scale of our operations and also profit margins.

Our growing business needs would require us to raise funds through commercial borrowings. Our ability to raise funds at competitive rates would depend on our credit rating, regulatory environment in the country and the liquidity scenario in the economy. The developments in the international markets affect the Indian economy including the financial liquidity position. Our Company is exposed to the risk of liquidity in the financial markets. Changes in economic and financial conditions could make it difficult for the Company to access funds at competitive rates. Being an NBFC, we also face certain restrictions to raise money from international markets which are relatively cheaper sources of money and this further constrains our ability to raise cheaper funds.

13. The Company faces increasing competition from other established banks and NBFCs. The successful implementation of our growth plans depends on our ability to face the competition.

The Company's main competitors are established commercial banks and NBFCs. Over the past few years, the retail financing area has seen the entry of banks, both nationalized as well as foreign. Banks have access to low cost funds which enables them to enjoy higher margins and / or offer finance at lower rates. NBFCs do not have access to large quantities of low cost deposits, a factor which can render them less competitive. The Company may face competition from established banks and NBFCs in its operations and growth.

14. The current trading of our existing listed privately placed secured, redeemable, non-convertible debentures; unsecured, redeemable, non convertible subordinated debentures (tier II capital) and public issue of secured non-convertible debentures may not reflect the liquidity of the NCDs being offered through this Issue.

Before this issue , we have issued the following Debentures which are outstanding as on November 30, 2017:

Instrument	Nature	Nature of Issuance	O/s (Rs. in lakh)	Stock Exchange
Non-Convertible Debentures	Secured & Redeemable	Private	11,68,090	NSE
Non-Convertible Debentures	Unsecured & Redeemable	Private	1,50,000	NSE
Perpetual Debt	Unsecured ,Perpetual & Non Convertible	Private	79,300.00	NSE
Non-Convertible Debentures	Secured & Redeemable	Public	*28,818.43	BSE & NSE
Non-Convertible Debentures	Subordinated Debt	Private	1,82,045.00	NSE
<b>Total</b>			<b>16,08,253.43</b>	

\* At the Meeting of the NCD holders of TCL held on February 15, 2012, the NCD holders approved of the modification/variation in the terms and conditions of the NCDs and accordingly, the interest rates were revised for Options I, III and IV with effect from March 6, 2012 and for Option II, with effect from September 6, 2012. As a consequence of the modification/variation in the terms of the NCDs, the Company, out of the outstanding NCDs aggregating Rs. 150,000 lakh, redeemed NCDs worth Rs. 89,498 lakh for holders who had exercised their Put Option or had not consented, in writing, to continue to hold the NCDs at revised Coupon Rates and Rs. 60,502 lakh of NCDs were continued in 2012. Pursuant to the Scheme of Arrangement between TCL and the Company, as sanctioned by the Hon'ble High Court

*of Judicature at Bombay, becoming effective on March 27, 2012, the said NCDs stood transferred from TCL to the Company, along with the Debenture Redemption Reserve and the assets against which the NCDs were secured by TCL.*

*Subsequently, pursuant to the Special Resolution passed by 75% of the NCD holders voting (in number and value) by way of Postal Ballot on February 17, 2014, the Tenure of NCDs has been continued for a further period of 5 years w.e.f March 6, 2014 upto March 5, 2019, at the existing coupon rate and on the same terms and conditions. The Company redeemed NCDs worth Rs. 316.84 crore for those holders who did not wish to continue their NCDs for the extended period of 5 years and continued NCDs worth Rs. 288.18 crore.*

There can be no assurance that an active public market for the NCDs will develop, and if such a market were to develop, there is no obligation on us to maintain such a market. The liquidity and market prices of the NCDs can be expected to vary with changes in market and economic conditions, our financial condition and prospects and other factors that generally influence market price of NCDs. Such fluctuations may significantly affect the liquidity and market price of the NCDs, which may trade at a discount to the price at which you purchase the NCDs.

**15. We may have a high concentration of loans to certain customers or group of customers. If a substantial portion of these loans becomes non-performing, our business and financial performance could be affected.**

Our business of financing, bill discounting, factoring, corporate lending and retail lending with or without securities exposes us to the risk of third parties that owe us money. Our loan portfolio and non-performing asset portfolio has, or may in the future, have a high concentration in certain customers or groups of customers. These parties may default on their obligations to us due to bankruptcy, lack of liquidity, operational failure, and breach of contract, government or other regulatory intervention and other reasons including inability to adapt to changes in the macro business environment. Historically, borrowers or borrower groups have been adversely affected by economic conditions in varying degrees. Credit losses due to financial difficulties of these borrowers/ borrower groups in the future could adversely affect our business and our financial performance.

**16. We have entered into transactions with related parties which may create conflicts of interest for certain of our Management and Directors.**

We have entered into transactions with related parties, including our Promoter and its affiliated companies. Such agreements may give rise to current or potential conflicts of interest with respect to dealings between us and such related parties. Additionally, there can be no assurance that any dispute that may arise between us and related parties will be resolved in our favour.

**17. There may be potential conflicts of interest with our Promoter and its affiliates.**

Our Promoter has equity interests or investments in other entities that offer services that are related to our business. There may be conflicts of interest in addressing business opportunities and strategies where other companies in which our Promoter has equity interests are also involved.

**Risks Relating to the Utilization of Issue Proceeds**

**18. Our Management will have significant flexibility in applying proceeds of the Issue.**

The funds raised through this Issue, after meeting the expenditures of and related to the Issue, will be used for our various activities, including but not restricted to, lending and investments, to repay our existing loans, our business operations including capital expenditure and working capital requirements.

The Main Objects clause of the Memorandum of Association of the Company permits the Company to undertake the activities for which the funds are being raised through the present Issue and also the activities which the Company has been carrying on till date.

The management of the Company, in accordance with the policies formulated by it from time to time, will have flexibility in deploying the proceeds received from the Issue. Pending utilization 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.

### **Risks Relating to the Debentures**

**19. Changes in general interest rates in the economy may affect the price of our Unsecured NCDs.**

All securities where a fixed rate of interest is offered, such as our Unsecured NCDs, are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, i.e. when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the price of our Debentures.

**20. We are not required to maintain any Debenture Redemption Reserve (DRR) for the debentures issued under this Disclosure Document.**

No Debenture Redemption Reserve is being created for the issue of NCDs in pursuance of this Offer Letter since creation of Debenture Redemption Reserve is not required for the proposed issue of Debentures as they are privately placed. Rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014, states that NBFCs need not create a Debenture Redemption Reserve as specified under Section 71 of the Act, in respect of privately placed debentures. The Company has created the DRR required under law, with respect to the NCDs issued to the Public.

**21. Any downgrading in credit rating of our Debentures may affect the value of Debentures and thus our ability to raise further debts.**

CRISIL Limited has assigned a “CRISIL AA+/Stable” rating and ICRA Limited has assigned a “ICRA AA+” rating to this Issue for an aggregate amount of Rs. 500 crore. The Issuer cannot guarantee that these ratings will not be downgraded. A downgrade in the above credit ratings may lower the value of the Unsecured NCDs and may also affect the Issuer’s ability to raise further debt

### **EXTERNAL RISK FACTORS**

**22. We are subject to regulatory and legal risk which may adversely affect our business.**

The operations of an NBFC are subject to regulations framed by the RBI and other authorities including regulations relating to foreign investment in India. Pursuant to the guidelines issued by RBI, the Company has been classified as a Systemically Important Non Deposit Accepting NBFC. The Company is required to maintain a CAR of 15%, besides complying with other prudential norms. Compliance with many of the regulations applicable to the Company across jurisdictions including any restrictions on investments and other activities currently being carried out by the Company involve a number of risks, particularly in areas where applicable regulations may be subject to varying interpretations. If the interpretation of the regulators and authorities varies from our interpretation, we may be subject to penalties and the business of the Company could be adversely affected.



We are also subject to changes in Indian laws, regulations and accounting principles. There can be no assurance that the laws and accounting principles governing the Indian financial services sector will not change in the future or that such changes or the interpretation or enforcement of existing and future laws, accounting principles and rules by governmental and regulatory authorities will not affect our business and future financial performance.

**23. Our growth depends on the sustained growth of the Indian economy. An economic slowdown in India and abroad could have direct impact on our operations and profitability.**

Macroeconomic factors that affect the Indian economy and the global economic scenario have an impact on our business. The Indian economy has been growing, albeit at a slower pace which may have a direct impact on our disbursements and a slowdown in the economy as a whole can increase the level of defaults thereby adversely impacting the Company's growth plans and the quality of its portfolio.

**24. Political instability or changes in the government could delay further liberalization of the Indian economy and adversely affect economic conditions in India generally, which could impact our business.**

The role of the Central and State Governments in the Indian economy has remained significant over the years. Since 1991, the Government has pursued a policy of economic liberalization, including significantly relaxing restrictions on the private sector. There can be no assurance that these liberalization policies will continue in the future. The rate of economic liberalization could change, and specific laws and policies affecting financial services companies, foreign investment, currency exchange rates and other matters affecting investments in Indian companies could change as well. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India, thus affecting our business. Any political instability in the country could materially impact our business adversely.

**25. Civil unrest, terrorist attacks and war would affect our business.**

Terrorist attacks and other acts of violence, war or conflicts, particularly those involving India, as well as the United States of America, the United Kingdom, Singapore and the European Union, may adversely affect Indian and global financial markets. Such acts may negatively impact business sentiment, which could adversely affect our business and profitability. India has from time to time experienced, and continues to experience, social and civil unrest, terrorist attacks and hostilities with neighbouring countries. Also, some of India's neighbouring countries have experienced, or are currently experiencing internal unrest. This, in turn, could have a material adverse effect on the market for securities including the Debentures. The consequences of any armed conflicts are unpredictable, and we may not be able to foresee events that could have an adverse effect on our business and the price and yield of our Unsecured NCDs.

**26. Our business may be adversely impacted by natural calamities or unfavourable climatic changes.**

India, Bangladesh, Pakistan, Indonesia and other Asian countries have experienced natural calamities such as earthquakes, floods, droughts and a tsunami in recent years. Some of these countries have also experienced pandemics, including the outbreak of avian flu/ swine flu. The extent and severity of these natural disasters and pandemics determines their impact on these economies and in turn affects the financial services sector of which our Company is a part. Prolonged spells of abnormal rainfall and other natural calamities could have an adverse impact on the economies in which we have operations, which could adversely affect our business and the price of our Unsecured NCDs.

**27. Any downgrading of India's sovereign rating by an international rating agency(ies) may affect our business and our liquidity to a great extent.**

Any adverse revision to India's credit rating for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our financial performance and our ability to obtain financing to fund our growth on favourable terms, or at all.

(IV) SUMMARY TERM SHEET
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PRIVATE PLACEMENT OF 5000 UNSECURED, REDEEMABLE NON-CONVERTIBLE, SUBORDINATED DEBENTURES AS TIER II CAPITAL OF THE FACE VALUE OF RS. 10,00,000/- EACH (RUPEES TEN LAKH ONLY), FOR CASH AGGREGATING RS. 500,00,00,000/- (RUPEES FIVE HUNDRED CRORE ONLY) TO BE LISTED ON THE WDM SEGMENT OF THE NSE

The common terms are given below. The specific terms of the series will be finalized closer to the actual date of issuance by way of a Pricing Supplement and would be submitted to NSE at that point of time.

**Issue Details**

Issuer	: Tata Capital Financial Services Limited
Nature of Debentures	: Unsecured, Redeemable, Non-Convertible, Subordinated Debentures as Tier II Capital
Face Value	: Rs. 10,00,000/- each
Number of Debentures	: As per Pricing Supplement
Minimum Subscription	: 1 NCD
Minimum Application	: As per Pricing Supplement
Tenor	: As per Pricing Supplement
Coupon Rate / Coupon Date	: As per Pricing Supplement
Redemption Date	: As per Pricing Supplement
Put / Call Option	: As per Pricing Supplement
Proposed Listing	: WDM segment of NSE
Form of Issuance	: Demat mode
Trading	: Demat mode only
Depository	: Both NSDL and CDSL
Security	: Unsecured
Rating	: “[CRISIL] AA+/Stable” by CRISIL and “ICRA AA+” by ICRA
Redemption Amount	: At par
Yield on redemption	: As per Pricing Supplement
Settlement by way of	: RTGS / Cheques / Demand Drafts/ ECS
Interest on Application Money	: At coupon rate or implicit yield as given in the Pricing Supplement
Deemed Date of Allotment	: As per Pricing Supplement
Pay-in Date	: As per Pricing Supplement
Issue Schedule	
Issue opens on	: As per Pricing Supplement
Issue closes on	: As per Pricing Supplement

**Note:**

1. The Company reserves the right to change each Series timetable.

## **(V) INTRODUCTION**

The Company is a wholly owned Subsidiary of TCL. The Company is registered with RBI and is classified as a Systemically Important Non-Deposit Accepting Non Banking Financial Company ("NBFC-ND-SI"). The Company received certificate of registration from RBI on November 4, 2011.

### **Summary of Industry**

Non-Banking Financial Companies ("NBFCs") act as a critical link in the overall financial system catering to a large market of niche customers. They are one of the major purveyors of credit in India. NBFCs have displayed flexibility in meeting credit needs of specific sectors like leasing, hire purchase, hire purchase finance, consumer finance, etc.

NBFCs in India offer a wide variety of financial services and play an important role in providing credit to the unorganized sector and small borrowers at the local level. As a result of consolidation and restructuring in the financial sector and liberalisation and globalisation of markets, only strong NBFCs will remain in business. However, competition has become intense due to the entry of Indian and foreign banks into the retail lending business in a big way, thereby exerting pressure on margins. As compared to banks, NBFCs have the ability to take quicker decisions and customize their services in accordance with the needs of the customer. Thus, NBFCs can sustain in this competitive environment only through optimization of funding costs, identification of potential areas, widening their geographical reach, use of technology, cost efficiencies, strict credit monitoring and raising the level of customer service.

### **Summary of Businesses**

*In this section "our Company" refers to the Company while "we", "us" and "our" refers to the Company.*

### **Overview**

TCFSL is engaged in the business of Commercial Finance, Infrastructure Finance/Special Asset Management Group ("SAMG"), Consumer Finance and Advisory Business ("CFAB"), Rural Finance and Tata Cards.

### **Strengths**

We believe that the following are our key strengths:

#### **Unified financial services platform**

Our clients benefit from our integrated financial services platform, offering a cross section of financial services and products, including retail, small and medium enterprises, finance, construction equipment finance, leasing finance, rural finance, private equity, investment banking, wealth management, retail brokerage and marketing of Tata Cards which are offered by TCL and its subsidiaries. Our Management structure enables us to leverage relationships across lines of our businesses. Our product knowledge and multi-channel delivery model enhances our ability to cross-sell our services.

#### **Diversified and balanced mix of businesses**

Our present mix of business is dominated by fund based activities which mainly includes retail finance, small and medium enterprise finance and construction equipment finance and fee based business of wealth management. Thus we provide integrated financial services while maintaining a diversified and balanced mix of businesses. We continue to explore further opportunities to set up new businesses and widen our product portfolio to include products and services that would complement our current offerings, and would help us leverage our existing expertise. We believe that our presence in diverse lines of businesses across asset classes enables us to mitigate risks arising from product and client concentration.

### **Experienced Management team**

We believe that our senior Management and our talented and experienced professionals are and would continue to be the principal drivers of our growth and success in all of our businesses. Our senior management team is supported by professionals from varied backgrounds who bring significant expertise in their respective lines of business. We believe that the extensive experience and financial acumen of our management and professionals provide us with a distinct competitive advantage.

### **Innovative solutions model**

Our focus on coverage and ability to provide innovative solutions enables us to establish long-term relationships with corporate and retail clients. Our business model is based on providing services where we employ dedicated relationship and product managers for each key business line. This enables us to create capabilities and expertise for each product and which we believe benefits customers in achieving their desired financial objectives.

### **Respected brand**

Our success as a provider of financial services is built upon the reputation and client comfort built around the Tata brand. This philosophy is also reflected in our brand proposition "We only do what is right for you". The 'TATA' brand is recognized as amongst the most valuable brands in the world in a brand survey undertaken by Brand Finance Plc, a United Kingdom based consultancy (Source: Livemint, September 16, 2008). We believe that the Tata name is associated with trust, security, knowledge leadership and high quality services and solutions for our customers and stakeholders. The reputation of the Tata brand and the Tata ecosystem is pivotal in our ability to reach out to customers as well as to access capital for our business.

### **Controls, processes and risk management systems**

We believe that we have strong internal controls and risk management systems to assess and monitor risks across our various business lines. Our Board of Directors has constituted various committees including Finance and Asset Liability Supervisory Committee, Risk Management Committee and Audit Committee to monitor and manage risk. Our risk management department operates as an independent department with a dedicated centralized risk management team. All new lines of business and product launches follow a rigorous internal approval process that requires assessing risk, client suitability, understanding regulations and understanding regulatory and internal policy compliance prior to launch. We believe that we have effective procedures for evaluating and managing the market, credit and other relevant risks.

### **Access to capital**

We are subject to the capital adequacy requirements prescribed by the RBI. We are currently required to maintain a minimum ratio of 15% as prescribed under the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 (as amended from time to time) based on total capital to risk weighted assets. CAR as on March 31, 2016 stood at 16.34%. and CAR as on September 30, 2016 stood at 16.18%. Further, CAR as on March 31, 2017 stood at 16.07% and CAR as on September 30, 2017 stood at 16.47%. The Issue has been rated "CRISIL AA+/stable" by CRISIL Limited and 'ICRA AA+' by ICRA Limited. The instruments with this rating are considered to offer high safety for timely servicing of debt obligations. Such instruments carry very low credit risk. Our credit rating, risk containment measures and brand value help us to access capital on relatively favourable terms.

## **Strategies**

### **Consolidate our existing lines of business**

We intend to maintain high growth and profitability by increasing the scope and intensity of activities in our existing lines of business with added focus on our nascent business lines. We plan to increase our credit portfolio in the corporate finance and retail finance segment by strengthening and expanding our relationship with corporate and retail clients, leveraging the vast network of vendors, dealers and customers of various Tata companies, launching new products and services and developing distribution channels. For our retail, broking and distribution business, we intend to expand our network of branches and empanel third party partners if required to expand the reach of our business. In our wealth management business, we intend to leverage our client and partner relationships to offer offshore investment opportunities to our clients and to further grow our client base. In relation to our treasury operations, we intend to continue to manage our capital with the objective to generate superior risk-adjusted returns by adopting low risk strategies in both public and private debt as well as equity capital markets.

### **Explore new business opportunities**

We intend to continue building diversified business by identifying suitable business opportunities with strong long term prospects for growth and profitability and offer products and services across a broad spectrum of financial services such as rural finance, institutional equity broking, insurance broking etc. We believe that this will enable us to maintain growth and profitability by further limiting our exposure to market vagaries or dependence on any particular line of business.

### **Leverage our technology advantage**

We plan to continue investing in state of the art technology to significantly enhance our technical capabilities across our products and services offerings. We believe that we have the technological platform and information technology systems in place to support significant growth in customer base and lines of business. We believe that technology will enable us to respond effectively to the needs of our customers and meet competitive challenges.

