

Issuer	Cholamandalam Investment and Finance Company Limited (CIFCL)
Security Name	CIFCL 606_05 July, 2023
Type of Instrument	Listed, Unsecured, Redeemable, Non-Convertible Debentures
Nature of Instrument	Unsecured Debentures
Seniority	Senior
Mode of Issue	Private Placement
Eligible investors	Please refer to clause "Who can apply" of the Disclosure Document
Listing	The Series are proposed to be listed on Wholesale Debt Market (WDM) Segment of the National Stock Exchange (NSE).
Rating of the instrument	IND AA+ by India Ratings
Issue Size	The base issue size is Rs. 5 cr
Option to retain oversubscription (Amount)	Rs. 95 cr
Objects of the Issue	Please refer to clause "Objects of the Issue" of the Disclosure Document
Details of the utilization of the proceeds	Please refer to clause "Details of Utilization of Proceeds" of the Disclosure Document
Coupon rate	4.90% p.a. which will be the initial coupon
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	Annually & on Maturity
Coupon payment dates	July 5, 2022 & on Maturity
Coupon Type	Floating Coupon with Quarterly Reset, Payable Annually
Coupon Reset Process	3Month T-bill (FBIL Benchmark) yield shall be taken as Average closing yield of 10 previous working days (rounding to 2 decimal), Quarterly reset

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(including rates, spread, effective date, interest rate cap and floor etc.).	of Coupon maintaining spread of 151 bps over Benchmark
Process of computing Initial Coupon Rate	The first Coupon is set as the average rate of 3Month T-bill from date June 02, 2021 to June 15, 2021 i.e. 3.39% plus 151 bps to arrive at a Coupon rate of 4.90% p.a..
Process of computing Interest payment	<p>The first interest payment is set as an average (Simple) rate of previous four quarters reset coupon rate e.g. Coupon rate to be paid on July 05, 2022 (as per Business day convention) is the average of coupon rate on July 05, 2021 (initial coupon) and the rate computed on the reset date being October 05, 2021, January 05, 2022, April 05, 2022</p> <p>The subsequent reset dates would be:</p> <ul style="list-style-type: none"> ✓ July 05, 2022 ✓ October 05, 2022 ✓ January 25, 2023 ✓ April 05, 2023 <p>Subsequent Interest payment are to be calculated in similar manner as above.</p>
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>
Coupon Reset process (including rates, spread, effective date, interest rate cap and floor etc)	(151 bps spread over Benchmark), Benchmark to be Reset on quarterly basis, coupon payable annually and on maturity
Benchmark	<p>3 Month T-bill (FBIL Benchmark) yield shall be taken as Average closing yield of 10 previous working days (rounding to 2 decimal) before the Coupon Reset date (data source would be FBIL)</p> <p>If FBIL data is not available for Benchmark, then Average of BLOOMBERG 3Month T-bill closing yield of 10 previous working days before the</p>

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	Coupon Reset date would be considered.
Day Count Basis	Actual
Interest on application money	NA
Tenor	2 years
Redemption date	July 05, 2023
Redemption amount	At Par
Default Interest rate	NA
Redemption Premium / Discount at which security is issued /reissue/added further to existing ISIN	NA
Issue Price	10,00,000/-
Discount at which security is issued and effective yield as a result of such discount.	NA
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	July 02, 2021
2. Issue Closing Date	July 02, 2021
3. Pay-in Date	July 05, 2021
4. Deemed Date of Allotment	July 05, 2021
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: (i) apply the proceeds of the issue of Debentures for any purpose

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	<p>other than that for which the Issue was made; and</p> <p>(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.</p>
Transaction documents	<p>(i) this Shelf Disclosure Document;</p> <p>(ii) Debenture Trust deed;</p> <p>(iii) Debenture Trustee Agreement; and</p> <p>(iv) any other document that may be designated by the Trustee as a Transaction Document.</p>
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)	<ol style="list-style-type: none"> 1. Payment default 2. Default in performance of covenants and conditions 3. Supply of misleading information 4. Inability to pay debts 5. Sale, disposal and removal of assets 6. Inability to pay debts on maturity 7. Liquidation or dissolution of company 8. Appointment of receiver or liquidator 9. Attachment or distraint on Charged Receivables 10. Extra-ordinary circumstances 11. Company ceases to carry on business 12. Liabilities exceeds the assets <p>Cure period: Upon occurrence and continuance of any Event of Default, the Trustee may, in their discretion, and shall, upon request in writing of the Majority Debenture Holders or pursuant to a Majority Resolution, after giving a notice of 30 (thirty) days in writing to the company to remedy the Event of Default. If after expiry of such period the Event of Default is still unremedied, the Trustee may by a notice in writing to the Company declare the principal amount being the nominal amount of and all accrued coupon on the debentures and all premium, liquidated damages, fees, costs, charges, expenses and other amounts payable by the company on all the Debentures under the terms and conditions of the Debenture issue or under this Deed to be due and payable forthwith.</p>
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.

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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: Close Manner of Allotment: Uniform Manner of Settlement: Through Indian Clearing Corporation Limited (ICCL) Settlement Cycle: T+1
Role and responsibilities of debenture trustee	Please refer clause "Rights, power and Discretion of the Trustee" of Disclosure Document
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> <p>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.</p> <p>2. Interest Rate Risk</p> <p>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.</p> <p>3. The Debentures may be Illiquid</p> <p>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,</p>

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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.

5. Delays in court proceedings in India

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.

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

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	<p>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>
<p>Governing law and jurisdiction</p>	<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>

Handwritten signature

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