

TERM SHEET

Issuer	Cholamandalam Investment and Finance Company Limited (CIFCL)
Security Name	CICFL_Series 623_May 2027
Type of Instrument	Listed, Secured, Redeemable, Non-Convertible Debentures
Nature of Instrument	Secured Debentures
Seniority	Senior
Mode of Issue	Private Issue of Series 623 (Re-Issue of Series 622)
Eligible investors	Please refer to clause "Who can apply" of the Private Placement Memorandum dated 9 th June 2022
Listing	The Series are proposed to be listed on Wholesale Debt Market (WDM) Segment of the National Stock Exchange NSE .
Rating of the instrument	ICRA AA+ by ICRA & IND AA+ by India Ratings
Issue Size	Rs. 105 crores
Option to retain oversubscription (Amount)	Rs. 145 crs
Objects of the Issue	Please refer to clause "Objects of the Issue" of the Private Placement Memorandum dated 9 th June 2022
Details of the utilization of the proceeds	Please refer to clause "Details of Utilization of Proceeds" of the Private Placement Memorandum dated 9 th June 2022
Coupon Type	Fixed
Coupon Rate & Yield (for the current series under the existing ISIN)	7.95% p.a. – Original Coupon, 8.18% p.a. – Current Yield
Reissue/ extension/ addition of Debentures/securities under same ISIN	<p>The company shall have the right to reissue or cancel or extent or addition of debt securities in future under the same ISIN from time to time in accordance with the provisions of the Companies Act 2013 or regulations permitting to do so. Upon such reissue or extension or addition of debt securities the person entitled to the debentures shall have and shall be deemed always to have had, the same rights and priorities as if the debentures had never been redeemed.</p> <p>Where the company has repurchased / redeemed any such NCD's subject to the provisions of the Companies Act, 2013 and other applicable regulations, the company shall have and shall be deemed always to have the right to keep such ISIN alive for the purpose of reissue or addition of debt securities and in exercising such right, the company shall have and shall be deemed always to have had the power to consolidate/regrouped such NCDs either by reissuing or extending or adding of debt securities under same ISIN or by issuing other debentures in their place in either case, at such price and on such terms and conditions (including any variations, dropping of or additions to any terms and conditions originally stipulated) as the company deem fit within the applicable regulations.</p>
Step Up/Step Down Coupon rate	N.A.
Coupon Payment Frequency	Annual & on Maturity
Coupon Payment Dates	May 18, 2023, May 18, 2024, May 18, 2025, May 18, 2026 & May 18, 2027 subject to Business Day Convention
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.).	NA

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CIN - L65993TN1978PLC007576

Business Day	A day (other than Saturday, Sunday or a bank holiday) on which banks and stock exchanges are open for general business in Mumbai
Business Day Convention	<p>(a) Any interest, commission or fee accruing under a Transaction Document will accrue from day to day and is calculated on the basis of 365 (three hundred and sixty five) days' year or where the year is a leap year a 366 (three hundred and sixty six) days' year, and the actual number of days elapsed.</p> <p>(b) Interest payment which is due to be made on a day that is not a Business Day shall, subject to Applicable Law, be made on the succeeding Business Day.</p> <p>(c) Any payment (other than payment of interest but including the redemption amount) which is due to be made on a day that is not a Business Day shall, subject to Applicable Law, be made on the preceding Business Day.</p> <p>(d) During any extension of the due date for payment of any amounts under this Deed, Default Coupon is payable on such amounts.</p>
Day Count Basis	Actual
Interest on application money	NA
Tenor	4.92 years (1797 Days)
Redemption date	May 18, 2027
Redemption amount	At Par
Default Interest rate	NA
Premium / Discount at which security is issued /reissue/added further to existing ISIN	Discount of Rs. 9,444 per Debenture, Effective Yield is 8.18% p.a.
Issue Price	Clean Price : Rs. 9,90,556 Accrued Interest : Rs. 6,316 Dirty Price / Reissuance Price : Rs. 9,96,872 (Amount to be remitted by the investor per debenture)
Discount at which security is issued and effective yield as a result of such discount.	Rs. 9,444 per debenture with an effective yield of 8.18% p.a.
Put option Date	N.A
Put option price	N.A
Call option Date	N.A.
Call option price	N.A.
Put Notification Time	N.A
Call Notification Time	N.A.
Face value	Rs.10,00,000/- per Debenture
Minimum Application and in multiples of no. of debt securities thereafter	10 Debenture of Rs.10,00,000 each and in multiples of 1 Debenture thereafter