### **Attract and retain talented professionals**

In financial services people are the most important asset, and it is their reputation, talent, integrity and dedication which contribute significantly to business success. We believe that the strong, team-based approach that exists within the organization will enable us to attract and retain employees. We have been successful in attracting key professionals from both Indian and foreign financial services organizations and intend to continue to seek out talent to further enhance and grow our business.

### **Expand our client base and geographical presence**

We intend to expand the scale of our operations, explore new distribution channels and increase our reach and customer base both domestically and internationally. The focus is on expanding the scale of our operations to smaller Indian cities, which we believe present attractive opportunities both in terms of clients and revenues. We also intend to establish offices in key overseas markets. In the near future, we shall endeavour to use our planned international offices as supplementary distribution channels for our offerings in the Indian markets. Our long-term international strategy includes participation in overseas financial markets by setting up regulated financial services companies in such jurisdictions.

## **Our Services**

Presently, we operate our businesses primarily through fund based businesses. A brief outline of our fund based businesses is as under:

### **Corporate Finance**

Our Corporate Finance Business is one of the key fund based activities undertaken by us and has two broad business segments viz. Commercial Finance and Infrastructure Finance, comprising the Special Assets Management Group (“SAMG”). In order to improve its customer focus, the Construction Equipment (“CEQ”) business and the Leasing Business were integrated with Commercial Finance Business.

### **Commercial Finance**

The Commercial Finance Business specialises in product offerings ranging from Vanilla Term Loans, Working Capital Term Loans, Channel Finance, Bill Discounting, CEQ Finance, Equipment Finance, Leasing Solutions, Lease Rental Discounting, Promoter Finance and Structured Products. This Business serves over 11,200 customers through its business verticals, viz. Large Corporate, Mid & Emerging Corporate and Government Business. All the verticals are supported by the respective product teams, which help these verticals in extending the right product mix to the customer. Further, a Syndication and Structured Finance team supports all the business verticals, with special focus on debt syndications, down selling and structured transactions.

### **Infrastructure Finance/SAMG**

SAMG was formed on April 1, 2015 to manage the Project Finance portfolio of the erstwhile Infrastructure Finance Division. SAMG managed a portfolio of Rs. 1,680 crore as at March 31, 2016, which reduced to Rs. 1,034 crore as at March 31, 2017, as a result of recovery and write-off.

### **Consumer Finance and Advisory Business (“CFAB”)**

Over the last few years, the financial services industry has seen significant expansion of retail credit, with retail loans, accounting for most of this growth. Despite the hardening of interest rates, there is a strong potential for growth in this segment driven primarily by the burgeoning middle class, increase in income in rural areas, larger availability of products and awareness due to globalization and advertising, multiple family member incomes, increased urbanization with rising income levels, growth in organized retailing coupled with the availability of credit, etc.

In line with the Company’s ethos of ‘Customer Centricity’ a Direct Sales Vertical was formed to reduce the dependence on Direct Selling Agents, capitalize on cross-selling opportunities and the TATA Eco System across all the product verticals of the Company and thus endeavor to provide all financial solutions under one roof to customers. To complete the entire gamut of consumer finance and financial services, the Company also has the Wealth Management and Investment Distribution service which is engaged in the distribution of various investment products such as Mutual Funds, Fixed Deposits, Debenture and Bonds and Private Equity/Venture Capital Funds.

The Company has a vast potential from the TATA Eco system which encompasses a vast population of employees, customers, dealers and partners wherein business is being tapped. This will offer the company several advantages in terms of lower customer acquisition cost, synergies, cross and repeat selling etc. These products also offer significant operational synergies with other Tata companies in terms of cross-sell opportunities, leveraging of existing channels to manage acquisition costs, back end operations, etc.

Our strategy for retail loans entails the creation of a profitable business with credit assessment and risk-management capability backed by operational processes and a technology platform.

The Company offers, through its Consumer Finance & Advisory Business (“CFAB”), a wide range of consumer loans, such as Auto Loans (Car and Two Wheeler), Commercial Vehicle Loans, Business Loans, Loans against Property, Personal Loans, Consumer Durables Loans and Loans against Securities.

Going forward, CFAB plans to grow its business through a continued focus on high NIM focus products, increase customer acquisition especially through expanding its Two Wheeler business, balancing its product mix, ramping up fee based income, cross selling, optimising operating costs and improving collection efficiency for further enhancing its profitability. CFAB plans to enter new geographies in Tier-II and Tier-III cities with low cost branch model for topline growth and better return.

### **Rural Finance**

Currently, the Rural Finance Business operates out of 45 branches and 305 locations across 13 states in India and disburses loans to progressive farmers for Farm Equipment and Agri and Allied Activities.

### **Tata Cards**

The Tata Card is a White Label Credit Card launched in partnership with SBI Cards and Payment Services Limited. The Company manages the marketing and distribution of this card. It provides the convenience of an international credit card and enables customers to earn and redeem points instantly across several Tata Group loyalty partners. The business has enhanced engagement through customer centric programs, which offer convenient payment options in the form of EMIs.

### **Risk Management**

Risk Management is an integral part of the Company's business strategy. The Risk Management oversight structure includes Committees of the Board and Senior Management Committees. The Risk Management process is governed by the Comprehensive Enterprise Risk Management Framework which lays down guidelines for Risk identification, assessment and monitoring as an ongoing process that is supported by a robust risk reporting framework. Risk Management at the Company covers Credit Risk, Market Risk, Operational Risk, Fraud Risk and other risks. The Risk Management Practices of Tata Capital are compliant with ISO 31000:2009, which is the International Standard for Risk Management that lays down Principles, Guidelines and Framework for Risk Management in an organisation.

The Risk Management Committee of the Board assists the Board in its oversight of various risks mentioned above. The Risk Management Committee reviews compliance with risk policies, monitors risk tolerance limits, reviews and analyses risk exposures related to specific issues and provides oversight of risk across the organisation.

The Credit Risk management structure includes separate credit policies and procedures for various businesses. The risk policies define prudential limits, portfolio criteria, exceptional approval metrics, etc. and cover Risk assessment for new product offerings. Concentration Risk is managed by analysing counter-party, industry sector, geographical region, single borrower and borrower group. While Credit Committees approve counter-party credit exposure in line with the Delegation of Power and Authority assigned by the Board of Directors, the Credit Monitoring Committee primarily focuses on post sanction monitoring. Retail Finance credit approval is based on product / programs and monitoring is primarily done at the portfolio level across products and programs. Periodic scenario analysis of the credit portfolio is conducted and necessary corrective measures are implemented.

Management of Liquidity (Asset Liability and Interest Rate) and Market Risk is carried out using quantitative techniques such as sensitivity and stress testing. The Finance and Asset Liability Supervisory Committee reviews liquidity risk and the interest rate risk profile of the organisation on a regular basis.

The Company has a Board approved Operational Risk Management framework. Ongoing monitoring of Key Risk Indicators ("KRI") is done and corrective actions are implemented on KRI exceptions. An oversight committee of Senior Management representatives, viz. the Operational Risk Management Committee meets periodically to review the operational risk profile of the organisation.

Risks associated with frauds are mitigated through a Fraud Risk Management framework. A Fraud Risk Management Committee comprising Senior Management representatives reviews matters relating to fraud risk, including corrective and remedial actions as regards people and processes.



## **Our Employees**

The Company lays great emphasis and focus on recruitment and retention of its employees which is the most valuable asset for a service industry like ours. We mainly hire professionals from the financial services industry. Our entry level talent intake program injects young talent from top Business Schools across the country.

Tata Capital's mission on creating a high performance culture has been further strengthened through areas like building a capability model (identification of critical competencies), nurturing talent through interventions such as mentoring, competency based training programs and cross functional projects.

Talent Management (Apex) is a key people planning tool that provides an integrated means of identifying, selecting, developing and retaining top talent within the organisation. Focus on behavioural and leadership traits through Learning and Development ("L&D") interventions and job rotations are planned for the employees who constitute the Talent Pool.

A robust Performance Management System helps in identification of high potential performers and ensuring adequate rewards along with career growth.

We strive to incubate and nurture an environment of equal opportunity, high growth and meritocracy through various systems and processes. A focus on learning ensures adequate training for all employees. We leverage the Tata ecosystem and internal opportunities of learning, development and mobility. Our internal communication processes and employee engagement initiatives ensure retention and long term engagement of our talent. We aspire to be an "employer of choice" in the times to come.

## **Branding and advertising**

We use the brand name "Tata Capital" for our products and services. Our brand is well recognised in India given its association with the "TATA" brand of our promoter Tata Sons Limited. The "TATA" brand is recognized as among the most valuable brands in the world in a brand survey undertaken by Brand Finance Plc., a United Kingdom based consultancy (Source: Livemint, September 16, 2008).

## **Competition**

We face competition in all our lines of businesses. Our primary competitors are other NBFCs, public sector banks, private sector banks, co-operative banks and foreign banks.

In corporate finance, the large public and private sector banks have traditionally been the market leaders. Their extensive branch network, greater local currency funding capabilities and wider range of products and services enable them to be more competitive and to capture the large as well as emerging corporate segment and expand their business.

In retail banking, our main competitors are the public sector banks, as well as existing and new private sector banks, foreign banks and co-operative banks that offer a retail loan portfolio. Both public and private sector banks with their large deposit base, technology and extensive branch network have greater reach to the retail clients. Foreign banks, although having small market penetration, have significant presence among non-resident Indians. Private sector and foreign banks with large product portfolios and technological sophistication also pose competition to us

For our fee based business, other investment banking firms, merchant banks, brokerage firms and other financial advisory firms are our main competitors. We compete with them either on the basis of reach or on the basis of product portfolios and business lines. The customer relationship, capability of people, service quality, market focus and pricing are a few key factors that influence the competitive intensity in this segment.

People being the prime asset of any service oriented businesses, our ability to strengthen our existing businesses and establish new businesses largely depends on our ability to attract qualified and highly skilled workforce and motivate and retain the existing ones. Competition is also witnessed in the recruitment and retention of skilled and professional human resources.

## **GENERAL INFORMATION**

### **Name of the issuer**

Tata Capital Financial Services Limited

### **Registered Office**

One Forbes, Dr. V. B. Gandhi Marg,  
Fort, Mumbai – 400 001  
Phone: (022) 67459000, Fax: (022) 66562699

### **Address for Correspondence**

11<sup>th</sup> Floor, Tower A, Peninsula Business Park,  
Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013  
Board Line 91 22 6606 9000, Fax 91 22 66562699

### **Registration**

- 1) Corporate Identity Number: U67100MH2010PLC210201 dated November 19, 2010
- 2) Certificate for Commencement of Business dated December 16, 2010
- 3) NBFC registration: N-13.02005 dated November 4, 2011, issued by the RBI.

### **Chief Financial Officer**

Mr. Puneet Sharma  
One Forbes, Dr. V. B. Gandhi Marg,  
Fort, Mumbai – 400 001  
Phone: (022) 67459000, Fax: (022) 66562699

### **Compliance Officer**

Ms. Avan Doomasia, Company Secretary  
11<sup>th</sup> Floor, Tower A, Peninsula Business Park,  
Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013  
Board Line 91 22 6606 9000, Fax 91 22 66562699  
Email – [avan.doomasia@tatacapital.com](mailto:avan.doomasia@tatacapital.com)

### **Grievance Redressal**

In case of any grievances relating to the issue of the NCDs by the Company, the same shall be addressed to [compliance.ncd@tatacapital.com](mailto:compliance.ncd@tatacapital.com).

### **Arrangers to the Issue**

Any designated Arranger by the Company as notified through the Pricing Supplement to the relevant Issue from time to time

### **Auditors of the Issuer**

B S R & Co. LLP  
5<sup>th</sup> Floor, Lodha Excelus,  
Apollo Mills Compound,  
N. M. Joshi Marg, Mahalaxmi,  
Mumbai – 400011

## **Board of Directors**

Details of the Directors of the Company as on November 30, 2017 are, as under:

Name, Designation and DIN	Age	Address	Director of the Company since	Details of other Directorships in Indian Companies
Mr. Farokh Nariman Subedar  Non-Executive Director  00028428	62 years	Flat No. 1, Wadia Building, 6 Babulnath Road, Grant Road, Mumbai-400007	26/03/2011	<ul style="list-style-type: none"> <li>• Tata Investment Corporation Limited-Vice-Chairman</li> <li>• Tata Petrodyne Limited</li> <li>• Tata Industries Limited</li> <li>• Tata Services Limited-Chairman</li> <li>• Tata Capital Limited</li> <li>• Tata Asset Management Limited- Chairman</li> <li>• Zoroastrian Investment Corporation Private Limited</li> <li>• Tata Realty and Infrastructure Limited.</li> <li>• Bombay Chamber Of Commerce And Industry</li> <li>• Tata AIG General Insurance Company Limited</li> <li>• Tata Sky Limited</li> </ul>
Mr. Devadas Mallya Mangalore  Non-Executive Director  01804955	65 years	11/A, Woodlands Apartments, 67 A, Pedder Road, Mumbai 400026	17/07/2017	<ul style="list-style-type: none"> <li>• Nitesh Estates Limited</li> <li>• Coffee Day Enterprises Limited</li> <li>• Interglobe Aviation Limited</li> <li>• Emami Limited</li> <li>• Seven Islands Shipping Limited</li> <li>• India Infradebt Limited</li> <li>• Milestone Capital Advisors Limited</li> <li>• Indian Institute of Insolvency Professionals of ICAI</li> <li>• CFM Asset Reconstruction Pvt. Ltd</li> </ul>
Mr. Mukund Sadashiv Dharmadhikari  Independent Director  05003224	70 years	32 01 - B wing, Bellissimo, N. M. Joshi Marg, Apollo Mills Compound, Mahalaxmi, Mumbai - 400011	28/01/2015	-
Ms. Anuradha Eknath Thakur  Independent Director  06702919	69 years	B-7, SBI Officers "Bageshree" Co-operative Housing Society, Shankar Ghanekar Marg, Prabhadevi, Mumbai-400025	28/01/2015	<ul style="list-style-type: none"> <li>• Privi Organics Limited</li> <li>• Privi Organics India Limited</li> <li>• Patnaik Steels and Alloys Limited</li> <li>• Tata Capital Housing Finance Limited</li> </ul>

Mr. Praveen Purushottam Kadle  Managing Director & CEO  00016814	60 years	224, N. C. P. A. Apartments, Nariman Point, Mumbai - 400021	19/11/2010	<ul style="list-style-type: none"> <li>• Shivakrtih Realtors LLP- Designated Partner</li> <li>• International Paper APPM Limited</li> <li>• Tata Autocomp Systems Limited- Chairman</li> <li>• Tata Cleantech Capital Limited</li> <li>• Tata Capital Limited- Managing Director &amp; CEO</li> <li>• Tata Securities Limited- Chairman</li> <li>• Tata Capital Housing Finance Limited-Chairman</li> <li>• Tata Technologies Limited</li> <li>• International Asset Reconstruction company Private Limited</li> </ul>
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**Details of change in directors since last three years (as on November 30, 2017):**

Name, Designation and DIN	Date of Appointment / Resignation	Director of the Company since (in case of resignation)	Remarks
Mr. Ishaat Hussain Non-Executive Director 00027891	Resignation (20/03/2015)	Appointment (15/03/2012)	
Mr. F. K. Kavarana Non - Executive Director 00027689	Resignation (9/6/2014)	Appointment (26/3/2011)	
Mr. H.N. Sinor Independent Director 00074905	Resignation (30/6/2014)	Appointment (26/03/2011)	
Mr. Pranab Kumar Choudhury Independent Director 00015470	Ceased to be a Director upon death (22/11/2016)	Appointment (28/01/2015)	
Ms. Anuradha Eknath Thakur Independent Director 06702919	Appointment (28/01/2015)	-	
Mr. Mukund Sadashiv Dharmadhikari Independent Director 05003224	Appointment (28/01/2015)	-	
Mr. Madhusudan Kannan Non- Executive Director 02647756	Resignation (28/10/2016)	Appointment (30/06/2015)	
Mr. M D Mallia Non Executive Director 01804955	Appointment (17/07/2017)	-	
Mr. Janki Ballabh Independent Director 00011206	Ceased to be a Director upon retirement (23/10/2017)	Appointment (26/03/2011)	

**Details of Auditor of the Company (as on November 30, 2017):**

Name	Address	Auditor Since	Remarks
B S R & Co. LLP  Regn No. 101248W/W-100022	5 <sup>th</sup> Floor, Lodha Excelus, Apollo Mills Compound, N. M. Joshi Marg, Mahalaxmi, Mumbai – 400011	21/08/2017 (FY 2017-18)	-

**Details of change in auditor since last three years:**

Name	Address	Date of Appointment / Resignation	Auditor of the Company since (in case of resignation)
Deloitte Haskins & Sells, LLP Regn No. 117366W/W-100018	Indiabulls Finance Centre, Tower 3, 32 <sup>nd</sup> Floor, Elphinstone Mill Compound, Senapati Bapat Marg, Elphinstone (West), Mumbai 400 013	Resignation (21/8/2017)	Appointment (19/7/2012)

**Credit Rating****CRISIL Limited**

CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai 400 076  
Tel: 022 – 3342 3000

**Rating**

CRISIL has assigned a rating of “[CRISIL]AA+/(stable)” to the Subordinated debt issue of the company, aggregating to Rs. 500 crore.

**Rating Rationale**

<http://www.crisil.com/ratings/credit-rating-scale.html>

**ICRA Limited**

3<sup>rd</sup> Floor, Electric Mansion, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025.  
Tel: 022-6169 3300, Fax: 022-2433 1390

**Rating**

ICRA has assigned a rating of “ICRA AA+” to the Subordinated debt issue of the company, aggregating to Rs. 500 crore.

**Rating Rationale**

<https://www.icra.in/Rationale/ShowRationaleReport/?Id=35290>

**Debenture Trustee**

IDBI Trusteeship Services Limited  
Asian Building  
Ground Floor, 17 R Kamani Marg, Mumbai 400 001  
Fax: 022- 6631 1776  
Website : [www.idbitrustee.com](http://www.idbitrustee.com)  
Contact : Mr. Nikhil Lohana  
Email: [nikhil@idbitrustee.com](mailto:nikhil@idbitrustee.com)  
SEBI Reg.No. IND000000460

The Debenture Trustee has given its consent vide letter dated April 11, 2017 to act as Debenture Trustee to the proposed issue.

All the rights and remedies of the Debenture Holders under this issue shall vest in and shall be exercised by the Debenture Trustees without reference to the Debenture Holders. All investors under this issue are deemed to have irrevocably given their authority and consent to the Debenture Trustee appointed by the Company to act as their trustees and for doing such acts and signing such documents to carry out their duty in such capacity. Any payment by the Company to the Debenture Trustees, on behalf of the Debenture Holders, shall completely and irrevocably, from the time of making such payment, discharge the Company pro tanto as regards its liability to the Debenture Holders.

The following Debenture Trust Deeds were executed by TCL and such debentures pursuant to the Scheme now stand transferred to TCFSL.

