

**Addendum to Disclosure Document dated January 31, 2019**

**Pricing Supplement Dated March 26, 2019**

**Private Placement of Secured, Redeemable, Non-Convertible debenture issue of Tata Capital Financial Services Limited pursuant to Disclosure Document dated January 31, 2019**

Private Placement of 8075 Secured, Redeemable, Non-Convertible, Debentures of the Face Value of Rs. 10,00,000 each aggregating to Rs. 807,50,00,000 (Rupees Eight Hundred Seven Crore and Fifty Lakhs Only) to be listed on the WDM Segment of the NSE.

Security Name	TCFSL NCD "N" FY 2018-19 ✓	
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 (X) 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 Debt Market(WDM) segment of National Stock exchange of India Limited	
Rating of the instrument	ICRA AAA (Stable) by ICRA LIMITED	
Issue Size	Option I Rs. 500,00,00,000 (Rupees Five Hundred Crore Only)	Option II Rs. 250,00,00,000 (Rupees Two Hundred and Fifty Crore Only)
	Option I Rs. 500,00,00,000 (Rupees Five Hundred Crore Green Shoe Option)	Option II Rs. 500,00,00,000 (Rupees Five Hundred Crore Green Shoe Option)
Option to retain oversubscription (Amount)	<p>The Green Shoe parameter set for EBP Bidding for Option I - Rs 500Crore and We have received and accepted bids for an amount of Rs 25 Crore for Option – I ✓</p> <p>The Green Shoe parameter set for EBP Bidding for Option II - Rs 500 Crore and We have received and accepted bids for an amount of Rs 32.50 Crore for Option – II ✓</p>	
Object of the Issue	Refer (VIII) Offering Information of the Disclosure Document	
Details of the utilization of the proceeds	Refer (VIII) Offering Information of the Disclosure Document	
Coupon Rate	Option-I 8.65% p.a.	Option II 8.71% p.a.

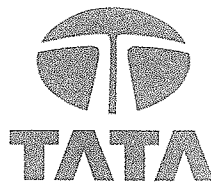
**TATA CAPITAL FINANCIAL SERVICES LIMITED**

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

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



Step Up / Step Down Coupon Rate	Not Applicable	
Coupon Payment Frequency	Option I Annually and on Maturity	Option II Annually and on Maturity
Coupon Payment Dates	Option-I 27-03-2020 26-03-2021	Option-II 27-03-2020 29-03-2021 25-03-2022
Coupon Type	Fixed Rate	
Coupon Reset Process (including rates, Spread, effective date, interest rate cap and floor etc.	Not Applicable	
Days Count Basis	Actual by Actual	
Interest on Application Money	Not Applicable	
Default Interest Rate	-	
Tenor from Deemed Date of allotment	Option-I 730 days	Option- II 1094 days
Redemption Date	Option -I 26/03/2021	Option -II 25/03/2022
Redemption Amount per NCD	<b>Option-I</b> –Rs. 10,00,000/- Per NCD <b>Option-II</b> –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/-) for Option –I & Option - II	
Funds Transfers Details	<b>Kindly Transfer Fund / RTGS to NSCCL Virtual account as per EBP guidelines</b>	
Issue Timing	Option - I	Option - II
Issue Opening Date	26 March- 2019 (EBP Portal – Bidding Open – 10.00 am)	26 March- 2019 (EBP Portal – Bidding Open – 10.00 am)
Issue Closing Date	26 March- 2019 (EBP Portal – Bidding Close – 11.00 am )	26 March- 2019 (EBP Portal – Bidding Close – 11.00 am )
Pay-in Date	27 March- 2019	27 March- 2019
Deemed Date of Allotment	27 March- 2019	27 March- 2019

*RS*

### 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



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	HDFC00000060
Issuance mode of the Instrument	Demat only	
Trading mode of the Instrument	Demat only	
Settlement mode of the Instrument	Refer (X) Offering Information in Point No.20 of the Disclosure Document	
Depository	National Securities Depository Limited & Central Depository Services (India) Limited	
Business Day Convention	Refer (X) Offering Information of the Disclosure Document	
Record Date	15 Days prior to the relevant event.	
Security	Specific immovable property and movable property of the Company (for details please refer to clause 26 on security / further borrowings under Section (X) – Offering Information of this Disclosure Document)	
Security Cover	1.00 time Security for entire tenure of this issue size.	
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 (X) Offering Information in Point No.32 of the Disclosure Document	
Governing Law and Jurisdiction	India	
Arrangers/Broker's Name	Axis Bank Limited, ICICI Bank 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