Issue timing	
1. Issue Opening Date	June 15, 2022
2. Issue Closing Date	June 15, 2022
3. Pay-in Date	June 16, 2022
4. Deemed Date of Allotment	June 16, 2022
Issuance mode of instrument	DEMAT
Trading/Issuance mode of the instrument	In Dematerialized form
Settlement mode of the instrument	Payment of interest and principal will be made by way of Cheque(s)/interest warrant (s)/demand draft(s)/ RTGS.
Depository	National Securities Depository Ltd. And Central Depository Services (India) Ltd.
Record date	15 Calendar days prior to each coupon payment / put option date / call option date / redemption date.
All covenants of the issue (including side letters, accelerated payment clauses etc.)	Such covenants as may be specified in the Transaction Documents, including that the Company shall not without the prior written approval of Debenture Trustee: <ul style="list-style-type: none"> (i) apply the proceeds of the issue of Debentures for any purpose other than that for which the Issue was made; and (ii) induct into its board of directors a person whose name appears in the wilful defaulter's list of Reserve Bank of India (other than as a nominee director). In case such a person is already on the board of directors of the Company, it shall take expeditious and effective steps for resolution of the above.
Transaction documents	<ul style="list-style-type: none"> (i) this Private Placement Memorandum; (ii) Debenture Trust deed; (iii) Debenture Trustee Agreement; and (iv) any other document that may be designated by the Trustee as a Transaction Document.
Conditions precedent to disbursement	Nil
Conditions subsequent to disbursement	As provided in Debenture Trust Deed to be executed between the Company and the Trustee.
Events of Default (including manner of voting / conditions of joining Inter-creditor Agreement)	Please refer clause "Event of Default" of this Private Placement Memorandum
Creation of recovery expenses fund	The Issuer will create and maintain the recovery expense fund as per the terms of Applicable Law, including any guidelines in this regard from SEBI, as may be amended from time to time.
Conditions for breach of covenants (as specified in the Debenture Trust Deed)	As specified in the Debenture Trust Deed
Disclosures as per the operating guidelines issued by the Stock Exchange in relation to Electronic Book Mechanism.	Mode of Bidding: Open Manner of Allotment: Uniform Manner of Settlement: Through National Securities Clearing Corporation Limited (NSCCL) Settlement Cycle: T+1

Role and responsibilities of debenture trustee	Please refer clause "Rights, power and Discretion of the Trustee" of Private Placement Memorandum
Receivables	<p>means all and any of the monies, cash flows, receivables, proceeds accruing to the Company, amounts owing to, and receivable by the Company and/ or any person on its behalf, all book debts, present or future, arising from/ in connection with the business of the Company, both present and future, payable by or on behalf of the Company Customers to the Company as are Standard Assets, including without limitation:</p> <ul style="list-style-type: none"> (a) all principal amounts; (b) all amounts on account of interest (including, without limitation, default or additional interest); and (c) all prepayment amounts and amounts due on account of termination and/ or prepayment including liquidated damages and break costs, if any, <p>where, 'Standard Assets' shall mean receivables that are not more than 90 days past due and shall include such receivables where upon receipt of amounts from Company Customers towards such receivables as are more than 90 days past due, the amounts so received are sufficient to ensure that such receivable is less than 90 days past due;</p> <p>"Company Customers" means any person to whom the Company extends loans in its ordinary course of business pursuant to the Company loan documents.</p>
Security	<p>Exclusive charge on Charged Receivables of the Company. The security will be created in favour of the Trustees, with a minimum asset cover ratio such that the book value of the Charged Receivables at all times provides the Security Cover.</p> <p>Where, 'Charged Receivables' shall mean the Receivables of the Company as identified or to be identified under the Deed of Hypothecation which from time to time are expressed to be, the subject of the Security such that the book value of such Receivables provides the Security Cover.</p> <p>Security Cover shall mean the Receivables as are Standard Assets whose value shall be equal to at least 1 (one) time the amounts outstanding under the Debentures.</p>
Fees charged by the debenture trustee	TBD
Risk factors pertaining to the issue	<p>1. Taxation</p> <p>Potential purchasers and sellers of the Debentures should be aware that they may be required to pay taxes in accordance with the laws and practices of India. Payment and/or delivery of any amount due in respect of the Debentures will be conditional upon the payment of all applicable taxes, duties and/or expenses.</p>

Risk factors pertaining to the issue

Potential investors who are in any doubt as to their tax position should consult their own independent tax advisers. In addition, potential investors should be aware that tax regulations and their application by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time.