#### **Existing charges on debt contracted and permission to deal with assets charged**

1. The Company's Current Assets are charged in favour of IL&FS Trust Company Limited who is acting on behalf of various lending banks vide Deed of Hypothecation dated January 15, 2008 and Deed of Confirmation of security interest dated January 10, 2013 as annexed with various accession deeds for charge created subsequently for various lenders for Rs. 1,500,000 Lakh.

Current Assets defined as:

- a. All receivables of the Company arising out of loan, lease and hire purchase transactions
- b. All other book debts
- c. Trade Advances
- d. Such other current assets as may be identified by the Company from time to time and accepted by the Security Trustee.

As per the Security Agreement cum Deed of Hypothecation dated January 15, 2008 and Deed of Confirmation of security interest dated January 10, 2013, the Company has the right to deal with the Current Assets including the right to create further first pari-passu charge on the Current Assets, so long as the Asset Cover Ratio is maintained or until the Security Trustee or the lenders prohibit in writing such creation of a further first pari-passu charge.

2. The Secured, Redeemable Non Convertible Debentures issued under Public Issue by the Company together with payment of all interest, liquidated damages, remuneration of the Debenture Trustee and all other fees, costs, charges, expenses and other monies are secured vide Debenture Trust Deed dated February 12, 2009, read with Supplementary Debenture Trust Deed dated July 26, 2012 and Supplementary Debenture Trust Deed II dated March 12, 2014, with IL&FS Trust Company Limited for Rs. 28,819 Lakh by way of creation of charge by way of mortgage on:
  - i. Specific immovable property of the Company, and
  - ii. a charge on
    - a) Receivables arising from unsecured loans / receivable on bills discounting, trade advances given by the Company.
    - b) Such other assets which the Company may add from time to time.
    - c) Current Assets to the extent required.

Under the Debenture Trust Deed dated February 12, 2009, read with Supplementary Debenture Trust Deed dated July 26, 2012 and Supplementary Debenture Trust Deed II dated March 12, 2014, securing the Secured, Redeemable Non Convertible Debentures issued under Public Issue, the Company shall be entitled, from time to time to make further issue of Debentures and/or raise term loans or raise further funds from time to time by such other debt instruments or other securities (whether or not the same constitutes securities for the purposes of the Act or the Securities (Contracts Regulations) Act, 1956 to the public, of any section of the public in India or any part of the world, members of the Company, by way of a private placement or bilateral arrangements and / or avail of further financial and or guarantee facilities from financial institutions, banks and/or any other person(s) on the security or otherwise of its property or against any security provided by any third party security provider without the consent of the Debenture Holders. However, the Company will maintain the requisite Security Cover as required under the said Debenture Trust Deed.

3. The Secured, Redeemable, Non-Convertible Debentures issued on a private placement basis , together with interest, further interest, liquidated damages, premium, costs, charges, expenses in creation, preservation, remuneration payable to and realisation of security, remuneration of the Debenture Trustee and other monies whatsoever due and payable by the Company in respect of the Debentures are secured vide Debenture trust Deed dated August 17, 2011 for Rs. 1,00,000 Lakh by way of first pari passu charge / mortgage on the:
- i. Company's Immoveable Property, more particularly mentioned in Part A of First Schedule of the Debenture Trust Deed dated August 17, 2011;
  - ii. Company's Moveable Property, more particularly specified in Part B of First Schedule of the Debenture Trust Deed dated August 17, 2011;

Under the Debenture Trust Deed dated August 17, 2011 securing the Secured, Redeemable, Non-Convertible Debentures issued / to be issued on private placement basis, the Company is entitled with prior written permission of the Debenture Trustee to borrow/raise loans or avail of financial assistance in whatever form and also issue debentures/bonds/ other securities in any manner having pari passu ranking/second charge and change the capital structure including the issue of shares of any class, on such terms and conditions as the Company may think appropriate, without the consent of, or intimation to, the Debenture Holders or the Debenture Trustee in this connection provided that the Required Security Cover is always maintained

4. The Secured, Redeemable, Non-Convertible Debentures issued on a private placement basis , together with interest, further interest, liquidated damages, premium, costs, charges, expenses in creation, preservation, remuneration payable to and realisation of security, remuneration of the Debenture Trustee and other monies whatsoever due and payable by the Company in respect of the Debentures are secured vide Debenture trust Deed dated July 13, 2012 for Rs. 3,00,000 Lakh by way of first pari passu charge / mortgage on the:
- i. Company's Immoveable Property, more particularly mentioned in Part A of First Schedule of the Debenture Trust Deed dated July 13, 2012;
  - ii. Company's Moveable Property , more particularly specified in Part B of First Schedule of the Debenture Trust Deed July 13, 2012;

Under the Debenture Trust Deed dated July 13, 2012 securing the Secured, Redeemable, Non-Convertible Debentures issued / to be issued on private placement basis, the Company is entitled with prior written permission of the Debenture Trustee to borrow/raise loans or avail of financial assistance in whatever form and also issue debentures/bonds/ other securities in any manner having pari passu ranking/second charge and change the capital structure including the issue of shares of any class, on such terms and conditions as the Company may think appropriate, without the consent of, or intimation to, the Debenture Holders or the Debenture Trustee in this connection provided that the Required Security Cover is always maintained

5. The Secured, Redeemable, Non-Convertible Debentures issued on a private placement basis , together with interest, further interest, liquidated damages, premium, costs, charges, expenses in creation, preservation, remuneration payable to and realisation of security, remuneration of the Debenture Trustee and other monies whatsoever due and payable by the Company in respect of the Debentures are secured vide Debenture trust Deed dated March 5, 2013 for Rs.2,00,000 Lakh by way of first pari passu charge / mortgage on the:
- i. Company's Immoveable Property, more particularly mentioned in Part A of First Schedule of the Debenture Trust Deed dated March 5, 2013;
  - ii. Company's Moveable Property , more particularly specified in Part B of First Schedule of the Debenture Trust Deed March 5, 2013;

Under the Debenture Trust Deed dated March 5, 2013 securing the Secured, Redeemable, Non-Convertible Debentures issued / to be issued on private placement basis, the Company is entitled with prior written permission of the Debenture Trustee to borrow/raise loans or avail of financial assistance in whatever form and also issue debentures/bonds/ other securities in any manner having pari passu ranking/second charge and change the capital structure including the issue of shares of any class, on such terms and conditions as the Company may think appropriate, without the consent of, or intimation to, the Debenture Holders or the Debenture Trustee in this connection provided that the Required Security Cover is always maintained

6. The Secured, Redeemable, Non-Convertible Debentures issued on a private placement basis , together with interest, further interest, liquidated damages, premium, costs, charges, expenses in creation, preservation, remuneration payable to and realisation of security, remuneration of the Debenture Trustee and other monies whatsoever due and payable by the Company in respect of the Debentures are secured vide Debenture trust Deed dated July 17, 2013 and Supplementary Debenture Trust Deed dated June 13, 2014 for Rs.2,00,000 Lakh by way of first pari passu charge / mortgage on the:
  - i. Company's Immoveable Property, more particularly mentioned in Part A of First Schedule of the Debenture Trust Deed dated July 17, 2013;
  - ii. Company's Moveable Property , more particularly specified in Part B of First Schedule of the Debenture Trust Deed July 17, 2013;

Under the Debenture Trust Deed dated July 17, 2013 and Supplementary Debenture Trust Deed dated June 13, 2014 securing the Secured, Redeemable, Non-Convertible Debentures issued / to be issued on private placement basis, the Company is entitled with prior written permission of the Debenture Trustee to borrow/raise loans or avail of financial assistance in whatever form and also issue debentures/bonds/ other securities in any manner having pari passu ranking/second charge and change the capital structure including the issue of shares of any class, on such terms and conditions as the Company may think appropriate, without the consent of, or intimation to, the Debenture Holders or the Debenture Trustee in this connection provided that the Required Security Cover is always maintained

7. The Secured, Redeemable, Non-Convertible Debentures issued on a private placement basis , together with interest, further interest, liquidated damages, premium, costs, charges, expenses in creation, preservation, remuneration payable to and realisation of security, remuneration of the Debenture Trustee and other monies whatsoever due and payable by the Company in respect of the Debentures are secured vide Debenture trust Deed dated June 13, 2014 for Rs.2,00,000 Lakh by way of charge / mortgage on the:
  - i. Company's Immoveable Property, more particularly mentioned in Part A of First Schedule of the Debenture Trust Deed dated June 13, 2014;
  - ii. Company's Moveable Property , more particularly specified in Part B of First Schedule of the Debenture Trust Deed June 13, 2014;

Under the Debenture Trust Deed dated June 13, 2014 securing the Secured, Redeemable, Non-Convertible Debentures issued / to be issued on private placement basis, the Company is entitled with prior written permission of the Debenture Trustee to borrow/raise loans or avail of financial assistance in whatever form and also issue debentures/bonds/ other securities in any manner having pari passu ranking/second/ specified charge and change the capital structure including the issue of shares of any class, on such terms and conditions as the Company may think appropriate, without the consent of, or intimation to, the Debenture Holders or the Debenture Trustee in this connection provided that the Required Security Cover is always maintained.



8. The Secured, Redeemable, Non-Convertible Debentures issued on a private placement basis , together with interest, further interest, liquidated damages, premium, costs, charges, expenses in creation, preservation, remuneration payable to and realisation of security, remuneration of the Debenture Trustee and other monies whatsoever due and payable by the Company in respect of the Debentures are secured vide Debenture trust Deed dated November 10, 2014 for Rs.2,00,000 Lakh by way of charge / mortgage on the:

- i. Company's Immoveable Property, more particularly mentioned in Part A of First Schedule of the Debenture Trust Deed dated November 10, 2014;
- ii. Company's Moveable Property , more particularly specified in Part B of First Schedule of the Debenture Trust Deed November 10, 2014;

Under the Debenture Trust Deed dated November 10, 2014 securing the Secured, Redeemable, Non-Convertible Debentures issued / to be issued on private placement basis, the Company is entitled with prior written permission of the Debenture Trustee to borrow/raise loans or avail of financial assistance in whatever form and also issue debentures/bonds/ other securities in any manner having pari passu ranking/second/ specified charge and change the capital structure including the issue of shares of any class, on such terms and conditions as the Company may think appropriate, without the consent of, or intimation to, the Debenture Holders or the Debenture Trustee in this connection provided that the Required Security Cover is always maintained.

9. The Secured, Redeemable, Non-Convertible Debentures issued on a private placement basis , together with interest, liquidated damages, costs, charges, expenses in creation, preservation, remuneration payable to and realisation of security, remuneration of the Debenture Trustee and other monies whatsoever due and payable by the Company in respect of the Debentures are secured vide Debenture trust Deed dated February 9, 2015 for Rs.3,00,000 Lakh by way of charge / mortgage on the:

- i. Company's Immoveable Property, more particularly mentioned in Part A of First Schedule of the Debenture Trust Deed dated February 9, 2015;
- ii. Company's Moveable Property , more particularly specified in Part B of First Schedule of the Debenture Trust Deed February 9, 2015;

Under the Debenture Trust Deed dated February 9, 2015 securing the Secured, Redeemable, Non-Convertible Debentures issued / to be issued on private placement basis, the Company is entitled with prior written permission of the Debenture Trustee to borrow/raise loans or avail of financial assistance in whatever form and also issue debentures/bonds/ other securities in any manner having pari passu ranking/second/ specified charge and change the capital structure including the issue of shares of any class, on such terms and conditions as the Company may think appropriate, without the consent of, or intimation to, the Debenture Holders or the Debenture Trustee in this connection provided that the Required Security Cover is always maintained.

10. The Secured, Redeemable, Non-Convertible Debentures issued on a private placement basis, together with interest, liquidated damages, costs, charges, expenses in creation, preservation, remuneration payable to and realisation of security, remuneration of the Debenture Trustee and other monies whatsoever due and payable by the Company in respect of the Debentures are secured vide Debenture trust Deed dated June 3, 2015 for Rs.2,00,000 Lakh by way of charge / mortgage on the:

- i. Company's Immoveable Property, more particularly mentioned in Part A of First Schedule of the Debenture Trust Deed dated June 3, 2015;
- ii. Company's Moveable Property , more particularly specified in Part B of First Schedule of the Debenture Trust Deed June 3, 2015;

Under the Debenture Trust Deed dated June 3, 2015 securing the Secured, Redeemable, Non-Convertible Debentures issued / to be issued on private placement basis, the Company is entitled with prior written permission of the Debenture Trustee to borrow/raise loans or avail of financial assistance in whatever form and also issue debentures/bonds/ other securities in any manner having pari passu ranking/second/ specified charge and change the capital structure including the issue of shares of any class, on such terms and conditions as the Company may think appropriate, without the consent of, or intimation to, the Debenture Holders or the Debenture Trustee in this connection provided that the Required Security Cover is always maintained.

11. The Secured, Redeemable, Non-Convertible Debentures issued on a private placement basis, together with interest, liquidated damages, costs, charges, expenses in creation, preservation, remuneration payable to and realisation of security, remuneration of the Debenture Trustee and other monies whatsoever due and payable by the Company in respect of the Debentures are secured vide Debenture trust Deed dated August 14, 2015 for Rs.1,00,000 Lakh by way of charge / mortgage on the:

- i. Company's Immoveable Property, more particularly mentioned in Part A of First Schedule of the Debenture Trust Deed dated August 14, 2015;
- ii. Company's Moveable Property , more particularly specified in Part B of First Schedule of the Debenture Trust Deed August 14, 2015;

Under the Debenture Trust Deed dated August 14, 2015 securing the Secured, Redeemable, Non-Convertible Debentures issued / to be issued on private placement basis, the Company is entitled with prior written permission of the Debenture Trustee to borrow/raise loans or avail of financial assistance in whatever form and also issue debentures/bonds/ other securities in any manner having pari passu ranking/second/ specified charge and change the capital structure including the issue of shares of any class, on such terms and conditions as the Company may think appropriate, without the consent of, or intimation to, the Debenture Holders or the Debenture Trustee in this connection provided that the Required Security Cover is always maintained.

12. The Secured, Redeemable, Non-Convertible Debentures issued on a private placement basis, together with interest, liquidated damages, costs, charges, expenses in creation, preservation, remuneration payable to and realisation of security, remuneration of the Debenture Trustee and other monies whatsoever due and payable by the Company in respect of the Debentures are secured vide Debenture trust Deed dated April 12, 2016 for Rs.2,00,000 Lakh by way of charge / mortgage on the:

- i. Company's Immoveable Property, more particularly mentioned in Part A of First Schedule of the Debenture Trust Deed dated April 12, 2016;
- ii. Company's Moveable Property , more particularly specified in Part B of First Schedule of the Debenture Trust Deed April 12, 2016;

Under the Debenture Trust Deed dated April 12, 2016 securing the Secured, Redeemable, Non-Convertible Debentures issued / to be issued on private placement basis, the Company is entitled with prior written permission of the Debenture Trustee to borrow/raise loans or avail of financial assistance in whatever form and also issue debentures/bonds/ other securities in any manner having pari passu ranking/second/ specified charge and change the capital structure including the issue of shares of any class, on such terms and conditions as the Company may think appropriate, without the consent of, or intimation to, the Debenture Holders or the Debenture Trustee in this connection provided that the Required Security Cover is always maintained.

13. The Secured, Redeemable, Non-Convertible Debentures issued on a private placement basis, together with interest, liquidated damages, costs, charges, expenses in creation, preservation, remuneration payable to and realisation of security, remuneration of the Debenture Trustee and other monies whatsoever due and payable by the Company in respect of the Debentures are secured vide Debenture trust Deed dated May 31, 2016 for Rs. 27,200 Lakh and First Amendment to the Debenture Trust Deed dated October 26, 2016 by way of charge / mortgage on the:

- i. Company's Immoveable Property, more particularly mentioned in Part A of First Schedule of the Debenture Trust Deed dated May 31, 2016;
- ii. Company's Moveable Property , more particularly specified in Part B of First Schedule of the Debenture Trust Deed May 31, 2016;

Under the Debenture Trust Deed dated May 31, 2016 securing the Secured, Redeemable, Non-Convertible Debentures issued / to be issued on private placement basis, the Company is entitled with prior written permission of the Debenture Trustee to borrow/raise loans or avail of financial assistance in whatever form and also issue debentures/bonds/ other securities in any manner having pari passu ranking/second/ specified charge and change the capital structure including the issue of

shares of any class, on such terms and conditions as the Company may think appropriate, without the consent of, or intimation to, the Debenture Holders or the Debenture Trustee in this connection provided that the Required Security Cover is always maintained.

14. The Secured, Redeemable, Non-Convertible Debentures issued on a private placement basis, together with interest, liquidated damages, costs, charges, expenses in creation, preservation, remuneration payable to and realisation of security, remuneration of the Debenture Trustee and other monies whatsoever due and payable by the Company in respect of the Debentures are secured vide Debenture trust Deed dated September 29, 2016 for Rs. 72,800 Lakh by way of charge / mortgage on the:

- i. Company's Immoveable Property, more particularly mentioned in Part A of First Schedule of the Debenture Trust Deed dated September 29, 2016;
- ii. Company's Moveable Property , more particularly specified in Part B of First Schedule of the Debenture Trust Deed September 29, 2016;

Under the Debenture Trust Deed dated September 29, 2016 securing the Secured, Redeemable, Non-Convertible Debentures issued / to be issued on private placement basis, the Company is entitled with prior written permission of the Debenture Trustee to borrow/raise loans or avail of financial assistance in whatever form and also issue debentures/bonds/ other securities in any manner having pari passu ranking/second/ specified charge and change the capital structure including the issue of shares of any class, on such terms and conditions as the Company may think appropriate, without the consent of, or intimation to, the Debenture Holders or the Debenture Trustee in this connection provided that the Required Security Cover is always maintained.

15. The Secured, Redeemable, Non-Convertible Debentures issued on a private placement basis, together with interest, liquidated damages, costs, charges, expenses in creation, preservation, remuneration payable to and realisation of security, remuneration of the Debenture Trustee and other monies whatsoever due and payable by the Company in respect of the Debentures are secured vide Debenture trust Deed dated November 25, 2016 for Rs. 3,00,000 Lakh by way of charge / mortgage on the:

- i. Company's Immoveable Property, more particularly mentioned in Part A of First Schedule of the Debenture Trust Deed dated November 25, 2016;
- ii. Company's Moveable Property , more particularly specified in Part B of First Schedule of the Debenture Trust Deed November 25, 2016;

Under the Debenture Trust Deed dated November 25, 2016 securing the Secured, Redeemable, Non-Convertible Debentures issued / to be issued on private placement basis, the Company is entitled with prior written permission of the Debenture Trustee to borrow/raise loans or avail of financial assistance in whatever form and also issue debentures/bonds/ other securities in any manner having pari passu ranking/second/ specified charge and change the capital structure including the issue of shares of any class, on such terms and conditions as the Company may think appropriate, without the consent of, or intimation to, the Debenture Holders or the Debenture Trustee in this connection provided that the Required Security Cover is always maintained.