*Handwritten signature/initials*

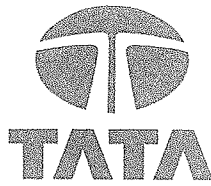
### TATA CAPITAL FINANCIAL SERVICES LIMITED

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

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



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*

*Authorised Signatories*

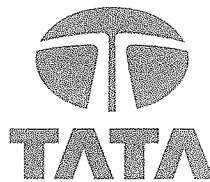
**TATA CAPITAL FINANCIAL SERVICES LIMITED**

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



**Cash flow Sheet - TCFSL NCD "N" Series FY 2018-19 Option- I**

Date	Event	From	To	Number of Days	Coupon Rate	Face Value per NCD	Amount in Rupees - Per NCD
27-Mar-20	Interest	27-Mar-19	26-Mar-20	366	8.65%	10,00,000	86,500
26-Mar-21	Interest	27-Mar-20	25-Mar-21	364	8.65%	10,00,000	86,263
26-Mar-21	Principal						10,00,000
	<b>Total</b>			<b>730</b>			<b>11,72,763</b>

**Cash flow Sheet - TCFSL NCD "N" Series FY 2018-19 Option- II**

Date	Event	From	To	Number of Days	Coupon Rate	Face Value per NCD	Amount in Rupees - Per NCD
27-Mar-20	Interest	27-Mar-19	26-Mar-20	366	8.71%	10,00,000	87,100
29-Mar-21	Interest	27-Mar-20	26-Mar-21	365	8.71%	10,00,000	87,100
25-Mar-22	Interest	27-Mar-21	24-Mar-22	363	8.71%	10,00,000	86,623
25-Mar-22	Principal						10,00,000
	<b>Total</b>			<b>1,094</b>			<b>12,60,823</b>

16

**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

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: 11<sup>th</sup> Floor, Tower A, Peninsula Business Park,  
Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013

Address for Correspondence: 11<sup>th</sup> Floor, Tower A, Peninsula Business Park,  
Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013

Tel: 91 22 6606 9000, Fax 91 22 6656 2699

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

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

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

ISSUE BY TATA CAPITAL FINANCIAL SERVICES LIMITED (“Company” or “Issuer”) OF 30,000 SECURED, REDEEMABLE, NON CONVERTIBLE DEBENTURES (“NCDs”) OF THE FACE VALUE OF RS. 10,00,000 EACH (RUPEES TEN LAKH ONLY), AGGREGATING RS. 3,000,00,00,000/- (RUPEES THREE THOUSAND CRORE 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”) AND TO BE ISSUED IN ONE OR MORE TRANCHES

**Credit Rating:** “[ICRA]AAA(stable)” 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 (“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. 13-30 of this Disclosure Document. This Disclosure Document has not been submitted, cleared or approved by SEBI or the Stock Exchange. 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 NCDs are proposed to be listed on the WDM segment of the NSE.

#### **CREDIT RATING**

**Credit Rating: “[ICRA]AAA(stable)” by ICRA Limited**

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 TO THE ISSUE**

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 January 31, 2019**

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.

## TABLE OF CONTENTS

(I)	Definitions / Abbreviations	6
(II)	General Disclaimer	8
(III)	Forward Looking Statements	12
(IV)	Risk Factors	13
(V)	Summary Term Sheet	31
(VI)	Introduction	32
(VII)	Financial Information	54
(VIII)	Brief History, Capital Structure And Objects Of The Issue	59
(IX)	Disclosures On Existing Financial Indebtedness	65
(X)	Offering Information	73
(XI)	Other Information	85