2. Interest Rate Risk

All securities where a floating rate of interest is offered 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 floating income securities fall and when interest rates drop, the prices increase. The extent of fluctuation 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. Any increase in rates of interest is likely to have a negative effect on the price of the Debentures.

3. The Debentures may be Illiquid

It is not possible to predict if and to what extent a secondary market may develop in the Debentures or at what price the Debentures will trade in the secondary market or whether such market will be liquid or illiquid. As specified in this Offer Letter, an application has been made to list the Debentures on the NSE and an in-principle approval has been obtained. If the Debentures are so listed or quoted or admitted to trading on the NSE, no assurance is given by the NSE that any such listing or quotation or admission to trading will be maintained. The fact that the Debentures may be so listed or quoted or admitted to trading does not necessarily lead to greater liquidity than if they were not so listed or quoted or admitted to trading.

The Company may, but is not obliged to, at any time purchase the Debentures at any price in the open market or by tender or private agreement. Any Debentures so purchased may be resold or surrendered for cancellation. The more limited the secondary market is, the more difficult it may be for holders of the Debentures to realise value for the Debentures prior to redemption of the Debentures.

4. The Debentures may not be a suitable investment for all investors

Potential investors should ensure that they understand the nature of the Debentures and the extent of their exposure to risk, that they have sufficient knowledge, experience and access to professional advisers such as legal, tax, accounting and other advisers to make their own legal, tax, accounting and financial evaluation of the merits and risks of investment in the Debentures and that they consider the suitability of the Debentures as an investment in the light of their own circumstances and financial condition. These risks may include, among others, equity market risks, bond market risks, interest rate risks, market volatility and economic, political and regulatory risks and any combination of these and other risks.

Risk factors pertaining to the issue	<p>5. Delays in court proceedings in India</p> <p>If any dispute arises between the Company and any other party, the Issuer or such other party may need to take recourse to judicial proceedings before courts in India. It is not unusual for court proceedings in India to continue for extended periods. Disposition of cases may be further subject to various delays including multiple levels of appellate adjudication.</p> <p>6. Force majeure events, terrorist attacks or natural disaster or any other acts of violence or war involving India, or other countries could adversely affect the financial markets, may result in loss of customer confidence and adversely affect the Company's business, results of operations, financial conditions and cash flows.</p> <p>Certain force majeure events, being beyond the Company's control, including natural disasters, pandemic, terrorist attacks and other acts of violence or war which may involve India, or other countries, may cause interruption in the business undertaken by the Company and may adversely affect Indian or worldwide financial markets, and could lead to economic recession. These acts may also result in a loss of business confidence and have other consequences that could adversely affect business, results of operations and financial condition of the Company. More generally, any of these events could lower confidence in India. Any such event could adversely affect the financial performance or the market price of the equity shares of the Company.</p> <p>7. Regulatory changes may adversely affect the performance or financial conditions.</p> <p>Regulatory changes relating to business segments in which the Company operates in India can have a bearing on the business. Each state in India has different local taxes and levies. Changes in these local taxes and levies may impact our profits and profitability. Any negative changes in the regulatory conditions in India or the other geographic markets could adversely affect our business operations or financial conditions.</p>
Governing law and jurisdiction	<p>The Debentures and the Transaction Documents shall be governed by Indian law. Any disputes arising out of this issue will be subject to the exclusive jurisdiction of the Court at Chennai, Tamil Nadu.</p>

Cash Flow: (For single Non-convertible Debenture):

Cash Flows	Cash Flow Date	Payment date	Amount in Rupees Per 10 Debentures of Rs.10 Lakhs each
Reissuance date	Thursday, June 16, 2022	Thursday, June 16, 2022	9,96,872.00
1 st Interest Payment Date	Thursday, May 18, 2023	Thursday, May 18, 2023	79,500.00
2 nd Interest Payment Date	Saturday, May 18, 2024	Monday, May 20, 2024	79,500.00
3 rd Interest Payment Date	Sunday, May 18, 2025	Monday, May 19, 2025	79,500.00
4 th Interest Payment Date	Monday, May 18, 2026	Monday, May 18, 2026	79,500.00
5 th Interest Payment Date	Tuesday, May 18, 2027	Tuesday, May 18, 2027	79,500.00
Redemption date	Tuesday, May 18, 2027	Tuesday, May 18, 2027	10,00,000.00

** subject to SEBI Circular number CIR/IMD/DF-1/122/2016 dated November 11, 2016 on day count convention*

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