16. The Secured, Redeemable, Non-Convertible Debentures issued on a private placement basis, together with interest, liquidated damages, costs, charges, expenses in creation, preservation, remuneration payable to and realisation of security, remuneration of the Debenture Trustee and other monies whatsoever due and payable by the Company in respect of the Debentures are secured vide Debenture trust Deed dated June 22, 2017 for Rs. 3,00,000 Lakh by way of charge / mortgage on the:

- i. Company's Immoveable Property, more particularly mentioned in Part A of First Schedule of the Debenture Trust Deed dated June 22, 2017;
- ii. Company's Moveable Property , more particularly specified in Part B of First Schedule of the Debenture Trust Deed June 22, 2017;

Under the Debenture Trust Deed dated June 22, 2017 securing the Secured, Redeemable, Non-Convertible Debentures issued / to be issued on private placement basis, the Company is entitled with prior written permission of the Debenture Trustee to borrow/raise loans or avail of financial assistance in whatever form and also issue debentures/bonds/ other securities in any manner having pari passu ranking/second/ specified charge and change the capital structure including the issue of shares of any class, on such terms and conditions as the Company may think appropriate, without the consent of, or intimation to, the Debenture Holders or the Debenture Trustee in this connection provided that the Required Security Cover is always maintained.

17. The Secured, Redeemable, Non-Convertible Debentures issued on a private placement basis, together with interest, liquidated damages, costs, charges, expenses in creation, preservation, remuneration payable to and realisation of security, remuneration of the Debenture Trustee and other monies whatsoever due and payable by the Company in respect of the Debentures are secured vide Debenture trust Deed dated December 5, 2017 for Rs. 2,00,000 Lakh by way of charge / mortgage on the:

- i. Company's Immoveable Property, more particularly mentioned in Part A of First Schedule of the Debenture Trust Deed dated December 5, 2017;
- ii. Company's Moveable Property , more particularly specified in Part B of First Schedule of the Debenture Trust Deed December 5, 2017;

Under the Debenture Trust Deed dated December 5, 2017 securing the Secured, Redeemable, Non-Convertible Debentures issued / to be issued on private placement basis, the Company is entitled with prior written permission of the Debenture Trustee to borrow/raise loans or avail of financial assistance in whatever form and also issue debentures/bonds/ other securities in any manner having pari passu ranking/second/ specified charge and change the capital structure including the issue of shares of any class, on such terms and conditions as the Company may think appropriate, without the consent of, or intimation to, the Debenture Holders or the Debenture Trustee in this connection provided that the Required Security Cover is always maintained.

**Note:**

The secured Charges mentioned under Serial No. 1 to 3 above were registered under the name of Tata Capital Limited, prior to the Scheme taking effect.

Subsequently, upon the Scheme becoming effective on March 27, 2012, *inter alia*, all the above charges stood transferred from TCL to the Company. However, since there was no mechanism for automatic transfer of charges recorded with Registrar of Companies (ROC) under the MCA portal, the Company filed fresh Forms for creation of the said charges with the ROC and filed petition with the Regional Director for condonation of delay in registering the charge.

In view of the above, the Hon'ble Regional Director passed Orders condoning the delay in registering the aforesaid charges. The Company had filed the said Orders with the ROC for registering the charges in the name of the Company and accordingly, the said charges were registered in the name of the Company. Thereafter, TCL file satisfaction for all the said charges.

**The Company has issued Unsecured Redeemable, Non-Convertible Debentures and details of the trust deeds executed in this regard are as below:**

1. The Unsecured NCDs issued on private placement basis by the Company are unsecured and subordinated to the claims of all creditors. The Company has executed Debenture Trust Deed upto an amount of Rs. 1,00,000 Lakh with IDBI Trusteeship Services Limited on August 3, 2009 for the above Subordinated Debentures.

Under the Trustee Agreement, the Company is required to inform the Trustees of further issue of Debentures and / or raise term loans or raise any further funds from time to time from such persons / banks / financial institutions / body corporate / any other agency.

2. The Unsecured NCDs issued on private placement basis by the Company are unsecured and subordinated to the claims of all creditors. The Company has executed Trustee Agreement upto an amount of Rs. 30,000 Lakh with IDBI Trusteeship Services Limited on December 30, 2010 read with Supplementary Debenture Trust Deed dated August 17, 2012, and Supplementary Debenture Trust Deed dated March 25, 2014, for the above Perpetual Debentures.

The Company shall be entitled to make further issue of Debentures and/or raise further loans and/or avail of further deferred payment/guarantee facilities from time to time for such amounts and from such persons/public financial institutions/banks or any other financial corporations or body corporate without the consent of, or intimation to, the Debenture Holders or the Debenture Trustee in this connection.

3. The Unsecured NCDs issued on private placement basis by the Company are unsecured and subordinated to the claims of all creditors. The Company has executed Trustee Agreement upto an amount of Rs. 50,000 Lakh with IDBI Trusteeship Services Limited on September 16, 2014 for the above Subordinated Debentures.

Under the Trustee Agreement, the Company is required to inform the Trustees of further issue of Debentures and / or raise term loans or raise any further funds from time to time from such persons / banks / financial institutions / body corporate / any other agency.

4. The Unsecured NCDs issued on private placement basis by the Company are unsecured and par with all other unsecured creditors but senior to Subordinated Debt and Perpetual Debt. The Company has executed Trustee Agreement upto an amount of Rs. 50,000 Lakh with IDBI Trusteeship Services Limited on August 5, 2015 for the above Unsecured Debentures.

Under the Trustee Agreement, the Company is required to inform the Trustees of further issue of Debentures and / or raise term loans or raise any further funds from time to time from such persons / banks / financial institutions / body corporate / any other agency.

5. The Unsecured NCDs issued on private placement basis by the Company are unsecured and subordinated to the claims of all creditors. The Company has executed Debenture Trust Deed upto an amount not exceeding Rs. 50,000 Lakh with IDBI Trusteeship Services Limited on October 7, 2015 for the above Subordinated Debentures.

Under the Trustee Agreement, the Company is required to inform the Trustees of further issue of Debentures and / or raise term loans or raise any further funds from time to time from such persons / banks / financial institutions / body corporate / any other agency

6. The Unsecured NCDs issued on private placement basis by the Company are unsecured Non Convertible Debenture to the claims of all creditors. The Company has executed Trustee Agreement upto an amount of Rs. 50,000 Lakh with IDBI Trusteeship Services Limited on January 22, 2016.

Under the Trustee Agreement, the Company is required to inform the Trustees of further issue of Debentures and / or raise term loans or raise any further funds from time to time from such persons / banks / financial institutions / body corporate / any other agency

7. The Unsecured NCDs issued on private placement basis by the Company are unsecured and subordinated to the claims of all creditors. The Company has executed Trustee Agreement upto an amount of Rs. 30,000 Lakh with IDBI Trusteeship Services Limited on February 8, 2016, for the above Perpetual Debentures.

The Company shall be entitled to make further issue of Debentures and/or raise further loans and/or avail of further deferred payment/guarantee facilities from time to time for such amounts and from such persons/public financial institutions/banks or any other financial corporations or body corporate without the consent of, or intimation to, the Debenture Holders or the Debenture Trustee in this connection.

8. The Unsecured NCDs issued on private placement basis by the Company are unsecured Non Convertible Debenture to the claims of all creditors. The Company has executed Trustee Agreement upto an amount of Rs. 1,00,000 Lakh with IDBI Trusteeship Services Limited on September 26, 2016.

Under the Trustee Agreement, the Company is required to inform the Trustees of further issue of Debentures and / or raise term loans or raise any further funds from time to time from such persons / banks / financial institutions / body corporate / any other agency

9. The Unsecured NCDs issued on private placement basis by the Company are unsecured and subordinated to the claims of all creditors. The Company has executed Trustee Agreement upto an amount of Rs. 19,300 Lakh with IDBI Trusteeship Services Limited on April 28, 2017, for the above Perpetual Debentures.

The Company shall be entitled to make further issue of Debentures and/or raise further loans and/or avail of further deferred payment/guarantee facilities from time to time for such amounts and from such persons/public financial institutions/banks or any other financial corporations or body corporate without the consent of, or intimation to, the Debenture Holders or the Debenture Trustee in this connection.

10. The Unsecured NCDs issued on private placement basis by the Company are unsecured and subordinated to the claims of all creditors. The Company has executed Trustee Agreement upto an amount of Rs. 50,000 Lakh with IDBI Trusteeship Services Limited on May 8, 2017 for the above Subordinated Debentures.

Under the Trustee Agreement, the Company is required to inform the Trustees of further issue of Debentures and / or raise term loans or raise any further funds from time to time from such persons / banks / financial institutions / body corporate / any other agency.

11. The Unsecured NCDs issued on private placement basis by the Company are unsecured and subordinated to the claims of all creditors. The Company has executed Trustee Agreement upto an amount of Rs. 30,000 Lakh with IDBI Trusteeship Services Limited on December 12, 2017, for the above Perpetual Debentures.

The Company shall be entitled to make further issue of Debentures and/or raise further loans and/or avail of further deferred payment/guarantee facilities from time to time for such amounts and from such persons/public financial institutions/banks or any other financial corporations or body corporate without the consent of, or intimation to, the Debenture Holders or the Debenture Trustee in this connection.

## (VI) FINANCIAL INFORMATION

TATA CAPITAL FINANCIAL SERVICES LIMITED			
CONDENSED STATEMENT OF PROFIT AND LOSS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2017			
Particulars	For the Half Year ended September 30, 2017 (Audited)	For the Half Year ended September 30, 2016 (Audited)	For the Year ended March 31, 2017 (Audited)
	(Rs. In lakh)	(Rs. In lakh)	(Rs. In lakh)
I Revenue from operations	203,817	183,497	385,227
II Investment income	227	4,805	5,548
III Other income	16,565	14,278	28,429
<b>IV Total Revenue (I + II + III)</b>	<b>220,609</b>	<b>202,580</b>	<b>419,204</b>
<b>V Expenses :</b>			
Finance costs	108,544	111,112	221,162
Employee benefit expenses	19,678	17,461	35,438
Other operating expenses	46,818	51,146	114,535
Depreciation and amortisation	11,975	6,878	14,273
Amortisation of expenses	295	309	549
<b>Total expenses</b>	<b>187,310</b>	<b>186,906</b>	<b>385,957</b>
<b>VI Profit before tax (IV - V)</b>	<b>33,299</b>	<b>15,674</b>	<b>33,247</b>
<b>VII Tax expense</b>	<b>11,963</b>	<b>5,596</b>	<b>11,649</b>
<b>VIII Profit after tax (VI - VII)</b>	<b>21,336</b>	<b>10,078</b>	<b>21,598</b>
<b>IX Earnings per equity share:</b>			
(1) Basic (in Rupees)	*1.25	*0.65	1.27
(2) Diluted (in Rupees)	*1.25	*0.65	1.27
Face Value of share (in Rupees)	10	10	10

\* (not annualised)

**TATA CAPITAL FINANCIAL SERVICES LIMITED**

**CONDENSED BALANCE SHEET AS AT SEPTEMBER 30, 2017**

Particulars	As at September 30, 2017	As at March 31, 2017
	Rs in lakh	Rs in lakh
<b>I. EQUITY AND LIABILITIES</b>		
1. Shareholders' funds		
(a) Share Capital	224,255	224,255
(b) Reserves and Surplus	200,932	182,153
	<b>425,187</b>	<b>406,408</b>
2. Non-current liabilities		
(a) Long-term borrowings	1,250,972	945,684
(b) Other long-term liabilities	6,622	7,019
(c) Long-term provisions	31,396	36,481
	<b>1,288,990</b>	<b>989,184</b>
3. Current liabilities		
(a) Short-term borrowings	998,795	1,006,630
(b) Trade payables		
(i) Total outstanding dues of micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	46,410	44,364
(c) Other current liabilities	677,328	897,202
(d) Short-term provisions	107,635	106,049
	<b>1,830,168</b>	<b>2,054,245</b>
<b>TOTAL</b>	<b>3,544,345</b>	<b>3,449,837</b>
<b>II. ASSETS</b>		
1. Non-Current assets		
(a) Fixed Assets		
(i) Tangible assets	66,754	77,052
(ii) Intangible assets	2,337	1,109
(iii) Capital work-in-progress	110	518
(iv) Intangible assets under development	79	655
	<b>69,280</b>	<b>79,334</b>
(b) Non-current investments	24,974	26,109
(c) Deferred tax assets (net)	46,191	43,483
(d) Long-term Loans and advances - financing activity	1,565,204	1,515,844
(e) Long-term Loans and advances - others	23,858	21,511
(f) Other non-current assets	6,412	6,839
	<b>1,666,639</b>	<b>1,613,786</b>
2. Current assets		
(a) Current investments	443	794
(b) Trade receivables	5,468	2,049
(c) Cash and bank balances	5,977	7,340
(d) Short-term Loans and advances - financing activity	1,761,350	1,704,903
(e) Short-term Loans and advances - others	17,859	26,603
(f) Other current assets	17,329	15,028
	<b>1,808,426</b>	<b>1,756,717</b>
<b>TOTAL</b>	<b>3,544,345</b>	<b>3,449,837</b>



**Notes:**

- 1 The above results have been reviewed by the Audit Committee and have been approved and taken on record by the Board of Directors at their respective meetings held on November 02, 2017.
- 2 To comply with the RBI Master Direction DNBR - PD 008/03.10.119/2016-17 - RBI/DNBR/2016-17/45 dated September 01, 2016, the Company has made an incremental standard asset provision of Rs. 1,531 lakh being 0.05% (Current year 2017-18: 0.40%, Previous year 2016-17: 0.35%) of Standard Assets as of March 31, 2017.
- 3 During the half year ended September 30, 2017, the Company has changed its NPA provisioning policy based on the RBI Master Direction DNBR - PD 008/03.10.119/2016-17 - RBI/DNBR/2016-17/45 dated September 01, 2016 pursuant to which loans outstanding for a period exceeding 90 days are classified as sub-standard assets and sub-standard assets for a period exceeding 12 months are classified as doubtful assets. The debit to the Statement of Profit and Loss on account of the change is Rs. 1,358 lakh and Rs. 868 lakh, respectively.  
During the corresponding half year ended September 30, 2016, the Company had changed its NPA provisioning policy based on the above circular, pursuant to which loans outstanding for a period exceeding 120 days were classified as sub-standard assets and sub-standard assets for a period exceeding 14 months were classified as doubtful assets. The debit to the Statement of Profit and Loss on account of the change was Rs. 2,801 lakh and Rs. 2,312 lakh, respectively.
- 4 During the previous year ended March 31, 2017, the Company had changed its accounting policy with respect to amortisation of deferred revenue expenditure for share issue expenses. The Company now charges off the share issue expenses against amount standing to the credit of the Securities Premium Account. Prior to this change, the Company amortised the said share issue expenses over a period of 36 months from the month in which the expenses were incurred. The change in accounting policy is in accordance with the provisions of Section 52 of the Companies Act 2013, and it would result in a more appropriate presentation of financial statements of the Company.  
On account of the change in the accounting policy, the Profit Before Tax was higher by Rs. 76 lakh (net of taxes, as applicable) for the period ended March 31, 2017 and deferred revenue expenditure was lower by Rs. 77 lakh (net of taxes, as applicable) as on March 31, 2017.
- 5 During the half year ended September 30, 2017, the Company has re-assessed the useful life of its leased assets and has changed the life of the assets given on operating lease. As a result of the change in the useful life of the asset, depreciation for half year ended September 30, 2017 is higher by Rs. 4,576 lakh.
- 6 In the previous year ended March 31, 2017, the Company had provided/written off certain amounts comprising carrying value of investments acquired in settlement of claim, Goodwill, loans and credit substitutes and investment in the Statement of Profit and Loss. The Shareholders of the Company at its meeting held on June 24, 2016, approved a Reduction of Share Capital (Securities Premium Account) in accordance with Section 52 of the Companies Act, 2013 read with Sections 100 to 103 of the Companies Act, 1956. The Hon'ble High Court of Judicature at Bombay approved the said arrangement by way of order dated August 5, 2016 which was filed with the Registrar of Companies on August 26, 2016. Pursuant to the order, the Company had credited its Statement of Profit and Loss for the financial year ended March 31, 2017 by appropriating an amount of Rs 40,558 lakh being the aggregate amount of (i) investments acquired in settlement of claim written off Rs. 14,318 lakh, (ii) goodwill written off Rs. 7,804 lakh, (iii) loans and credit substitutes provided Rs. 31,789 lakh and (iv) mark to market loss on current investment provided Rs. 349 lakh (net of taxes as applicable) from the amount standing to the credit of Securities Premium Account.  
The aforementioned disclosure is made by the Company pursuant to the Institute of Chartered Accountant of India's guidance on disclosures relating to court order.
- 7 Information as required by Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as per Annexure '1' attached.
- 8 Previous period's / year's figures have been regrouped/reclassified wherever necessary to correspond with the current period's / year's classification/ disclosure.
- 9 Previous period's / year's figures have been audited by other auditor.

**For Tata Capital Financial Services Limited**

**Praveen P. Kadle**  
Managing Director & CEO  
DIN No. : 00016814

Place : Mumbai  
Date : November 02, 2017

**Annexure 1**  
**Additional Information**

a) Credit rating

Products	Rating
(a) Commercial Paper	ICRA A1+ , CRISIL A1+
(b ) Debentures	Secured/Unsecured Non Convertible Debentures ICRA AA+, CRISIL AA+ and CARE AA+. Tier II Debentures ICRA AA+, CRISIL AA+ and CARE AA+ Perpetual Debentures CRISIL AA, CARE AA and ICRA AA
(c) Bank Loan Facility	Short Term Bank Loans ICRA A1+ Long Term Bank Loans ICRA AA+ and CARE AA+

b) Asset Cover available for non convertible debt securities : NA

c) Debt Equity ratio: 7.08 times (Debt equity ratio is (long term borrowings + short term borrowings + current maturities of long term borrowings + interest accrued on borrowings) / Net worth.)

d) Previous due date for the payment of interest/ dividend for non-convertible redeemable preference shares/ repayment of principal of non-convertible preference shares/ non convertible debt securities and whether the same has been paid or not; (Refer Annexure "A"). The Company has not issued any non-convertible redeemable preference shares.

e) Next due date for the payment of interest/ dividend of non-convertible preference shares/ principal along with the amount of interest/ dividend of non-convertible preference shares payable and the redemption amount (Refer Annexure "A"). The Company has not issued any non-convertible redeemable preference shares.

f) Debt service coverage ratio: NA

g) Interest service coverage ratio: NA

h) Outstanding redeemable preference shares (Quantity & value) : Since the Company does not have Outstanding redeemable preference shares this clause is not applicable.

i) Debenture Redemption Reserve: Rs.30,000 lakh

j) Net Worth : Rs. 408,744 lakh . (Net Worth is equal to share capital plus reserves & surplus less deferred revenue expenditure.)

k) Net profit after tax: Rs. 21,336 lakh

l) Earnings per share: Rs. 1.25 (Basic and Diluted, not annualised)

m) There was no material deviation in the use of the proceeds of the issue of Non Convertible Debt Securities.