## PROFORMA PRICING SUPPLEMENT

Private Placement of \_\_\_\_ Secured, Redeemable, Non-Convertible, Debentures (NCD) of the Face Value of Rs. 10,00,000/- (Rupees Ten Lakh only) each aggregating to 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	
Issue Size	
Option to retain oversubscription (Amount)	
Object of the Issue	
Details of the utilization of the proceeds	
Coupon Rate	
Step Up / Step Down Coupon Rate	
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 Date	
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	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 u/s 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
CRAR	Capital to Risk Adjusted Ratio
ICRA	ICRA Limited
CDSL	Central Depository Services (India) Limited
CFAB	Consumer Finance and Advisory Business
Debentures / NCDs/ Secured NCDs	Secured, Redeemable, Non-Convertible Debentures 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 through which the NCDs are being offered on a private placement
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 30,000 NCDs of the Face Value of Rs.10,00,000/- each for cash, aggregating to Rs 3,000 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
Offer Letter	mean the offer of NCDs to the Debenture Holders containing the terms and conditions of the offer relating to a series of Debentures.
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
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 Secured, Redeemable, Non-Convertible, Debentures of Face Value of Rs. 10,00,000/- each (Rupees Ten Lakh Only) issued by the Company.

The issue of 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 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, application form has 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 prospectus in relation to the Issuer or the 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 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 NCDs. It is the responsibility of potential investors to ensure that if they sell/ transfer these 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 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 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 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 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 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 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 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 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 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 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 NCDs and should possess the appropriate resources to analyse such investment and the suitability of such investment to such investor's particular circumstances.

#### **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.

#### **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.

### **Disclaimer Clause of NSE**

As required, a copy of the Disclosure Document for issue of NCDs aggregating Rs. 3000,00,00,000 (Rupees Three Thousand 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 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. Every person who desires to apply for or otherwise acquire any securities of this issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

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

Issue of these 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 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) "Reserve Bank of India 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 Reserve Bank and by issuing the Certificate of Registration of the Company, the Reserve Bank 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) 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”.

#### **(IV) 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.

The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose off the NCDs. Prospective investors should carefully consider the risks and uncertainties described below, in addition to the other information contained in this Draft Shelf Prospectus, before making any investment decision relating to the NCDs. If any of the following risks or other risks that are not currently known or are now deemed immaterial, actually occur, our business, financial condition and result of operation could suffer, the trading price of the NCDs could decline and you may lose all or part of your interest and/or redemption amounts. The risks and uncertainties described in this section are not the only risks that we currently face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations and financial condition.

Unless otherwise stated in the relevant risk factors set forth below, TCFSL is not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. The ordering of the risk factors is intended to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.

This Draft Shelf Prospectus contains forward looking statements that involve risk and uncertainties. TCFSL's actual results could differ materially from those anticipated in these forward looking statements as a result of several factors, including the considerations described below and elsewhere in this Draft Shelf Prospectus.

#### **RISKS RELATING TO OUR BUSINESS**

- 1. TCFSL's operations are susceptible to fluctuations in interest rates which could cause our net interest income to vary and consequently affect our profitability.*

TCFSL's revenue from operations is substantially dependent upon the level of its net interest margins. TCFSL's total revenue from operations constituted 93.72%, 91.03%, 91.55%, 91.76% and 92.35%, of TCFSL's total income in fiscal years 2014, 2015, 2016, 2017 and 2018, respectively. As at March 31, 2018, TCFSL's total loans and advances outstanding amount to ₹ 3,691,324 lakh.

Our interest income is affected by any volatility in interest rates in our lending operations. Fluctuations in interest rates may also adversely affect our treasury operations. Moreover, if there is an increase in the interest rates we pay on our borrowings that we are unable to pass to our customers and, it may affect our profitability. Competition pressures may also require TCFSL to reduce the interest rates at which it lends to its customers without a proportionate reduction in interest rates at which it raises funds. Furthermore, certain customers of TCFSL may prepay their loans to take advantage of a declining interest rate environment.

Interest rates are highly sensitive to many factors beyond our control, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions and other factors, which have historically generated a relatively high degree of volatility in interest rates in India. There can be no assurance that TCFSL will be able to adequately manage its interest rate risk in the future, which could have an adverse effect on income and margins, which could in turn have a material adverse effect on TCFSL's business, financial condition and results of operations.

