

**PRICING SUPPLEMENT DATED DECEMBER 23, 2016 TO THE INFORMATION
MEMORANDUM DATED DECEMBER 20, 2016 AND THE OFFER LETTER DATED DECEMBER
22, 2016 FOR THE ISSUE BY WAY OF PRIVATE PLACEMENT BY TATA CAPITAL FINANCIAL
SERVICES LIMITED (“COMPANY” OR “ISSUER”) OF UPTO 2720 LISTED, RATED, SECURED,
REDEEMABLE, NON-CONVERTIBLE DEBENTURES (“DEBENTURES”) OF THE FACE VALUE
OF RS. 10,00,000 (RUPEES TEN LAKHS ONLY) EACH AGGREGATING UPTO RS. 272,00,00,000
(RUPEES TWO HUNDRED AND SEVENTY TWO CRORES) (“ISSUE”)**

| | |
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| Security Name | 7.58% rated, listed, secured, redeemable non convertible debentures. TCFSL NCD “AG” FY 2016-17- 2021 |
| Issuer / Company | Tata Capital Financial Services Limited |
| Type of Instrument | Secured, redeemable non convertible debentures |
| Nature of Instrument | Secured |
| Seniority | Senior Debt |
| Mode of Issue | Private Placement |
| Eligible Investors | Refer Clause 9 of IX - Offering Information of the Information Memorandum dated December 20, 2016 |
| Listing (including name of stock Exchange(s) where it will be listed and timeline for listing) | WDM segment of National Stock Exchange of India Limited The Issuer shall, promptly after allotment of the NCDs but in any event within 15 (fifteen) days from the Deemed Date of Allotment, procure that the NCDs are listed on the wholesale debt market segment of National Stock Exchange of India Limited. |
| Rating of the instrument | AA+ Stable by CRISIL Limited |
| Issue Size | Rs. 272,00,00,000 (Rupees Two Hundred and Seventy Two Crores only). |
| Option to retain oversubscription (Amount) | Nil |
| Object of the Issue | Refer clause 2.4 of the Debenture Trust Deed dated May 31, 2016 |
| Details of the utilization of the proceeds | Refer clause 2.4 of the Debenture Trust Deed dated May 31, 2016 |
| Coupon Rate | 7.58% p.a. (Seven Decimal Five Eight per cent.) |
| Step Up / Step Down Coupon Rate | Nil |
| Coupon Payment Frequency | Yearly (As per First Amendment to the Debenture Trust Deed dated May 31, 2016 executed on October 26, 2016) |
| Coupon Payment Dates | 04-12-2017, 03-12-2018, 03-12-2019, 03-12-2020, 03-12-2021, 28-12-2021 |
| Coupon Type | Fixed |
| Coupon Reset Process | Nil |
| Days Count Basis | Actual by Actual |
| Interest on Application Money | Refer Clause 17 of the Information Memorandum dated December 20, 2016 |
| Default Interest Rate | Refer Clause 2.8 of the Debenture Trust Deed dated May 31, 2016 |
| Tenor | 1826 days from the Deemed Date of Allotment |
| Redemption Date | December 28, 2021 |
| Redemption Amount per NCD | Rs. 10,00,000 |
| Redemption Premium / Discount | Nil |
| Issue Price | Rs. 10,00,000 per NCD |

TATA CAPITAL FINANCIAL SERVICES LIMITED

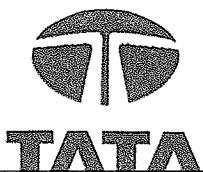
Corporate Identity Number U67100MH2010PLC210201

Tower A 1101 Peninsula Business Park Ganpatrao Kadam Marg Lower parel Mumbai 400 013 India

Tel 91 22 6606 9000 Web www.tatacapital.com

Registered Office One Forbes Dr V B Gandhi Marg Fort Mumbai 400 001 India Tel 91 22 6745 9000