The details of Debentures mentioned under point no (d) and (e) above are available on the below link under "Investor Information and Financials/Financials/Financial Results 2017-18/Financial Results: September 30, 2017":

<http://www.tatacapitalfinancialservices.com/investorinfo.htm>

(Rs. in crore)

**Key operational and financial parameters - Consolidated basis (wherever available, else on standalone basis) for the last 3 (three) audited years in the table below.**

Particulars	As at September 30, 2017	FY 2016- 17	FY 2015- 16	FY 2014- 15
Networth	4,087	3,895	3,463	3,202
Total Debt of which:	28,260	27,284	25,386	21,228
- Non Current maturities of Long Term Borrowing	12,510	9,457	11,855	10,075
- Short Term Borrowing	9,988	10,066	9,733	7,078
- Current maturities of Long Term Borrowing	5,762	7,761	3,798	4,075
Net Fixed Assets	693	793	713	593
Non Current Assets	15,974	15,345	15,052	11,808
Cash and Cash Equivalents	60	73	45	44
Current Investments	4	8	29	10
Current Assets	18,020	17,486	14,750	13,290
Current Liabilities	2,552	2,715	1,614	1,232
Assets under Management	-	-	-	-
Off Balance Sheet Item – Contingent Liabilities and capital commitments	18	45	40	12
Interest Income	2,038	3,852	3,178	2,790
Interest Expense	1,085	2,212	1,941	1,819
Provisioning & Write –offs	175	607	336	396
PAT	213	216	266	187
Gross NPA (%)	4.55	4.94	5.34	5.71
Net NPA (%)	1.28	1.22	3.13	3.78
Tier I Capital Adequacy Ratio (%)	12.00	11.78	11.79	11.31
Tier II Capital Adequacy Ratio (%)	4.47	4.29	4.55	4.60

**ABRIDGED VERSION OF AUDITED STANDALONE FINANCIAL INFORMATION (LIKE PROFIT & LOSS STATEMENT, BALANCE SHEET AND CASH FLOW STATEMENT) FOR AT LEAST LAST THREE YEARS AND AUDITOR QUALIFICATIONS, IF ANY.**

The Financials Results and the Annual Reports are available on the link below:

<http://www.tatacapitalfinancialservices.com/Investorinfo.htm>

**ABRIDGED VERSION OF LATEST AUDITED/ LIMITED REVIEW HALF YEARLY CONSOLIDATED (WHEREVER AVAILABLE) AND STANDALONE FINANCIAL INFORMATION (LIKE PROFIT & LOSS STATEMENT, AND BALANCE SHEET) AND AUDITORS QUALIFICATIONS, IF ANY.**

The Financials Results and the Annual Reports are available on the link below:

<http://www.tatacapitalfinancialservices.com/Investorinfo.htm>

**Project Cost and means of financing, in case of funding new projects**

Not Applicable

## **(VII) BRIEF HISTORY, CAPITAL STRUCTURE AND OBJECTS OF THE ISSUE**

### **Brief History**

Tata Capital Financial Services Limited ("Company" or "TCFSL") is a wholly owned subsidiary of Tata Capital Limited ("TCL") and a Systemically Important Non Deposit Accepting Non Banking Finance Company, having received a Certificate of Registration from the Reserve Bank of India ("RBI") in this regard, on November 4, 2011.

Pursuant to the Notifications issued by the RBI for a Core Investment Company ("CIC"), TCL got itself reorganized as a CIC by transferring, at book value, the business of its Corporate Finance Division and Consumer Finance Division, along with its investments in non-group companies to TCFSL, with effect from the Appointed Date of April 1, 2011. This transfer was effected through a Scheme of Arrangement between TCL and TCFSL ("Scheme") under a court process under Sections 391-394 of the Companies Act, 1956 ("Act"). The said Scheme was sanctioned by the Hon'ble High Court of Judicature at Bombay vide its Orders dated October 14, 2011, February 24, 2012 and March 12, 2012. The Scheme became effective on March 27, 2012 and accordingly, the aforementioned businesses, employees, non-group investments, assets, liabilities, etc. (more particularly referred to as 'Transferred Undertaking' in the Scheme), stood transferred from TCL to the Company, with effect from the Appointed Date.

### **Share Capital of the Company as on November 30, 2017 was, as under:**

Particulars	Amount (in Rs.)
<b>Share Capital</b>	
<b>Authorised</b>	
250,00,00,000 Equity Shares of Rs. 10 each	25,00,00,00,000
300,00,00,000 Preference Shares of Rs. 10 each	30,00,00,00,000
<b>Total</b>	<b>55,00,00,00,000</b>
<b>Issued</b>	
1,29,75,50,000 Equity Shares of Rs. 10 each	12,97,55,00,000
94,50,00,000 Preference Shares of Rs. 10 each	945,00,00,000
<b>Total</b>	<b>22,42,55,00,000</b>
<b>Subscribed &amp; Paid Up</b>	
1,29,75,50,000 Equity Shares of Rs. 10 each	12,97,55,00,000
94,50,00,000 Preference Shares of Rs. 10 each	945,00,00,000
<b>Total</b>	<b>22,42,55,00,000</b>

### **Changes in the Authorised Capital of the Company for the last five years (as on November 30, 2017):**

Date of AGM / EGM	Amount in Rs	Particulars
Upon Incorporation (19/11/2010)	5,00,00,000	The Authorised share capital of the Company at the time of incorporation was Rs. 5,00,00,000/- divided into 50,00,000 Equity shares of Rs.10/- each.
15/3/2012 (EGM)	2500,00,00,000	The Authorised share capital of the Company was increased from Rs.5,00,00,000 divided into 50,00,000 Equity Shares of Rs.10/- each to Rs.2500,00,00,000/- divided into 250,00,00,000 Equity Shares of Rs.10/- each.
30/06/2015 (AGM)	3000,00,00,000	The Authorised share capital of the Company was increased from Rs. 2500,00,00,000 divided into 250,00,00,000 Equity Shares of Rs.10/- each to Rs.3000,00,00,000/- divided into 250,00,00,000 Equity Shares of Rs.10/- each and 50,00,00,000 Preference Shares of Rs. 10 each.

26/03/2016 (EGM)	3500,00,00,000	The Authorised share capital of the Company was increased from Rs. 3000,00,00,000 divided into 250,00,000 Equity Shares of Rs.10/- each and 50,00,00,000 Preference Shares of Rs. 10 to Rs.3500,00,00,000/- divided into 250,00,00,000 Equity Shares of Rs.10/- each and 100,00,00,000 Preference Shares of Rs. 10 each.
24/06/2016 (EGM)	4000,00,00,000	The Authorised share capital of the Company was increased from Rs. 3500,00,00,000 divided into 250,00,000 Equity Shares of Rs.10/- each and 100,00,00,000 Preference Shares of Rs. 10 to Rs. 4000,00,00,000/- divided into 250,00,00,000 Equity Shares of Rs.10/- each and 150,00,00,000 Preference Shares of Rs. 10 each.
27/03/2017 (EGM)	5500,00,00,000	The Authorised share capital of the Company was increased from Rs. 4000,00,00,000 divided into 250,00,000 Equity Shares of Rs.10/- each and 150,00,00,000 Preference Shares of Rs. 10 to Rs. 5500,00,00,000/- divided into 250,00,00,000 Equity Shares of Rs.10/- each and 300,00,00,000 Preference Shares of Rs. 10 each.

**Equity Share Capital History of the Company for the last 5 years (as on November 30, 2017):**

Date of Allotment	No. of Shares (in Thousands)	Face Value (Rs.)	Issue Price Per Share (Rs.)	Consideration (in Rs. Thousands)	Nature of Allotment	Cumulative Capital (Rs.)		
						No of Equity Shares (in Thousands)	Equity Share Capital (in Rs. Thousands)	Equity Share Premium (in Rs. Thousands)
19/11/10	50	10	10	500	Subscription to the Memorandum of Association	50	500	-
07/02/11	25,00	10	10	25,000	Rights Issue at par	2,550	25,500	-
28/03/12	12,95,000	10	20 (inclusive of premium)	2,59,00,000	Rights Issue at premium	12,97,550	1,29,75,500	1,29,50,000

**Preference Share Capital history of the Company for the last 5 years (as on November 30, 2017)**

Date of Allotment	No. of Preference Shares	Face Value (Rs.)	Issue Price Per Share (Rs.)	Consideration (in Rs. )	Nature of Allotment	Cumulative Capital (Rs.)		
						No of Preference Shares	Preference Share Capital (in Rs.)	Preference Share Premium (in Rs.)
29/09/15	3,50,00,000	10	10	35,00,00,000	Rights Issue	3,50,00,000	35,00,00,000	-
23/03/16	12,50,00,000	10	10	125,00,00,000	Rights Issue	16,00,00,000	160,00,00,000	-
28/06/16	28,50,00,000	10	10	285,00,00,000	Rights Issue	44,50,00,000	445,00,00,000	-
28/9/16	10,00,00,000	10	10	100,00,00,000	Rights Issue	54,50,00,000	545,00,00,000	-
29/12/16	10,00,00,000	10	10	100,00,00,000	Rights Issue	64,50,00,000	645,00,00,000	-
28/2/17	20,00,00,000	10	10	200,00,00,000	Rights Issue	84,50,00,000	845,00,00,000	-
31/3/2017	10,00,00,000	10	10	100,00,00,000	Rights Issue	94,50,00,000	945,00,00,000	-

**Equity Shareholding pattern of the Company as on November 30, 2017**

Sr. No.	Names of Members	Total No. of Equity Shares	No of shares in demat form	Total shareholding as % of total no of equity shares
1	Tata Capital Limited	129,75,49,994	NA	100%
2	Tata Capital Limited jointly with Mr. Praveen P Kadle	1	NA	
3	Tata Capital Limited jointly with Mr. Puneet Sharma	1	NA	
4	Tata Capital Limited jointly with Mr. Govind Sankaranarayanan	1	NA	
5	Tata Capital Limited jointly with Mr. Kiran Joshi	1	NA	
6	Tata Capital Limited jointly with Ms. Avan Doomasia	1	NA	
7	Tata Capital Limited jointly with Mr. Rakesh Bhatia	1	NA	
	<b>Total</b>	<b>129,75,50,000</b>		<b>100</b>

**Preference Shareholding pattern of the Company as on November 30, 2017**

Sr. No.	Names of Members	Total No. of Preference Shares	No of shares in demat form	Total shareholding as % of total no of preference shares
1	Tata Capital Limited	94,50,00,000	NIL	100%

**List of Top Ten Equity and Preference Share Holders**

The investor may refer to the shareholding pattern above for details of its top ten equity and Preference Shareholders

**Details of Promoter holding in the equity share of the Company as on November 30, 2017**

Sr	Name of the shareholder	Total no of Equity Shares	No of shares in demat form	Total shareholding as % of total no of equity shares	No of shares pledged	% of shares pledged with respect to shares owned
1	Tata Capital Limited and its nominees	129,75,50,000	0	100%	0	0

Shares Pledged or encumbered by the promoters (if any): Nil

**Details of Promoter holding in the preference shares of the Company as on November 30, 2017**

Sr	Name of the shareholder	Total no of Preference Shares	No of shares in demat form	Total shareholding as % of total no of preference shares	No of shares pledged	% of shares pledged with respect to shares owned
1	Tata Capital Limited	94,50,00,000	0	100%	0	0

Shares Pledged or encumbered by the promoters (if any): Nil

**Details of acquisition or amalgamation in the last one year: Nil**

**Details of Reorganization or Reconstruction in the last one year: Nil**

### **Listing**

The Unsecured NCDs to be issued in terms of this Disclosure Document are proposed to be listed on the WDM segment of the NSE. The Company shall comply with the requirements of the Listing Agreement to the extent applicable to it on a continuous basis. Application shall be submitted to NSE to list the Unsecured NCDs to be privately placed through Disclosure Document and to seek permission to deal in such NCDs. The Company shall complete all the formalities relating to listing of the Debentures within the prescribed timelines by SEBI from time to time from the date of closing of each issue.

### **Details of utilisation of issue proceeds**

The funds raised through this Issue, after meeting the expenditures of and related to the Issue, will be used for our various financing activities including lending and investments, to repay our existing loans and for our business operations including for our capital expenditure and working capital requirements.

The Main Objects clause of the Memorandum of Association of the Company permits the Company to undertake the activities for which the funds are being raised through the present Issue and also the activities which the Company has been carrying on till date.

### **Interim use of proceeds**

The management of the Company, in accordance with the policies formulated by it from time to time, will have flexibility in deploying the proceeds received from the Issue. Pending utilization 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. Such investment would be in accordance with the investment policies approved by the Board or the Investment Committee from time to time.

### **MATERIAL CONTRACTS INVOLVING FINANCIAL OBLIGATION OF THE COMPANY**

By the very nature of its business, the Issuer is involved in a large number of transactions involving financial obligations and therefore it may not be possible to furnish details of all material contracts / agreements / documents involving financial obligations of the Issuer. However, the contracts / agreements / documents referred to in Chapter (X) below (not being contracts / agreements / documents entered into / executed in the ordinary course of the business carried on by the Issuer) which are or may be deemed to be material, have been entered into / executed by the Issuer.

**Any material event / development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, tax litigations resulting in material liabilities, corporate restructuring event etc.) at the time of the issue which may affect the issue or the investor's decision to invest in the debt securities:**

There are no material events / developments or changes at the time of the Issue other than those mentioned in this Disclosure Document which may affect the issue or the investor's decision to invest in the debt securities.

**List of Highest Ten Debenture holders of the Company based on Beneficiary position of November 30, 2017**

- (i) Secured, Redeemable, Non-Convertible Debentures of Face Value of Rs. 10,00,000/- each issued on private placement basis and not in reference to any particular series of debentures

Name of the Investors	No. of Ncds
Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Treasury Optimizer Plan	14150
HDFC Trustee Company Ltd-Hdfc Floating Rate Income Fund A/C Short Term Plan	11000
ICICI Prudential Savings Fund	9370
HDFC Bank Limited	7478
Reliance Capital Trustee Co. Ltd-A/C Reliance Fixed Horizon Fund Xxviii Series 4	6546
Postal Life Insurance Fund A/C Uti Amc	5350
Life Insurance Corporation of India P & GS Fund	5000
Punjab National Bank	4500
Wipro Limited	3550
International Finance Corporation - Self Managed P1	3520

- (ii) Unsecured, Redeemable Non-Convertible Subordinated Debentures in form of Tier II Capital on private placement basis and not in reference to any particular series of debentures

Name of the Investors	No. of Ncds
Indian Provident Fund of Bharat Petroleum Corporation Limited	1045
General Insurance Corporation of India	940
Nuclear Power Corporation Of India Limited Employees Provident Fund	800
Serum Institute of India Limited	800
Chhattisgarh State Electricity Board Gratuity and Pension Fund Trust	663
Britania Industries Limited	503
HDFC Ergo General Insurance Company Limited	500
SBI Saving Fund	500
United India Insurance Company Limited	400
Bank of India Provident Fund	400

- (iii) Unsecured, Non-Convertible Perpetual Debentures on private placement basis and not in reference to any particular series of debentures

Name of the Investors	No. of Ncds
India Airlines Employees Provident Fund	500
State Bank Of Patiala Employees' Pension Fund Trust	470
Darashaw Securities Pvt Ltd	427
ASEB Employees Pension Fund Investment Trust	265
The Oriental Insurance Company Limited Provident Fund	228
The Provident Fund of the Associated Cement Cos. Limited	225
Board of Trustees for Bokaro Steel Employees Provident Fund	220
Assam Tea Employees Provident Fund Organization	200
NALCO Employees Provident Fund Trust	200
HPGCL Employees Pension Fund Trust	196



(iv) Secured, Redeemable, Non-Convertible Debentures- Public Issue

Name	Holding
Aditya Birla Sun Life Trustee Company Private Limited A/C	731467
The Oriental Insurance Co. Ltd. Provident Fund	40000
Sriram Kapur	20000
Vipul Rameshchandra Shah	19757
Rahul Ramesh Setia	15000
Ultratech Cemco Provident Fund	10000
Percy Siganporia	8000
Sulemanji Mohsin Roowala	6900
Binit Rameshchandra Shah	5615
Hetal Vipul Shah	5525

**(VIII) DISCLOSURES ON EXISTING FINANCIAL INDEBTEDNESS****A. Details of Secured Bank Borrowings:**

(i) The Company's secured borrowings as on September 30, 2017 are set out below:

Lender's Name	Type of Facility	Amount Sanctioned (Rs. in Crore)	Principal Amount Outstanding (Rs.in crore)	Repayment Date/Schedule
Canara Bank	WCDL	200.00	200.00	October 12, 2017
United Overseas Bank	WCDL	22.00	22.00	November 21, 2017
State Bank of India	WCDL	500.00	100.00	January 18, 2018
Dena Bank	WCDL	500.00	250.00	December 14, 2017
Bank of India	WCDL	500.00	200.00	October 10, 2017
The Federal Bank Limited	WCDL	500.00	200.00	January 25, 2018
Union Bank of India	WCDL	450.00	250.00	October 10, 2017
Allahabad Bank	WCDL	200.00	100.00	October 12, 2017
Karnataka Bank	Term Loans	100.00	100.00	June 28, 2019
Axis Bank	Term Loans	200.00	195.00	December 28, 2018
Bank of America N.A.	Term Loan	300.00	300.00	October 16, 2017
ICICI Bank Limited	Term Loan	150.00	150.00	October 05, 2017
<b>Total</b>		<b>3,622</b>	<b>2067.00</b>	

(ii) Cash Credit Borrowings

Name	Limit (Rs. Crs)	Amount Utilised (Rs. Crs)
Bank of Maharashtra	200.00	99.93
Central Bank of India	500.00	425.00
DENA BANK	500.00	185.00
ICICI Bank Limited	200.00	42.38
Punjab and Sind Bank	200.00	195.00
Punjab National Bank	300.00	290.00
State Bank of India	500.00	99.34
Vijaya Bank Ltd	150.00	145.00
UCO Bank	300.00	250.00
State Bank of Bikaner and Jaipur	100.00	95.00
KARNATAKA BANK LIMITED	50.00	45.00
Jammu & Kashmir Bank Ltd.	200.00	180.00
Bank of Baroda	200.00	245.00
Allahabad Bank	200.00	95.00
<b>Total</b>	<b>3,600.00</b>	<b>2,391.63</b>

The security for the above borrowings is governed primarily by the security trustee agreement cum deed of hypothecation dated January 15, 2008 entered into between the Company and Vistra ITCL (India) Limited formerly known as IL& FS Trust Company Limited ("Security Trustee") along with the various lenders.

Under the Security Trustee Agreement, the Company is permitted to raise Rs. 1,500,000 Lakh. The security created under the Security Trustee Agreement is a hypothecation on the current assets present and future of the Company in favour of the Security Trustee, to be held in trust for the benefit of the Lenders. The security created or to be created under the Security Trustee Agreement is a continuing security ranking *pari passu inter se* without any preference or priority to one Lender over the others and shall remain in full force and effect until all amounts outstanding to the Lenders are discharged.