***2. Inability to sustain our growth or manage it effectively may affect our business, operations and profitability to a large extent.***

TCFSL has experienced significant growth in recent years. For instance, our total revenue has grown to ₹ 455,537 lakh for Fiscal 2018 from ₹ 278,313 lakh for Fiscal 2014 at a CAGR of 13.11%. Sustained growth puts pressure on our ability to effectively manage and control historical and emerging risks. Our inability to effectively manage any of these issues may adversely affect our business growth and, as a result, impact our businesses, prospects, financial condition and results of operations. TCFSL's growth strategy includes growing TCFSL's secured lending and expanding TCFSL's customer base. There can be no assurance that TCFSL will be able to sustain its growth plan successfully or that TCFSL will be able to expand further or diversify its portfolio of products. A principal component of TCFSL's strategy is to continue diversifying the development of its portfolio of products to suit customers' needs. TCFSL may face a number of operational risks in executing its growth strategy, including fraud. Such further expansion will increase the size of our business and the scope and complexity of our operations. We may not be able to effectively manage this growth or achieve the desired profitability in the expected timeframe or at all and may not be able to reflect improvement in other indicators of financial performance from the expansion.

TCFSL's ability to sustain its rate of growth also depends, to a large extent, upon its ability to recruit trained and efficient personnel, retain KMPs, maintain effective risk management policies, develop managerial experience to address emerging challenges and ensure a high standard of client service. There is no assurance that we will be successful in achieving our target benchmark level of efficiency and productivity and our success will depend on various internal and external factors, some of which are not under our control.

***3. We may not be able to successfully diversify our product portfolio, enter new lines of business or expand business in new regions and markets in India which may materially and adversely affect our business prospects and impact our future financial performance.***

We may expand our product portfolio and commence certain new lines of businesses as part of our growth strategy and may encounter additional risks by entering into such new lines of business including management and market-related risks. We cannot assure that such diversification or expansion of operations will in future yield and/or continue to yield favourable or expected results, as our overall profitability and success will be subject to various factors, including, among others, our ability to obtain necessary statutory and/or regulatory approvals and licenses in connection with such proposed business in a timely manner, our ability to effectively recruit, retain and motivate appropriate managerial talent, and ability to compete with banks and other NBFCs that are already well established in this market segment. New businesses will require significant capital investment and commitment of time from our senior management.

TCFSL continues to evaluate attractive growth opportunities to expand its business into new regions and markets in India. Factors such as competition, culture, regulatory regimes, business practices and customs and customer requirements in these new markets may differ from those in TCFSL's current markets and TCFSL's experience in its current markets may not be applicable to these new markets. In addition, as TCFSL enters new markets and geographical regions, TCFSL is likely to compete with other banks and financial institutions that already have a presence in those jurisdictions and markets. As these banks and financial institutions are more familiar with local regulations, business practices and customs, they may have developed stronger relationships with customers.

There also can be no assurance that our management will be able to develop the skills necessary to successfully manage these new business areas. Our inability to effectively manage any of these issues could materially and adversely affect our business and impact our future financial performance and/or cash flows.

***4. Any disruption in our sources of funding and inability to secure the requisite amount of financing at competitive rates for our growth plans could adversely affect our liquidity and financial condition.***

The liquidity and profitability of our business depends, in large part, on our timely access to, and the costs associated with raising funds. Our funding requirements historically have been met from various sources, including bank loans and working capital facilities, non-convertible debentures, commercial paper and equity. Our business thus depends and will continue to depend on our ability to access a variety of funding sources. Our ability to raise funds at competitive rates depends on various factors including our current and future results of operations and financial condition, our risk management policies, our credit ratings, our brand equity, the regulatory environment and policy initiatives in India and developments in the international markets affecting the Indian economy.

Presently, financing from the banks forms an integral part of our sources. TCFSL has raised funding mainly through banks and bond markets. Various regulatory changes may affect the fund raising plans of TCFSL since it could impact the quantum of funds that can be raised, ease of raising of funds as well as ability of investors/ lenders to provide funds. Further, there are restrictions imposed by the RBI, which may restrict our ability to obtain bank financing for specific activities. Pursuant to the Master Circular, the RBI has imposed certain restrictions on banks providing financing to NBFCs. Under this Master Circular, certain activities by NBFCs are ineligible for financing by banks, including certain types of discounting and rediscounting of bills; current and long term investments in shares, debentures, loans and advances by NBFCs to their subsidiaries and group companies; lending by NBFCs to individuals for subscribing to initial public offerings and purchasing shares from the secondary market; unsecured loans and inter-corporate deposits provided by NBFCs.