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| Discount at which security is issued and the effective yield as a result of such discount | Nil |
| Put Option Date | Nil |
| Put Option Price | Nil |
| Call Option Date | Nil |
| Call Option Price | Nil |
| Put Notification Time | Nil |
| Call Notification Time | Nil |
| Face Value | Rs. 10,00,000 |
| Minimum Application and in multiples of debt securities thereafter | Minimum Subscription of 1 (one) NCD's (Face value per NCD Rs. 10,00,000/-) |
| Issue Timing | |
| Issue Opening Date | December 26, 2016 |
| Issue Closing Date | December 28, 2016 |
| Pay-in Date | December 28, 2016 |
| Deemed Date of Allotment | December 28, 2016 |
| Issuance mode of the Instrument | Demat only |
| Trading mode of the Instrument | Demat only |
| Settlement mode of the Instrument | Electronic Mode |
| Depository | CDSL and NSDL |
| Business Day Convention | Refer definition of Business Day in the Debenture Trust Deed dated May 31, 2016 In this regard, please refer to the 'Business Day Adjustment' as described in Clause 1.4 (<i>Business Day Adjustment</i>) of the Debenture Trust dated May 31, 2016 |
| Record Date | Refer definition of the term "Record Date" in the Debenture Trust Deed dated May 31, 2016 |
| Security | Refer definition of the term "Security" in the Debenture Trust Deed dated May 31, 2016 |
| Security Cover | Refer definition of the term "Security Cover" in the Debenture Trust Deed dated May 31, 2016 |
| Transaction Documents | Refer definition of Transaction Documents in the Debenture Trust Deed dated May 31, 2016 |
| Condition Precedent to Disbursement | Refer Schedule II (<i>Conditions Precedent</i>) of the Debenture Trust Deed dated May 31, 2016 |
| Condition Subsequent to Disbursement | Refer Schedule III (<i>Conditions Subsequent</i>) of the Debenture Trust Deed dated May 31, 2016 |
| Events of Default | Refer Clause 7 (<i>Events of Default and Remedies</i>) of the Debenture Trust Deed dated May 31, 2016 |
| Provision related to Cross Default Clause | Refer Clause 7 (g) (<i>Cross Default</i>) of the Debenture Trust Deed dated May 31, 2016 |
| Role and Responsibilities of Debenture Trustee | Refer Clause 9 (<i>Trustee's Rights, Powers and Discretions</i>) of the Debenture Trust Deed dated May 31, 2016 |
| Governing Law and Jurisdiction | India |
| Arrangers /Broker's Name | None |
| Bank Account details in case of application amount remitted by Real Time Gross Settlement (RTGS) | Refer Clause 13(<i>Mode of Subscription/Application Process</i>) of the Information Memorandum dated December 20, 2016 |

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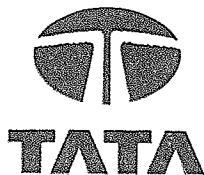
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Redemption / Payment of Interest

If the Coupon Payment Date of the debt securities, falls on a day that is not a Business Day, the Coupon payment shall be made on the next Business Day.

If the maturity date of the debt securities, falls on a day that is not a Business Day, the redemption proceeds shall be paid on the previous Business Day. The interest will be calculated and paid upto the previous day of redemption. The accrued interest and redemption amount will change accordingly. The disclosure of cashflows as per the SEBI Circular CIR/IMD/DF/18/2013 dated October 29, 2013 are set out in **Annexure A** of this Pricing Supplement

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 Coupon 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).

Interest (including any default interest) and all other charges shall accrue from day to day and shall be computed on the basis of the actual number of days in the relevant year to the actual number of days in the relevant interest period. If the interest period from start date to end date includes February 29, then interest shall be paid on the basis of (end date – start date)/366 days.

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.

This Pricing Supplement shall in all respects form an integral part of the Information Memorandum issued by the Company dated December 20, 2016 and the Offer Letter dated December 22, 2016.

For Tata Capital Financial Services Limited

A handwritten signature in black ink, appearing to read 'Kiran Joshi'.

Name: Mr. Kiran Joshi
Designation: Head Treasury

A handwritten signature in black ink, appearing to read 'Rajesh Bhakade'.

Name : Mr. Rajesh Bhakade
Designation: Associate Vice President -Treasury

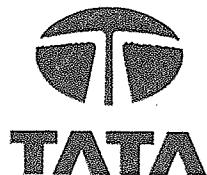
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ANNEXURE A
DISCLOSURE OF CASHFLOWS

| Bond Cash Flows | |
|---|---|
| Company | Tata Capital Financial Services Limited |
| Face Value (per Debenture) | INR 10,00,000 (Indian Rupees Ten Lakhs only) |
| Issue Date/Date of Allotment | December 28, 2016 |
| Redemption Date | December 28, 2021 |
| Coupon Rate | 7.58% (Seven Decimal Five Eight per cent.) |
| Frequency of the Interest Payment with specified dates | First interest payment on December 04, 2017 and subsequently on December 3 of each year until maturity |
| Day Count Convention | Actual/Actual |

| Cash Flows | Date | No. of Day in Coupon | Amount (in Rs) |
|----------------------|-------------------|-----------------------------|-----------------------|
| Interest | December 4, 2017 | 341 | 19,26,13,049 |
| Interest | December 3, 2018 | 364 | 20,56,11,134 |
| Interest | December 3, 2019 | 365 | 20,61,76,000 |
| Interest | December 3, 2020 | 366 | 20,62,20,757 |
| Interest | December 3, 2021 | 365 | 20,61,31,243 |
| Interest | December 28, 2021 | 25 | 1,41,21,644 |
| Principal Redemption | December 28, 2021 | | 272,00,00,000 |
| Total | | | 375,08,73,827 |

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