The Company has issued the below mentioned secured redeemable non convertible debentures which are outstanding as on September 30, 2017

(iii) Secured, Redeemable Non-Convertible Debentures – Private Placement:

Debenture Series	Tenor	Coupon Rate	Amount (in Cr.)	Date of Allotment	Redemption Date
TCL NCD 'M' FY 2011-12	2,557	10.10%	4.00	17-Aug-11	17-Aug-18
TCL NCD 'R' FY 2011-12	2,557	10.15%	10.00	23-Sep-11	23-Sep-18
TCL NCD 'AA' FY 2011-12	2,557	10.15%	15.00	21-Oct-11	21-Oct-18
TCFSL NCD 'AH' FY 2012-13	3,652	9.85%	50.00	05-Sep-12	05-Sep-22
TCFSL NCD 'AJ' FY 2012-13	1,826	10.10%	500.00	09-Nov-12	09-Nov-17
TCFSL NCD 'AQ' FY 2012-13	1,824	9.55%	30.00	12-Nov-12	10-Nov-17
TCFSL NCD 'AS' FY 2012-13	1,826	9.52%	25.00	05-Dec-12	05-Dec-17
TCFSL NCD 'AX' FY 2012-13	1,826	9.50%	65.00	16-Jan-13	16-Jan-18
TCFSL NCD 'AY' FY 2012-13	1,826	9.60%	200.00	22-Jan-13	22-Jan-18
TCFSL NCD 'AZ' FY 2012-13	1,826	9.60%	300.00	22-Jan-13	22-Jan-18
TCFSL NCD 'BA' FY 2012-13	1,826	9.40%	25.00	22-Jan-13	22-Jan-18
TCFSL NCD 'BF' FY 2012-13	1,826	9.30%	5.00	26-Mar-13	26-Mar-18
TCFSL NCD 'A' FY 2013-14 - Option I - Coupon	1,826	9.40%	85.00	23-Apr-13	23-Apr-18
TCFSL NCD 'D' FY 2013-14	1,826	9.10%	20.00	07-May-13	07-May-18
TCFSL NCD 'E' FY 2013-14	1,826	9.08%	50.00	07-May-13	07-May-18
TCFSL NCD 'G' FY 2013-14	1,826	9.05%	200.00	22-May-13	22-May-18
TCFSL NCD 'H' FY 2013-14	1,826	8.95%	25.00	22-May-13	22-May-18
TCFSL NCD "O" FY 2013-14	1,826	10.40%	43.00	20-Aug-13	20-Aug-18
TCFSL NCD "C" FY 2014-15 - Option-II	1,826	9.61%	35.00	09-Jul-14	09-Jul-19
TCFSL NCD "S" Series FY 2014-15 - Option-I	1,096	9.60%	5.00	09-Oct-14	09-Oct-17
TCFSL NCD "T" Series FY 2014-15 - Option-III	1,101	9.61%	10.00	13-Oct-14	18-Oct-17
TCFSL NCD "U" Series FY 2014-15	1,095	9.47%	10.00	21-Oct-14	20-Oct-17
TCFSL NCD "X" FY 2014-15 - Option -II	1,106	9.11%	15.00	14-Nov-14	24-Nov-17
TCFSL NCD "Y" FY 2014-15	1,098	9.10%	10.00	18-Nov-14	20-Nov-17
TCFSL NCD "Z" FY 2014-15	1,092	9.10%	74.00	19-Nov-14	15-Nov-17
TCFSL NCD "AA" FY 2014-15	3,653	9.36%	95.00	20-Nov-14	20-Nov-24
TCFSL NCD "AB" FY 2014-15- Option-I	1,095	9.07%	38.00	21-Nov-14	20-Nov-17
TCFSL NCD "AB" FY 2014-15- Option-II	1,102	9.07%	20.00	21-Nov-14	27-Nov-17
TCFSL NCD "AB" FY 2014-15- Option-III	1,104	9.07%	15.00	21-Nov-14	29-Nov-17
TCFSL NCD "AF" FY 2014-15- Option-I	3,653	9.22%	15.00	08-Dec-14	08-Dec-24
TCFSL NCD "AF" FY 2014-15- Option-I	3,653	9.22%	60.00	08-Dec-14	08-Dec-24
TCFSL NCD "AF" FY 2014-15- Option-III	1,096	8.90%	5.00	08-Dec-14	08-Dec-17
TCFSL NCD "AH" FY 2014-15- Option-III	1,115	8.90%	9.00	16-Dec-14	04-Jan-18
TCFSL NCD "AJ" FY 2014-15	1,092	9.05%	16.20	14-Jan-15	10-Jan-18

TCFSL NCD "AK" FY 2014-15-Option-I	1,096	9.10%	9.70	15-Jan-15	15-Jan-18
TCFSL NCD "AK" FY 2014-15-Option-II	1,176	9.10%	5.90	15-Jan-15	05-Apr-18
TCFSL NCD "AL" FY 2014-15	1,100	8.92%	21.00	20-Jan-15	24-Jan-18
TCFSL NCD "AN" FY 2014-15	1,096	9.00%	300.00	29-Jan-15	29-Jan-18
TCFSL NCD "AP" FY 2014-15 - option I	1,094	8.90%	50.00	04-Feb-15	02-Feb-18
TCFSL NCD "AQ" FY 2014-15	1,088	9.04%	6.00	20-Feb-15	12-Feb-18
TCFSL NCD "AT" FY 2014-15-Option-I	1,096	9.05%	65.00	02-Mar-15	02-Mar-18
TCFSL NCD "AV" FY 2014-15-Option-II	1,095	9.00%	50.00	10-Mar-15	09-Mar-18
TCFSL NCD "AX" FY 2014-15-Option-II	1,110	9.00%	8.00	20-Mar-15	03-Apr-18
TCFSL NCD "AY" FY 2014-15-Option-I	1,095	9.10%	15.00	24-Mar-15	23-Mar-18
TCFSL NCD "E" FY 2015-16	1,827	8.88%	330.00	05-May-15	05-May-20
TCFSL NCD "L" Series FY 2015-16	1,096	8.90%	380.00	22-Jun-15	22-Jun-18
TCFSL NCD "Q" FY 2015-16 - Option I	1,096	8.95%	5.00	13-Jul-15	13-Jul-18
TCFSL NCD "S" FY 2015-16	1,094	8.85%	25.00	26-Aug-15	24-Aug-18
TCFSL NCD "V" FY 2015-16	730	8.60%	100.00	21-Oct-15	20-Oct-17
TCFSL NCD "W" FY 2015-16	731	8.55%	20.00	10-Nov-15	10-Nov-17
TCFSL NCD "X" FY 2015-16	1827	8.65%	10.00	16-Dec-15	16-Dec-20
TCFSL NCD "Y" FY 2015-16	1096	8.65%	25.00	08-Jan-16	08-Jan-19
TCFSL NCD "Z" FY 2015-16	1183	8.85%	100.00	05-Feb-16	03-May-19
TCFSL NCD "AA" FY 2015-16	1826	8.75%	7.00	16-Mar-16	16-Mar-21
TCFSL NCD "AB" FY 2015-16	1824	8.80%	10.00	21-Mar-16	19-Mar-21
TCFSL NCD "AC" FY 2015-16	1113	8.79%	11.30	31-Mar-16	18-Apr-19
TCFSL NCD "AC" FY 2015-16	1113	8.79%	10.00	31-Mar-16	18-Apr-19
TCFSL NCD "A" FY 2016-17	714	8.74%	125.00	05-Apr-16	20-Mar-18
TCFSL NCD "B" FY 2016-17	1096	8.70%	20.00	07-Apr-16	08-Apr-19
TCFSL NCD "C" FY 2016-17	701	8.69%	250.00	13-Apr-16	15-Mar-18
TCFSL NCD "D" FY 2016-17	1094	8.70%	10.00	20-Apr-16	19-Apr-19
TCFSL NCD "E" FY 2016-17	697	8.68%	70.00	22-Apr-16	20-Mar-18
TCFSL NCD "F" FY 2016-17	1095	8.67%	25.00	24-May-16	24-May-19
TCFSL NCD "G" FY 2016-17	1824	8.70%	35.00	30-May-16	28-May-21
TCFSL NCD "I" FY 2016-17 - Option I	1109	8.75%	25.00	10-Jun-16	24-Jun-19
TCFSL NCD "I" FY 2016-17 - Option II	1291	8.72%	13.00	10-Jun-16	23-Dec-19
TCFSL NCD "J" FY 2016-17 - Option I	649	8.71%	30.00	15-Jun-16	26-Mar-18
TCFSL NCD "J" FY 2016-17 - Option II	548	8.69%	25.00	15-Jun-16	15-Dec-17
TCFSL NCD "K" FY 2016-17	550	8.66%	25.00	24-Jun-16	26-Dec-17
TCFSL NCD "L" FY 2016-17	550	8.69%	25.00	07-Jul-16	08-Jan-18
TCFSL NCD "N" FY 2016-17	1095	8.82%	200.00	12-Jul-16	12-Jul-19
TCFSL NCD "O" FY 2016-17	1095	8.66%	25.00	19-Jul-16	19-Jul-19
TCFSL NCD "P" FY 2016-17	1095	8.62%	10.00	29-Jul-16	29-Jul-19

TCFSL NCD "Q" FY 2016-17	730	8.62%	150.00	02-Aug-16	02-Aug-18
TCFSL NCD "R" FY 2016-17	731	8.15%	25.00	12-Aug-16	13-Aug-18
TCFSL NCD "S" FY 2016-17	730	8.30%	75.00	16-Aug-16	16-Aug-18
TCFSL NCD "T" FY 2016-17	1093	8.20%	25.00	25-Aug-16	23-Aug-19
TCFSL NCD "U" FY 2016-17	1405	8.25%	15.00	26-Aug-16	01-Jul-20
TCFSL NCD "V" FY 2016-17 - Option I	730	8.16%	30.00	31-Aug-16	31-Aug-18
TCFSL NCD "V" FY 2016-17 - Option II	1094	8.16%	25.00	31-Aug-16	30-Aug-19
TCFSL NCD "W" FY 2016-17	730	8.20%	250.00	06-Sep-16	06-Sep-18
TCFSL NCD "X" FY 2016-17	911	8.20%	250.00	08-Sep-16	08-Mar-19
TCFSL NCD "Y" FY 2016-17	542	7.88%	150.00	30-Sep-16	26-Mar-18
TCFSL NCD "Z" FY 2016-17	538	7.88%	350.00	04-Oct-16	26-Mar-18
TCFSL NCD "AA" FY 2016-17	893	7.84%	50.00	06-Oct-16	18-Mar-19
TCFSL NCD "AB" FY 2016-17	728	7.77%	545.00	14-Oct-16	12-Oct-18
TCFSL NCD "AC" FY 2016-17	1093	7.85%	35.00	27-Oct-16	25-Oct-19
TCFSL NCD "AD" FY 2016-17	1125	8.10%	23.00	10-Nov-16	10-Dec-19
TCFSL NCD "AE" FY 2016-17	1125	8.10%	75.00	16-Nov-16	16-Dec-19
TCFSL NCD "AF" FY 2016-17	730	7.65%	300.00	29-Nov-16	29-Nov-18
TCFSL NCD "AG" FY 2016-17	1826	7.58%	272.00	28-Dec-16	28-Dec-21
TCFSL NCD "AH" FY 2016-17	730	7.85%	150.00	06-Feb-17	06-Feb-19
TCFSL NCD "AI" FY 2016-17	754	7.84%	100.00	08-Feb-17	04-Mar-19
TCFSL NCD "AJ" FY 2016-17	1094	7.85%	25.00	01-Mar-17	28-Feb-20
TCFSL NCD "AK" FY 2016-17	730	7.85%	19.00	27-Mar-17	27-Mar-19
TCFSL NCD "AL" FY 2016-17	1826	7.91%	40.00	31-Mar-17	31-Mar-22
TCFSL NCD "A" FY 2017-18	730	7.95%	1,025.00	10-Apr-17	10-Apr-19
TCFSL NCD "B" FY 2017-18	730	7.85%	225.00	30-May-17	30-May-19
TCFSL NCD "C" FY 2017-18	546	7.69%	100.00	02-Jun-17	30-Nov-18
TCFSL NCD "D" FY 2017-18	1096	7.87%	1,015.00	09-Jun-17	09-Jun-20
TCFSL NCD "E" FY 2017-18	1127	7.75%	50.00	06-Jul-17	06-Aug-20
TCFSL NCD "F" FY 2017-18	730	7.70%	100.00	10-Jul-17	10-Jul-19
TCFSL NCD "G" FY 2017-18	1094	7.70%	25.00	12-Jul-17	10-Jul-20
TCFSL NCD "H" FY 2017-18	730	7.67%	500.00	18-Jul-17	18-Jul-19
TCFSL NCD "I" FY 2017-18	1684	7.70%	75.00	20-Jul-17	28-Feb-22
TCFSL NCD "J" FY 2017-18	730	7.60%	550.00	07-Aug-17	07-Aug-19
TCFSL NCD "K" FY 2017-18	1612	7.69%	75.00	16-Aug-17	14-Jan-22
TCFSL NCD "J" FY 2017-18 - Further Issuance	705	7.60%	247.80	01-Sep-17	07-Aug-19
TCFSL NCD "L" FY 2017-18	728	7.50%	200.00	29-Sep-17	27-Sep-19
TOTAL			11,727.90		

The NCDs have been rated [ICRA]AA+(Stable), CRISIL AA+/Stable and CARE AA+. The above NCDs are secured by way of first ranking pari-passu charge on the Company's Specific Immoveable Property and the Company's Moveable Property in favor of the Debenture Trustees administered through the Debenture Trust Deeds executed between the Company and the Debenture Trustee.

(iv) Secured, Redeemable Non-Convertible Debentures issued to the Public, which are outstanding as on, September 30, 2017:

Debenture Series	Tenor/ Period of Maturity	Coupon Rate	Amount (Rs.in cr)	Date of Allotment	Redemption Date/ Schedule	Credit Rating	Secured/ Unsecured	Security
I - Monthly	60 months	9.75% (p.a)	310.00	March 6, 2009	March 5, 2019	Refer below	Secured	Refer below
II -Quarterly	60 months	9.75% (p.a)	1,778.75	March 6, 2009	March 5, 2019	Refer below	Secured	Refer below
III - Annual	60 months	10.50% (p.a)	14,970.29	March 6, 2009	March 5, 2019	Refer below	Secured	Refer below
IV -Cumulative	60 months	10.50% (p.a) To be compou nded annually	11,759.39	March 6, 2009	March 5, 2019	Refer below	Secured	Refer below
		Total	<b>*28,818.43</b>					

*\*At the Meeting of the NCD holders of TCL held on February 15, 2012, the NCD holders approved of the modification/variation in the terms and conditions of the NCDs and accordingly, the interest rates were revised for Options I, III and IV with effect from March 6, 2012 and for Option II, with effect from September 6, 2012. As a consequence of the modification/variation in the terms of the NCDs, the Company, out of the outstanding NCDs aggregating Rs. 150,000 lakh, redeemed NCDs worth Rs. 89,498 lakh for holders who had exercised their Put Option or had not consented, in writing, to continue to hold the NCDs at revised Coupon Rates and Rs. 60,502 lakh of NCDs were continued in 2012. Pursuant to the Scheme of Arrangement between TCL and the Company, as sanctioned by the Hon'ble High Court of Judicature at Bombay, becoming effective on March 27, 2012, the said NCDs stood transferred from TCL to the Company, along with the Debenture Redemption Reserve and the assets against which the NCDs were secured by TCL.*

*Subsequently, pursuant to the Special Resolution passed by 75% of the NCD holders voting (in number and value) by way of Postal Ballot on February 17, 2014, the Tenure of NCDs has been continued for a further period of 5 years w.e.f March 6, 2014 upto March 5, 2019, at the existing coupon rate and on the same terms and conditions. The Company redeemed NCDs worth Rs. 316.84 crore for those holders who did not wish to continue their NCDs for the extended period of 5 years and continued NCDs worth Rs. 288.18 crore.*

**The above NCDs are rated [ICRA] AA+/Stable.** The above NCDs are secured by way of first ranking pari-passu charge on the Company's Specific Immoveable Property and the Company's Moveable Property in favor of the Debenture Trustees administered through the Debenture Trust Deeds executed between the Company and the Debenture Trustee.

**B. Details of Unsecured Borrowings:**

(i) The Unsecured Term loans of the Company outstanding as on September 30, 2017 was as under:

Lender's Name	Type of Facility	Sanctioned Amount (in Crore)	Principal Amount Outstanding	Repayment Date/Schedule
HDFC Bank Limited	Unsecured Term Loans	200.00	100.00	November 28, 2018
HDFC Bank	Unsecured Term Loans	850.00	600.00	July 27, 2018
HDFC Bank Limited	Unsecured Term Loans	75.00	75.00	October 03, 2017
HDFC Bank Limited	Unsecured Term Loans	100.00	100.00	October 17, 2017
HDFC Bank Limited	Unsecured Term Loans	250.00	250.00	August 29, 2019
HDFC Bank Limited	Unsecured Term Loans	400.00	400.00	September 06, 2019
ICICI Bank	Unsecured Term Loans	275.00	200.00	May 28, 2019
Bombay Sealink Builders Pvt Ltd	Inter Corporate Deposits	7.15	7.15	January 01, 2018
Tata Capital Limited	Inter Corporate Deposits	770.08	770.08	September 30, 2017
	Total	2,927.23	2,502.23	

(ii) Unsecured, Redeemable Non-Convertible Subordinated Debentures – Tier II Debentures which are outstanding as on September 30, 2017:

Debenture Series	Tenor	Coupon Rate	Amount (in Crore)	Date of Allotment	Redemption Date / Schedule
TCFSL Tier II Bond 'A' FY 2009-10	3652	10.50	39.10	04-Aug-09	04-Aug-19
TCFSL Tier II Bond 'B' FY 2009-10	3652	10.25	170.40	09-Sep-09	09-Sep-19
TCFSL Tier II Bond 'C' FY 2009-10	3652	10.25	73.95	28-Oct-09	28-Oct-19
TCFSL Tier II Bond 'D' FY 2009-10	3652	9.80%	79	28-Oct-09	28-Oct-19
TCFSL Tier II Bond 'E' FY 2009-10	3652	10.25	286.25	15-Dec-09	15-Dec-19
TCFSL Tier II Bond 'F' FY 2009-10	3652	10.25	56.75	30-Nov-09	30-Nov-19
TCFSL Tier II Bond 'G' FY 2009-10	3652	9.80%	150	18-Dec-09	18-Dec-19
TCFSL Tier II Bond 'H' FY 2009-10	3652	9.95%	50	24-Dec-09	24-Dec-19
TCFSL Tier II Bond 'A' FY 2014-15	3653	10.15	100	26-Sep-14	26-Sep-24
TCFSL Tier II Bond 'B' FY 2014-15	3653	9.35%	35	07-Jan-15	07-Jan-25
TCFSL Tier II Bond 'C' FY 2014-15	3653	9.32%	75	30-Jan-15	30-Jan-25
TCFSL Tier II Bond 'D' FY 2014-15	3653	9.37%	200	31-Mar-15	31-Mar-25
TCFSL Tier II Bond 'A' FY 2015-16	3653	9.25%	90	22-Jul-15	22-Jul-25
TCFSL Tier-II Bond 'B' Series FY 2015-16	3652	9.17%	200	30-Mar-16	30-Mar-26
TCFSL Tier-II Bond 'A' Series FY 2016-17	3652	8.92%	200	11-Aug-16	11-Aug-26
TCFSL Tier-II Bond 'B' Series FY 2016-17	3652	8.45%	15.00	26-Oct-16	26-Oct-26
			<b>1820.45</b>		