We may require additional capital for our business operations. The actual amount and timing of our future capital requirements may differ from estimates as a result of, among other things, unforeseen delays or cost overruns in developing / delivering our products, changes in business plans due to prevailing economic conditions, unanticipated expenses and regulatory changes, including any changes to RBI's monetary policies. To the extent our planned expenditure requirements exceed our available resources, we will be required to seek additional debt or equity financing. Additional debt financing could increase our interest costs and require us to comply with additional restrictive covenants in our financing agreements.

Our ability to obtain additional financing on favourable terms, if at all, will depend on a number of factors, including our future financial condition, results of operations and cash flows, the amount and terms of our existing indebtedness, security, our track record of compliance of the covenants contained in our financial agreements, general market conditions and market conditions for financing activities and the economic, political and other conditions.

TCFSL's ability to borrow funds and refinance existing debt may also be affected by a variety of factors, including liquidity in the credit markets, the strength of the lenders from which TCFSL borrows, the amount of eligible collateral and accounting changes that may impact calculations of covenants in TCFSL's financing agreements. An event of default, a significant negative ratings action by a rating agency, an adverse action by a regulatory authority or a general deterioration in prevailing economic conditions that constricts the availability of credit may increase TCFSL's cost of funds and make it difficult for TCFSL to access financing in a cost-effective manner. A disruption in sources of funds or increase in cost of funds as a result of any of these factors may have a material adverse effect on TCFSL's liquidity and financial condition.

***5. Inability to recover, on a timely basis or at all, the full value of collateral or amounts which are sufficient to cover the outstanding amounts due under defaulted loans may adversely affect our business.***

Our customers provide security for the financing facilities provided by us. For instance, the vehicles or construction equipment purchased by our customers are hypothecated in our favour and property is mortgaged for Loan Against Property ("LAP"). For each financing arrangement, we sanction an amount of credit that is less than the value of the vehicle or property which we take as collateral. We regulate

this amount through our restrictions on the Loan To Value (“LTV”) ratio of each financing. Loans are generally provided up to certain specified percentages of the value of new commercial vehicles, used vehicles or property as the case may be, as ascertained by our appraiser at the time of sanctioning the loan.

The value of the vehicle or construction equipment, however, is subject to depreciation, deterioration, and/or reduction in value on account of other extraneous reasons, over the course of time. Similarly, for LAP, the value of the collateral may not be adequate to cover amounts under default. Consequently, the realizable value of the collateral for the credit facility provided by us, when liquidated, may be lower than the outstanding loan from such customers. Any default in repayment of the outstanding credit obligations by our customers may expose us to losses. Furthermore, in the case of a default, we typically repossess the collateral. The hypothecated vehicles and construction equipment, being movable property, may be difficult to locate or seize in the event of any default by our customers.

There can also be no assurance that we will be able to sell such vehicles, construction equipment or properties provided as collateral at prices sufficient to cover the amounts under default. In addition, there may be delays associated with such processes. Further, if any of our borrowers take recourse of arbitration or litigation against our repayment claims, it may cause a further delay in our recovery process leading to depreciation of the secured asset. A failure or delay in recovering the expected value from sale of collateral security could expose us to a potential loss. Any such losses could adversely affect our financial condition, results of operations and/or cash flows. Furthermore, enforcing our legal rights by litigating against defaulting customers is generally a slow and potentially expensive process in India. Accordingly, it may be difficult for us to recover amounts owed by defaulting customers in a timely manner or at all. Further, if we are unable to sell any repossessed vehicles provided as security for such loans, at commercially favourable prices, in a timely manner or at all, we may not recover the costs of maintaining such repossessed vehicles and our operations, cash flows and profitability could be adversely affected.

***6. We operate in a highly competitive industry and our inability to compete effectively may adversely affect our business.***

We operate in a highly competitive industry. Given the diversity of our businesses and the products and services which each of those offer, we face competition from the full spectrum of public sector banks, private sector banks (including foreign banks), financial institutions and other NBFCs who are active in corporate lending and retail finance. Many of our competitors have greater resources than we do, may be larger in terms of business volume and may have significantly lower cost of funds compared to us. Many of them may also have greater geographical reach, long-standing partnerships and may offer their customers other forms of financing that we may not be able to provide. In addition to NBFCs, we believe that the competition we face from banks is increasing as more banks are targeting products and services similar to ours. Competition in our industry depends on, among other things, the ongoing evolution of government policies, the entry of new participants and the extent to which there is consolidation among banks and financial institutions in India.

As a result of this increased competition, loans are becoming increasingly standardised and terms such as variable (or floating) rate interest options, lower processing fees and monthly reset periods are becoming increasingly common in the Indian financial sector. This competition is likely to intensify further as a result of regulatory changes and liberalisation. These competitive pressures affect the industry in which TCFSL operates in as a whole, and TCFSL’s future success will depend, to a large extent, on its ability to respond in an effective and timely manner to these competitive pressures. There can be no assurance that TCFSL will be able to react effectively to these or other market developments or compete effectively with new and existing players in the increasingly competitive financial sector.

**7. *We are subject to laws and regulations governing the banking and financial services industry in India and changes in laws and regulations governing us could adversely affect our business, results of operations and prospects.***

As an NBFC, we are subject to regulation by Government authorities, including the RBI. For example, we are subject to the RBI's directions on financial regulation of NBFCs, including capital adequacy, exposure limits, provisioning and other aspects. The RBI also regulates the credit flow by banks to NBFCs and provides guidelines to commercial banks with respect to their investment and credit exposure norms for lending to NBFCs. Additionally, we are required to make various filings with the RBI, the Registrar of Companies and other relevant authorities pursuant to the provisions of RBI regulations, the Companies Act, 2013 and other regulations.

The RBI, from time to time, amends the regulatory framework governing NBFCs to address concerns arising from certain divergent regulatory requirements for banks and NBFCs. The laws and regulations governing the banking and financial services industry in India have become increasingly complex and cover a wide variety of issues, such as interest rates, liquidity, investments, ethical issues, money laundering and privacy. We are also required to comply with the prescribed requirements, including classification of NPAs and provisioning, KYC requirements, ticket sizes, qualifying assets and other internal control mechanisms. Further, we are subject to certain IT laws, data privacy laws, rules and regulations that regulate the use of customer data and our branches are required to be registered under the relevant shops and establishments laws of the states in which they are located. Certain of these laws, rules and regulations are relatively new and their interpretation and application remain uncertain. Data privacy laws, rules and regulations are also subject to change and may become more restrictive in the future.

In the future, we will be required to maintain such permits and approvals and obtain new permits and approvals for any proposed expansion strategy or diversification into additional business lines or new financial products. There can be no assurance that the relevant authorities will issue any of such permits or approvals in a timely manner, or at all, and/or on favorable terms and conditions. Our failure to comply with the terms and conditions to which such permits or approvals are subject, and/or to maintain or obtain the required permits or approvals may result in an interruption of our business operations and may have a material adverse effect on our business operations and future financial performance. In the event that we are unable to comply with the requirements within the specified time limit, or at all, we may be subject to regulatory actions including the levy of fines or penalties and/or the cancellation of our license to operate as an NBFC by the RBI.

These laws and regulations can be amended, supplemented or changed at any time such that we may be required to restructure our activities and incur additional expenses to comply with such laws and regulations, which could adversely affect our business and our financial performance.

**8. *We derive certain benefits as part of the Tata group. If we are unable to continue to benefit from our relationship with our Promoter and the "Tata" brand, this may result in loss of goodwill and increased costs.***

We benefit from our relationship with our Promoter and the Tata group in many ways, such as reputation and experience. We believe that our customers, vendors and other stakeholders such as lenders and investors perceive the brand "Tata" to be that of a trusted provider of quality products and services. Our growth and future success is influenced, in part, by our continued relationship with our Promoter and the Tata group. If the Tata group fails to maintain majority shareholding in TCFSL as a result of dilution or otherwise, we may not be able to benefit from its parentage, which would adversely affect our business and results of operations. In addition, any action on the part of any of the Tata group of companies that adversely affect the Tata group or the Tata brand, may have a material adverse effect on our business, prospects, results of operations and financial condition. If we cease to benefit from these relationships for any reason, our business and growth prospects may decline and our business and results of operations may be adversely affected.