Above NCDs are rated CARE AA+, [ICRA] AA+, CRISIL AA+

(iii) Unsecured, Non-Convertible Subordinated Debentures – Perpetual Debentures outstanding as on September 30, 2017:

Debenture Series	Tenor	Coupon Rate	Amount (in Crore)	Date of Allotment	Redemption Date / Schedule
TCFSL Perpetual 'A' FY 2010-11	3653	10.00%	0.75	15-Nov-10	15-Nov-20
TCFSL Perpetual 'B' FY 2010-11	3653	10.00%	0.90	14-Jan-11	14-Jan-21
TCFSL Perpetual 'A' FY 2011-12	3653	10.00%	1.00	05-May-11	05-May-21
TCFSL Perpetual 'B' FY 2011-12	3653	11.25%	3.05	08-Aug-11	08-Aug-21
TCFSL Perpetual 'C' FY 2011-12	3653	10.75%	0.50	28-Sep-11	28-Sep-21
TCFSL Perpetual 'D' FY 2011-12	3653	10.75%	0.25	07-Nov-11	07-Nov-21
TCFSL Perpetual 'A' FY 2013-14	3653	10.95%	93.55	26-March-14	26-March-24
TCFSL Perpetual 'A' FY 2015-16	3653	9.99%	100.00	16-Jul-2015	16-Jul-2025

TCFSL Perpetual 'B' FY 2015-16	3653	9.86%	50.00	6-Jan-2016	6-Jan-2026
TCFSL Perpetual 'C' FY 2015-16	3653	9.86%	50.00	2-Feb-2016	2-Feb-2026
TCFSL Perpetual 'D' FY 2015-16	3653	9.86%	100.00	9-Feb-2016	9-Feb-2026
TCFSL Perpetual 'E' FY 2015-16	3652	9.80%	100.00	23-Mar-2016	23-Mar-2026
TCFSL Perpetual 'A' FY 2016-17	3652	9.80%	50.00	30-Jun-2016	30-Jun-2026
TCFSL Perpetual 'B' FY 2016-17	3652	9.00%	10.00	13-Jan-2017	13-Jan-2027
TCFSL Perpetual 'C' FY 2016-17	3652	9.05%	40.00	08-Mar-2017	08-Mar-2027
TCFSL Perpetual 'A' FY 2017-18	3653	9.05%	50.00	21-Jun-17	21-Jun-17
TCFSL Perpetual 'B' FY 2017-18	3653	8.77%	50.00	14-Jul-17	14-Jul-17
TCFSL Perpetual 'C' FY 2017-18	3653	8.61%	93.00	11-Sep-17	11-Sep-17
			<b>793.00</b>		

Above NCDs are rated CRISIL AA and CARE AA and ICRA AA

(iv) Unsecured, Redeemable Non-Convertible Debentures-Private Placement-outstanding as on September 30, 2017

Debenture Series	Tenor	Coupon Rate	Amount (in Crore)	Date of Allotment	Redemption Date / Schedule
TCFSL Unsecured NCD 'A' FY 2015-16	1094	8.80%	200.00	12-Aug-15	10-Aug-18
TCFSL UNSECURED NCD "A" FY 2016-17	730	8.85%	300.00	25-Apr-16	25-Aug-18
TCFSL UNSECURED NCD "B" FY 2016-17	730	8.85%	200.00	27-Apr-16	27-Apr-18
TCFSL UNSECURED NCD "A" FY 2017-18	730	7.90%	800.00	27-June-17	27-June-19
			<b>1500.00</b>		

Above NCDs are rated CRISIL AA+/Stable

**C. Commercial Papers**

As at September 30, 2017 Commercial Papers outstanding are 4,985 Crores repayable as per table below :

Maturity Date	Amount Outstanding (In Crore)	Maturity Date	Amount Outstanding (In Crore)
03-10-2017	75.00	28-12-2017	100.00
06-10-2017	500.00	29-12-2017	300.00
10-10-2017	75.00	05-01-2018	175.00
17-10-2017	100.00	19-01-2018	60.00
02-11-2017	750.00	31-01-2018	250.00
10-11-2017	300.00	07-02-2018	200.00
29-11-2017	300.00	27-02-2018	100.00
30-11-2017	300.00	28-02-2018	100.00
08-12-2017	150.00	16-03-2018	250.00
19-12-2017	250.00	28-03-2018	400.00
27-12-2017	100.00	04-05-2018	100.00
		11-05-2018	50.00
		<b>Total</b>	<b>4985.00</b>



**D. Amount of corporate guarantees issued by the Issuer in favour of various counter parties including its subsidiaries, joint venture entities, group companies etc.**

The Company has not given any corporate guarantees

**E. Details of the rest of the borrowings of the Company, if any, including FCCB, optionally convertible debentures, preference shares, etc**

There are no other borrowings of the Company except those mentioned in this Disclosure Document

**F. Servicing Behaviour**

In respect of all the existing debt securities / term loans, the payment of interest/ principal have been made on the respective due dates as per the terms of the issue.

**G. Debt Equity Ratio (September 30, 2017)**

(Rs. in Lacs)		
Particulars	Before	After
Total Debt	28,95,093	29,45,093
Net Worth	4,08,744	4,08,744
<b>Debt Equity Ratio</b>	<b>7.08%</b>	<b>7.21%</b>

*Assuming that the entire Rs. 500,00,00,000/- (Rupees Five Hundred Crore) of NCDs has been issued under this Disclosure Document*

**H. Details of all defaults or delays in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Company in the past 5 years:**

None

**I. Details of any outstanding borrowings/debt securities issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option:**

Nil

**J. If the security is backed by a guarantee or letter of comfort or any other document/letter with similar intent, a copy of the same shall be disclosed. In case such document does not contain detailed payment structure (procedure of invocation of guarantee and receipt of payment by the investor along with timelines); the same shall be disclosed in this disclosure document:**

Nil

## **(IX) OFFERING INFORMATION**

### **1. Issue Size**

The 'Issuer' proposes to raise Rs. 500,00,00,000/- (Rupees Five Hundred Crore only) through the issue of 5,000 Unsecured, Redeemable Non-Convertible Subordinated Debentures as Tier-II Capital of the Face Value of Rs. 10,00,000/- each (Rupees Ten Lakh only) by way of private placement in one or more Tranches.

### **2. Debenture Redemption Reserve (DRR)**

No Debenture Redemption Reserve is being created for the issue of NCDs in pursuance of this Offer Letter since creation of Debenture Redemption Reserve is not required for the proposed issue of Debentures. Rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014, states that NBFCs need not create a Debenture Redemption Reserve as specified under Section 71 of the Act, in respect of privately placed debentures. The Company has the DRR required under law, with respect to the NCDs issued to the Public.

### **3. Terms of the Issue**

For terms of Issue please refer paragraph titled 'Summary Term Sheet'.

### **4. Rights of Debenture Holders**

The Debenture Holders will not be entitled to any rights and privileges of shareholders other than those available to them under statutory provisions. The Unsecured NCDs issued under this Disclosure Document shall not confer upon the Debenture Holders, the right to receive notice, or to attend and vote at the general meetings of shareholders or meetings of the Debenture Holders issued under or issued other than under this Disclosure Document or of any other class of securities of the Company.

### **5. Obligations of Debenture Holders**

Notwithstanding anything contained hereinabove, every potential investor/ investor of the Unsecured NCDs must read, understand and accept, and shall be deemed to have read, understood and accepted, the terms and conditions of this Disclosure Document.

Any subsequent investor shall be deemed to have read, understood and accepted the terms and conditions prior to investing in the NCDs.

Every Debenture Holder confirms that the investment in the Unsecured NCDs will not contravene any applicable law (including laws relating to private placement of the NCDs). Each Debenture Holder also undertakes and confirms not to act in a manner that would render this private placement of NCDs, an offer to the public or require the Issuer to assume any additional liability or to take any action with respect to the NCDs.

Any person selling these Unsecured NCDs would be responsible for ensuring full and prior disclosure of the terms and conditions of the Unsecured NCDs to the person(s) to whom they are selling these Unsecured NCDs and shall sell the Unsecured NCDs only if the subsequent subscriber has read, understood and accepted all the terms and conditions. The Company would presume full knowledge of the contents of this Disclosure Document and a full understanding of the NCDs, their nature and the applicable terms and conditions on the part of any person holding/buying these NCDs, and no claim to the contrary shall be entertained.

### **6. Additional Risk Disclosures**

The initial subscriber by subscribing to and any subsequent purchaser by purchasing the Unsecured NCDs shall be deemed to have agreed that and accordingly the Company shall be entitled to presume that each of the initial subscriber and any subsequent purchaser (Debenture Holder, as referred to hereinabove and hereinafter):

- (a) has sufficient knowledge, experience and expertise as an investor, to make the investment in the NCDs; (2) not relied on either the Company or any of its affiliate, associate, holding, subsidiary (if any) or group entities (collectively the "Issuer Group") or any person acting in its or their behalf ("Agents") for any information, advice or recommendations of any sort except as regards the accuracy of the specific factual information about the terms of the Unsecured NCDs as set out in this Disclosure Document; (3) understood that information contained in this Disclosure Document, or any other document issued by the Company is not to be construed as business or investment advice; and (4) made an independent evaluation and judgment of all risks and merits before investing in the Unsecured NCDs;
- (b) has understood that the method and manner of computation of, returns and calculations on the Unsecured NCDs shall be solely determined by and/or on behalf of the Company, in accordance with RBI Guidelines and the decision of the Company shall be final and binding; (2) in the event of any discretions to be exercised, in relation to method and manner of any of the above computations including due to any disruptions in any of the financial or other related markets or if for any other reason the calculations cannot be made as per the method and manner originally stipulated or referred to or implied, such alternative methods or approach shall be used as deemed fit by and/or on behalf of the Company, and may include the use of estimates and approximations. All such computations shall be valid and binding on the Debenture Holder, and no liability thereof will attach to the Company and/or the Agents;
- (c) has understood that in the event that the Debenture Holder suffers adverse consequences or loss, the Debenture Holder shall be solely responsible for the same and the Company, its subsidiaries (if any) or affiliates shall not be responsible, in any manner whatsoever, for any adverse consequences or loss suffered by the Debenture Holder including but not limited to on the basis of any claim that no adequate disclosure regarding the risks involved were made or that the full risks involved were not explained or understood;
- (d) has reviewed the terms and conditions applicable to the Unsecured NCDs as contained in the Disclosure Document and has understood the same, and, on an independent assessment thereof, found the same acceptable for the investment made and has also reviewed the risk disclosures contained herein and has understood the risks, and determined that the Unsecured NCDs are a suitable investment and that the Debenture Holder can bear the economic risk of that investment;
- (e) has received all the information believed to be necessary and appropriate or material in connection with, and for, the investment in the Unsecured NCDs;
- (f) has the legal ability to invest in the Unsecured NCDs, and the investment does not contravene any provision of any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the Debenture Holder, or its assets;
- (g) where is a company, it also confirms that:
  - i) the Debenture Holder is not precluded under any law, rules, regulations and/ or circular/s issued by any statutory authority/ies including under the Act, from investing in the Unsecured NCDs,
  - ii) all necessary corporate or other necessary action has been taken to authorize, and that the Debenture Holder has corporate ability and authority, to invest in the Unsecured NCDs, and
  - iii) investment in the Unsecured NCDs does not contravene any provisions of the Memorandum and the Articles of Association, or any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the Debenture Holder or the Debenture Holder's assets;

(h) where the Unsecured Debenture Holder is a mutual fund / provident fund / superannuation fund / gratuity funds ( each a “fund”) it also confirms that:

- i) investing in the Unsecured NCDs on the terms and conditions stated herein is within the scope of the fund’s investment policy and does not conflict with the provisions of the trust deed/bye-laws/regulations as currently in force,
- ii) the investment in Unsecured NCDs is being made by and on behalf of the fund and that the fund is in force and existing, and the investment has been approved by appropriate resolutions, and
- iii) the investment in Unsecured NCDs has been duly authorized and does not contravene any provisions of the trust deed/bye-laws/regulations as currently in force, or any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the fund or its assets;

## **7. Modification of Rights**

The rights, privileges, terms and conditions attached to each series of the Unsecured NCDs under this Disclosure Document may be varied, modified or abrogated with the consent, in writing, of those registered holders of the series of Debentures in physical form and beneficial owners of the Debentures in dematerialised form who hold at least three fourths of the outstanding amount of the relevant series of Debentures or with the sanction accorded pursuant to a resolution passed at a meeting of the relevant Series of Debenture Holders, provided that nothing in such consent or resolution shall be operative against the Company where such consent or resolution modifies or varies the terms and conditions of the Debentures, if the same are not acceptable to the Company. However, procedural or non material rights, privileges, terms and conditions attached to each Series of the Debentures under this Disclosure Document may be varied, modified or abrogated with the consent in writing of the Debenture Trustee.

## **8. Minimum subscription**

Minimum subscription of 1 NCD’s (Face Value Per NCD Rs. 10,00,000/-).

## **9. Issue Procedure**

### **Who Can Apply**

Only the following categories of investors, **when specifically contacted**, are eligible to invest in these NCDs:

- a. Companies
- b. Scheduled Commercial Banks
- c. Co-operative Banks
- d. Financial Institutions
- e. Insurance Companies
- f. Mutual Funds
- g. Provident, Gratuity, Pension and Superannuation Funds
- h. Any other investor authorized to invest in these NCDs

All investors are required to comply with the relevant regulations / guidelines applicable to them for investing in this issue of NCDs.

Every application is to be accompanied by bank account details and MICR code of the bank for the purpose of availing direct credit of interest and all amounts through electronic transfer of funds or RTGS.

**Application by Scheduled Commercial Banks**

The application must be accompanied by certified true copies of (i) Board Resolution authorising investments; (ii) Letter of Authorization or Power of Attorney and (iii) specimen signatures of authorised signatories

**Application by Co-operative Banks**

The application must be accompanied by certified true copies of: (i) Resolution authorizing investment along with operating instructions/power of attorney; and (ii) specimen signatures of authorised signatories

**Applications Companies/Financial Institutions**

The applications must be accompanied by certified true copies of (i) Memorandum and Articles of Association/Constitution/Bye-laws (ii) resolution authorising investment and containing operating instructions and (iii) specimen signatures of authorised signatories.

**Application by Mutual Funds**

(i) A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. (ii) Applications made by the AMCs or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which application is being made. The applications must be accompanied by certified true copies of (i) SEBI Registration Certificate and Trust Deed (iii) resolution authorising investment and containing operating instructions and (iii) specimen signatures of authorised signatories.

**Application by Insurance Companies**

The applications must be accompanied by certified copies of (i) Memorandum and Articles of Association (ii) Power of Attorney (iii) Resolution authorising investment and containing operating instructions (iv) Specimen signatures of authorised signatories.

**Application by Provident, Gratuity, Pension and Superannuation Funds**

The applications must be accompanied by certified true copies of (i) Trust Deed/Bye Laws/Resolutions, (ii) Resolution authorising investment and (iii) specimen signatures of the authorised signatories.

**DISCLAIMER:**

PLEASE NOTE THAT ONLY THOSE PERSONS TO WHOM THE DISCLOSURE DOCUMENT AND THE PRICING SUPPLEMENT HAS BEEN SPECIFICALLY ADDRESSED ARE ELIGIBLE TO APPLY. AN APPLICATION, EVEN IF COMPLETE IN ALL RESPECTS, IS LIABLE TO BE REJECTED WITHOUT ASSIGNING ANY REASONS FOR THE SAME. THE LIST OF DOCUMENTS REQUIRED TO BE PROVIDED BY THE INVESTOR AS MENTIONED IN THIS DISCLOSURE DOCUMENT IS ONLY INDICATIVE, AND AN INVESTOR WILL BE REQUIRED TO PROVIDE ALL ADDITIONAL DOCUMENTS/AUTHORISATIONS/INFORMATION, WHICH MAY BE REQUIRED BY THE COMPANY. THE COMPANY MAY, BUT IS NOT BOUND TO REVERT TO ANY INVESTOR FOR ANY ADDITIONAL DOCUMENTS/INFORMATION, AND CAN ACCEPT OR REJECT AN APPLICATION AS IT DEEMS FIT. EACH OF THE ABOVE CATEGORIES OF INVESTORS 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.

## **10. Applications under Power of Attorney/Relevant Authority**

In case of an application made under a Power of Attorney or the relevant authority or by limited companies, corporate bodies, registered societies, trusts et, a certified true copy thereof along with Memorandum and Articles of Association and/or Bye laws and / or Deed of Trust and/ or certified true copy of the Board Resolution, list of authorized signatories must be attached to the Application Form at the time of making the application, failing which, the Company reserves the full, unqualified and absolute right to accept or reject any application in whole or in part and in either case without assigning any reason thereto. Names and specimen signatures of all the authorized signatories must also be lodged along with the submission of the completed application.

## **11. Market Lot**

The market lot would be 1 (One) NCD.

## **12. Issue of Debentures only in Demat Form**

SEBI Regulations and the listing agreement require the Unsecured NCDs to be in demat mode, so as to facilitate listing. Accordingly, the Unsecured NCDs shall be issued only in demat form. TCFSL will make necessary arrangements with NSDL and CDSL for the issue of Unsecured NCDs in Dematerialized form. Investors shall hold the Unsecured NCDs and deal with the same as per the provisions of Depositories Act /rules as notified by NSDL / CDSL from time to time.

Investors should mention their Depository Participants name, DP-ID and Beneficiary Account Number in the appropriate place in the application form. TCFSL shall take necessary steps to credit the depository account of the allottee (s) with the number of Unsecured NCDs allotted. In case of incorrect details provided by the investors and inability of the Company to credit the depository account, the allotment of Unsecured NCDs would be held in abeyance till the investors furnish the correct depository account details to the Company.

Notwithstanding the foregoing, applicant(s) have the option to seek rematerialisation of Unsecured NCDs (i.e., the investors shall have the right to hold the Unsecured NCDs in physical form) at any time in the future.

## **13. Mode of Subscription**

During the period of the Issue, investors can subscribe to the Unsecured NCDs by completing the application forms for the Unsecured NCDs in the prescribed form, as enclosed in the Disclosure Document. The application form should be filled in block letters in English. Application forms must be accompanied by either a Demand Draft or Cheque or RTGS of the amount as intimated by the Arrangers/Issuer and made payable in favor of "*Tata Capital Financial Services Limited*" and should be crossed "*Account Payee only*". No cash will be accepted.

The payment to be made for subscription of NCDs shall be made from the bank account of the person subscribing to the NCDs and in case of joint holders, the payment should be made from the bank account of the person whose name appears first in the application.

Cheque/Demand Drafts may be drawn on any Scheduled Bank, which is situated at and is a member or sub-member of the Banker's Clearing-house located at Ahmedabad, Chennai, Delhi, Kolkata and Mumbai. Investors in other centers that do not have any bank, which is a member or sub-member of the Banker's Clearing House located at the above mentioned centers would be required to make payments only through demand drafts payable at any one of the above-mentioned centers. Demand Draft charges in respect of such investor applications will be borne by the investor. Cash, outstation cheques, money orders, postal orders and stock invest will not be accepted. The Company assumes no responsibility for any applications / cheques / demand drafts lost in the mail.

In case the payment is made in RTGS, the funds must be credited to the Issuer's current account, the details of which are given below:

<b>Name of Bank</b>	HDFC Bank Limited
<b>Address of Bank</b>	Motwani Chambers, Fort, Mumbai 400001
<b>IFSC Code</b>	HDFC0000060
<b>Bank Account Number</b>	00600310030555
<b>Name of beneficiary</b>	Tata Capital Financial Services Limited

#### **14. Refunds**

For applicants whose applications have been rejected or allotted in part, refund orders will be dispatched within 7 (seven) days from the Deemed Date of Allotment of the NCDs.

In case the Issuer has received moneys from applicants for Unsecured NCDs in excess of the aggregate of the application moneys relating to the Unsecured NCDs in respect of which allotments have been made, the Issuer shall repay the moneys to the extent of such excess forthwith without interest, and if such money is not repaid within eight days after the Issuer becomes liable to repay it, the Issuer and every Director of the Issuer who is an officer in default shall, on and from the expiry of the eighth day be jointly and severally liable to repay that money with interest at the rate of twelve per cent per annum having regard to the length of the period of delay in making the repayment of such money.

#### **15. Deemed Date Of Allotment**

The deemed date of allotment for each series will be mentioned in the respective Pricing Supplement.

#### **16. Interest on the Coupon Bearing Debentures**

##### **Interest rate**

1. In case of fixed rate for Debentures, they shall carry interest at fixed Coupon Rate as per the respective Pricing Supplement from the corresponding Deemed Date of Allotment.
2. In case of floating rate for Debentures, the relevant coupon for any interest period shall be determined by the underlying benchmark, mark up/down on the same and the reset frequency as per the respective Pricing Supplement.

Interest shall be subject to deduction of tax at source at the rates prevailing from time to time under the provisions of the Income tax Act, 1961, or any other statutory modification or re-enactment thereof, for which a certificate will be issued by TCFSL.

##### **Computation of interest**

Interest for each of the interest periods shall be computed on a 365 days a year basis on the principal outstanding on the Unsecured NCDs at the Coupon Rate as mentioned in the respective Pricing Supplement. If the interest period from the start date to end date includes February 29, then interest shall be paid, on the basis of (End date – Start Date) / 366 days.

##### **Payment of interest**

Payment of interest on the Unsecured NCDs will be made to those of the Debenture Holders whose name(s) appear in the register of Debenture Holder(s) (or to the first holder in case of joint holders) as on the Record Date fixed by the Company for this purpose and /or as per the list provided by NSDL/CDSL to the Company of the beneficiaries who hold Unsecured NCDs in demat form on such Record Date, and are eligible to receive interest. Payment will be made by the Company after verifying the bank details of the Investors by way of direct credit through Electronic Clearing Service

(ECS), RTGS or National Electronic Funds Transfer (NEFT) and where such facilities are not available the Company shall make payment of all such amounts by way of cheque(s)/demand draft(s)/interest warrant(s), which will be dispatched to the Debenture Holder(s) by registered post/speed post/ courier or hand delivery on or before the Interest Payment Dates as specified in the relevant Pricing Supplement.

#### **17. Interest on Application Money**

Interest at the applicable coupon rate/implicit yield (subject to deduction of tax at source at the rates prevailing from time to time under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof for which a certificate will be issued by TCFSL) will be paid on the application money. Such interest shall be paid from the date of realization of the cheque(s) / demand draft(s) up to but not including the Deemed Date of Allotment. The respective interest payment instruments will be dispatched by registered post to the sole / first applicant, at the sole risk of the applicant.

#### **18. Tax Deduction At Source (TDS)**

The interest income of an NCD is taxed at normal rates under 'Income from other sources'. Capital gains tax is applicable when Unsecured NCDs are sold at the stock exchange. There are no specific tax benefits attached to the NCDs. Investors are advised to consider the tax implications of their respective investment in the Unsecured NCDs and consult their tax advisors in this regard.

Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source. For seeking TDS Exemption / lower rate of TDS, relevant certificate / document must be lodged by the Debenture Holders at the office of registrar and transfer agent, at least 15 days prior to the interest payment date. Tax exemption certificate in respect of non-deduction of tax on interest on application money, must be submitted along with the application form to the satisfaction of the Issuer. The prospective investor is advised to consult his tax advisor before investing in the Unsecured NCDs to be issued by the Issuer.

However, as per clause (ix) of Section 193 of the I. T. Act 1961, no tax is required to be withheld on any interest payable on any security issued by a company, where such security is in dematerialized form held by an Indian Resident and is listed on a recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and the rules made there under. Accordingly, no tax would be deducted at source from the interest on Unsecured NCDs held in dematerialized form held by Indian Residents.

#### **19. Redemption**

Unless previously redeemed or purchased and cancelled as specified below, the Unsecured NCDs shall be redeemed at such price, at the expiry of the respective tenor as mentioned in the Pricing Supplement. In case the Deemed Date of Allotment is revised, then the Redemption Date will also stand revised accordingly.

#### **20. Mode of Transfer**

All requests for transfer should be submitted to the respective Depository Participants prior to the Record Date for payment of interest/ principal.

Provided further that nothing in this section shall prejudice any power of the Company to register as Debenture Holder any person to whom the right to any Debenture of the Company has been transmitted by operation of law.

Transfer of Unsecured NCDs would be in accordance with the rules / procedures as prescribed by NSDL / CDSL/ Depository participant and the provisions of the Companies Act, 2013.



## **Payment on Redemption**

- *Unsecured NCDs held in physical form*

The NCD certificate(s), duly discharged by the sole / all the joint holders (signed on the reverse of the NCD Certificate(s)) to be surrendered for redemption on maturity should be sent by the Debenture Holder(s) by registered post with acknowledgement due or by hand delivery to the Company/ Registrar and Transfer Agent or to such persons at such addresses as may be notified by the Company from time to time, 3 days prior to the Redemption Date.

The Issuer may, at its discretion, redeem the Unsecured NCDs without the requirement of surrendering of the certificates by the Debenture Holder(s). In case the Company decides to do so, the redemption proceeds in the manner stated below would be paid on the Redemption Date to those Debenture Holders whose names stand in the register of Debenture Holders maintained by the Company on the Record Date fixed for the purpose of redemption. Hence the transferee(s), if any, should ensure lodgement of the transfer documents with the Company/Registrar and Transfer Agent before the Record Date. In case the transfer documents are not lodged before the Record Date and the Company dispatches the redemption proceeds to the transferor, claims in respect of the redemption proceeds should be settled amongst the parties inter se and no claim or action shall lie against the Company or the Registrar and Transfer Agent.

The Company shall compute the redemption amounts to be paid to each of the Debenture Holders based on the relevant Pricing Supplement and shall make payment of redemption amount by way of direct credit through ECS, RTGS or NEFT and where such facilities are not available, the Company shall make payment of all such amounts by way of cheque/demand draft(s) to the first/sole Debenture Holder. Direct credit or dispatch of cheques/Pay Order etc. in respect of such payment will be made on the Redemption Date or within a period of 30 days from the date of receipt of the duly discharged NCD certificate, whichever is later. The Company's liability to the Debenture Holder(s) towards all rights including payment or otherwise shall stand extinguished on and from the due date of redemption in all events and on the Company dispatching the redemption amount to the Debenture Holder(s). The Company will not be liable to pay any interest, income or compensation of any kind from the Redemption Date. In case of any delay in surrendering the Debenture Certificate(s) for redemption, the Company will not be liable to pay any interest, income or compensation of any kind for the late redemption due to such delay.

- *Unsecured NCDs held in Demat Form*

In case of the Unsecured NCDs held in demat form, no action is required on the part of the Debenture Holder(s) at the time of redemption of the Unsecured NCDs and on the Redemption Date, the redemption proceeds would be paid to those Debenture Holder(s) whose name(s) appear on the list of beneficial owners given by the Depositories to the Company. The name(s) would be as per the Depositories' records on the Record Date fixed for the purpose of redemption. All such Unsecured NCDs will be simultaneously redeemed through appropriate debit corporate action.

The Company shall compute the redemption amounts to be paid to each of the Debenture Holders based on the relevant Pricing Supplement.

The redemption proceeds shall be directly credited through ECS, RTGS or NEFT and where such facilities are not available the Company shall make payment of all such amounts by way of cheque/ demand draft. The cheque/demand draft for redemption proceeds, will be dispatched by courier or hand delivery or registered post at the address provided in the Application / at the address as notified by the Debenture Holder(s) or at the address with Depositories' record. Once the redemption proceeds have been credited to the account of the Debenture Holder(s) or the cheque/demand draft for redemption proceeds is dispatched to the Debenture Holder(s) at the addresses provided or available from the Depositories record, the Company's liability to redeem the Unsecured NCDs on the date of redemption shall stand extinguished and the Company will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCD(s).

**21. Effect of Holidays (Refer SEBI Circular –CIR/IMD/DF-1/122/2016 dated November 11, 2016):**

If the Interest Payment date falls on a Sunday or a holiday the coupon payment shall be made on the next working day. If the maturity date of the debt securities, falls on a Sunday or a holiday, the redemption proceeds shall be paid on the previous working day. The interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai.

**22. Issue of Duplicate NCD Certificate(s)**

If any NCD certificate(s) is / are mutilated or defaced or the cages for recording transfers of Unsecured NCDs are fully utilised, the same may be replaced by the Company against the surrender of such certificate(s) and upon payment by the claimant of such costs as may be determined by the Company. Provided, where the NCD Certificate(s) is / are mutilated or defaced, the same will be replaced as aforesaid, only if the certificate numbers, Debenture Holder number(s) and the distinctive numbers are legible. If any NCD Certificate(s) is / are destroyed, stolen or lost, then upon production of proof thereof to the satisfaction of the Company and upon furnishing such indemnity / security and / or documents as the Company may deem adequate, duplicate NCD Certificate(s) shall be issued subject to the charge for the same being borne by the Debenture Holder.

**23. Allotment of Unsecured NCDs**

TCFSL will make allotment of Unsecured NCDs to investors in due course after verification of the application form, the accompanying documents and on realization of the application money. The allotted Unsecured NCDs at the first instance will be credited in dematerialised form within two days of the date of allotment.

**24. Right to accept or reject applications**

TCFSL is entitled at its sole and absolute discretion to accept or reject an application, in part or in full, without assigning any reason thereof. Application forms, which are not complete in all respects, shall be liable to be rejected. Any application, which has been rejected, would be intimated by TCFSL along with the refund warrant / cheques.

**25. Record Date**

Record Dates for each interest payment/principal repayment or any other event will be fixed in consultation with NSE but shall not be less than 15 days prior to the relevant event.

**26. Right of the Company to purchase NCDs**

Pursuant to the provisions of the Act, TCFSL will have the power exercisable at its absolute discretion from time to time to purchase some or all of the NCDs held by the Debenture Holder at any time prior to the specified date(s) of redemption. Such buy- back of NCDs may be at par or at premium/discount to the par value at the sole discretion of TCFSL.

**27. Fictitious Applications**

As a matter of abundant caution and although not applicable in the case of NCDs, attention of applicants is specially drawn to the provisions of sub-section (1) of Section 38 of the Act:

“Any person who:

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under section 447.”

## **28. Notices**

The notices to the Debenture Holders required to be given by TCFSL or the Trustees shall be deemed to have been given if sent by ordinary post to the sole/first allottee or sole/first registered holder of the NCDs, as the case may be. All notices to be given by Debenture Holders shall be sent by registered post or by hand delivery to TCFSL at its Corporate Office.

## **29. Succession**

In the event of demise of any Debenture Holder, TCFSL will recognize the executor or administrator of the deceased Debenture Holder, or the holder of succession certificate or other legal representative as having title to the NCDs. TCFSL shall not be bound to recognize such executor, administrator or holder of the succession certificate or other legal representative as having title to the NCDs, unless such executor or administrator obtains probate or letter of administration or such holder is the holder of succession certificate or other legal representation, as the case may be, from a competent Court in India having jurisdiction over the matter. The Directors of TCFSL may, in their absolute discretion, where they think fit, dispense with production of probate or letter of administration or succession certificate or other legal representation, in order to recognize such holder as being entitled to the Unsecured NCDs standing in the name of the deceased Debenture Holder on production of sufficient documentary proof or indemnity.

## **30. Allotment Basis**

Acceptance of the offer to invest and the allotment shall be decided by TCFSL in consultation with the Arrangers, if any. The Company reserves the right to reject in full or part any or all of the offers received by them to invest in the Unsecured NCDs without assigning any reason for such rejection. Acceptance of the offer shall be subject to completion of subscription formalities as detailed in the application form.

## **31. Trustee**

IDBI Trusteeship Services Limited has been appointed to act as the Trustees for the Debenture Holders. All remedies of the Debenture Holder(s) for the amounts due on the Unsecured NCDs will be vested with the Trustees on behalf of the Debenture Holder(s).

The Debenture Holders shall without any further act or deed be deemed to have irrevocably given their consent to and authorized the Trustees or any of their Agents or authorized officials to do, *inter alia*, acts, deeds and things necessary in respect of or relating to the creation of security in terms of this Disclosure Document.

All the rights and remedies of the Debenture Holders shall vest in and shall be exercised by the Debenture Trustee without reference to the Debenture Holders. No Debenture Holder shall be entitled to proceed directly against the Issuer unless the Debenture Trustee, having become so bound to proceed, failed to do so. The Debenture Trustee will endeavour to protect the interests of the Debenture Holders in the event of default in regard to timely payment in relation to the Unsecured NCDs by the Issuer.

## **32. Register of Debenture Holders**

TCFSL shall maintain a Register of Debenture Holders containing necessary particulars at its Registered Office / RTA's office.

## **33. Governing Laws**

The NCDs are governed by and shall be construed in accordance with the existing Indian laws. Any dispute between the Company and the Debenture Holder will be subject to the jurisdiction of the courts in the city of Mumbai.

### **34. Issue specific regulations**

The issuer hereby declares that this Disclosure Document contains all disclosures as required under the SEBI (Issue and Listing of Debt Securities) Regulations, 2008 as amended from time to time and will comply with the following acts/regulations with respect to the issue of NCDs:

1. The Companies Act, 2013 or the Companies Act, 1956 (to the extent applicable)
2. Securities Contracts (Regulations) Act, 1956.
3. Securities and Exchange Board of India Act, 1992.
4. The Depositories Act, 1996.
5. The Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993.
6. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
7. RBI Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended from time to time.
8. The rules and regulations issued under any of the above.
9. The Circulars, Notification, Rules and Regulations issued under any of the above.

### **35. Undertaking By TCFSL**

TCFSL hereby undertakes that it shall use a common form of transfer for all Unsecured NCDs issued by the Issuer.

### **36. Additional Covenants**

Security Creation (where applicable): In case of delay in execution of Trust Deed and Charge documents, the Company will refund the subscription with agreed rate of interest or will pay penal interest of atleast 2% p.a. over the coupon rate till these conditions are complied with at the option of the investor.

Default in Payment: In case of default in payment of Interest and/or principal redemption on the due dates, additional interest of atleast @ 2% p.a. over the coupon rate will be payable by the Company for the defaulting period.

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 atleast 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.

The interest rates mentioned in above three cases are the minimum interest rates payable by the Company and are independent of each other.

<b>(X) OTHER INFORMATION</b>
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**I. List of Material Contracts and Documents**

1. Memorandum and Articles of Association of the Company
2. Certificate of Registration N-13.02005 dated November 4, 2011 issued by RBI, under section 45-IA of the Reserve Bank of India Act, 1934
3. Letter from CRISIL assigning the credit rating to the Subordinated Debenture Issue of Rs. 500 Crore.
4. Letter from ICRA assigning the credit rating to the Subordinated Debenture Issue of Rs. 500 Crore.
5. Letter from IDBI Trusteeship Services Limited giving consent for acting as Trustees.
6. High Court Orders containing Scheme of Arrangement under Sections 391-394 of the Companies Act, 1956, filed with the Hon'ble High Court of Bombay for transfer of the Transferred Undertaking from TCL to TCFSL


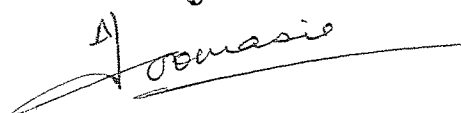
**Disclosure Pertaining to Wilful Default**

- (a) Name of the bank declaring the entity as a willful defaulter - N/A
- (b) The year in which the entity is declared as a willful defaulter - N/A
- (c) Outstanding amount when the entity is declared as a willful defaulter - N/A
- (d) Name of the entity declared as a willful defaulter - N/A
- (e) Steps taken, if any, for the removal from the list of willful defaulters - N/A
- (f) Other disclosures, as deemed fit by the issuer in order to enable investors to take informed decisions - N/A
- (g) Any other disclosure as specified by the Board - N/A

## DECLARATION

The Company hereby certifies that the disclosures made in this Disclosure Document are true and correct and generally adequate and in conformity with Schedule I of the SEBI (Issue and Listing of Debt Securities) Regulations, 2008 to the extent applicable, and no statement made in this Disclosure Document shall contravene any of the provisions of the Act and the rules made thereunder. All the legal requirements connected with the said issue as also the guidelines, instructions, etc issued by SEBI, Government and any other competent authority in this behalf have been duly complied with.

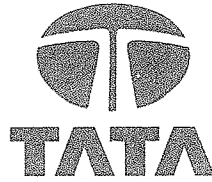
**Signed by:**

Name, Designation	Signature
Kiran Joshi – Head – Treasury, Tata Capital Limited	
Avan Doomasia – Company Secretary	

**Date :** December 14, 2017

**Place:** Mumbai





December 24, 2018

ADDENDUM TO THE DISCLOSURE DOCUMENT DATED DECEMBER 14, 2017 WITH RESPECT TO THE ISSUE OF 5,000 UNSECURED, REDEEMABLE, NON CONVERTIBLE SUBORDINATED DEBENTURES ( "Unsecured NCDs") OF THE FACE VALUE OF RS. 10,00,000 EACH (RUPEES TEN LAKH ONLY), AGGREGATING RS. 500,00,00,000/- (RUPEES FIVE HUNDRED CRORE ONLY) ON A PRIVATE PLACEMENT BASIS

The Credit Rating for the proposed issue of Unsecured, Redeemable, Non Convertible Subordinated Debentures aggregating to Rs. 500 crore has been upgraded by CRISIL Limited from "CRISIL AA+/Stable" to "CRISIL AAA/Stable" with effect from August 16, 2018 and by ICRA Limited from "[ICRA] AA+" to "[ICRA] AAA" with effect from August 24, 2018.

Yours faithfully,  
**For Tata Capital Financial Services Limited**



**Avan Doomasia**  
Company Secretary



**Kiran Joshi**  
Head - Treasury

**TATA CAPITAL FINANCIAL SERVICES LIMITED**

Corporate Identity Number U67100MH2010PLC210201

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