We cannot assure you that the established “Tata” brand name will not be adversely affected in the future by events such as actions that are beyond our control, including customer complaints and dissatisfaction or adverse publicity from any other source. Any damage to this brand name, if not immediately and sufficiently remedied, can have an adverse effect on our business and results of operations.

***9. Our significant indebtedness and the conditions and restrictions imposed by our financing arrangements could restrict our ability to conduct our business and operations in the manner we desire.***

As of March 31, 2018, we had total borrowings of ₹3,133,865 lakh and in the future, we may continue to incur additional indebtedness. Our level of indebtedness has consequences which may affect our credit ratings and capital adequacy requirements, limit our flexibility in planning for, or reacting to, changes in our business and the industry, increase our business expenditure and limit our ability to obtain additional funding in the future.

Most of our financing arrangements entered into by us include conditions that require TCFSL to obtain lender consents prior to carrying out certain activities and entering into certain transactions. Failure to meet these conditions or obtain these consents could have significant consequences on our business and operations. These covenants vary depending on the requirements of the financial institution extending such loan and the conditions negotiated under each financing agreement. Some of these covenants include, altering our capital structure, changing our current ownership / control, formulating a scheme of amalgamation, compromise or reconstruction, material change in management, implementing a scheme of expansion, undertaking guarantee obligations, declaration of dividend, and amending constitutional documents.

In the event we breach any financial or other covenants contained in any of our financing arrangements or in the event we had breached any terms in the past which is noticed in the future, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs. We may be forced to sell some or all of the assets in our portfolio if we do not have sufficient cash or credit facilities to make repayments. Furthermore, our financing arrangements contain cross-default provisions which could automatically trigger defaults under other financing arrangements.

We cannot assure you that our business will generate sufficient cash to enable us to service our debt or to fund our other liquidity needs. In addition, we may need to refinance all or a portion of our debt on or before maturity. We cannot assure you that we will be able to refinance any of our debt on commercially reasonable terms or at all.

***10. Some of the loans we provide are unsecured and are susceptible to certain operational and credit risks and substantial increase in the levels of non-performing assets in our loan portfolio, for any reason whatsoever, would adversely affect our business, results of operations and financial condition.***

As of March 31, 2018, our gross NPAs and net NPAs constituted 3.32% and 0.90% of our gross loans and net loans, respectively. With the growth in our business, we may see an increase in the levels of non-performing assets in our loan portfolio. Should the overall credit quality of our loan portfolio deteriorate, the current level of our provisions may not be adequate to cover further increases in the amount of our NPAs. If the quality of our loan portfolio deteriorates or we are unable to implement effective monitoring and collection methods, our financial condition and results of operations may be affected. Further, there can be no assurance that there will be no further deterioration in our provisioning coverage as a percentage of gross NPAs or otherwise, or that the percentage of NPAs that we will be able to recover will be similar to our past experience of recoveries of NPAs.

Some of the loans we provide are unsecured loans. We may not be able to recover these loans through our standard recovery proceedings. Unsecured loans present a higher risk of loss in case of a credit default as compared to loans to customers in other asset-backed financing products. In addition, there can be no assurance that our monitoring and risk management procedures will succeed in effectively

predicting the right income levels of these customers or that our loan loss reserves will be sufficient to cover any actual losses. If there is a default by customers on repayment of such unsecured loans or if we are unable to recover our principal and interest through such legal proceedings, we may experience increased levels of NPAs and we may be required to make related provisions and write-offs that may have an adverse effect on our business prospects, financial condition and results of operations.

If our provisioning requirements are insufficient to cover our existing or future levels of non-performing loans or other loan losses that may occur, or if future regulation (or change in accounting standards) requires us to increase our provisions, our results of operation and financials may get adversely affected including our ability to raise additional capital and debt funds at favourable terms. Further, if our customers are unable to meet their financial obligation in a timely manner, then it could adversely affect our results of operations. Any negative trends or financial difficulties particularly among our borrowers could increase the level of non-performing assets in our portfolio and adversely affect our business and financial performance. If a significant number of our customers are unable to meet their financial obligations in a timely manner, it may lead to an increase in our level of NPAs. If we are not able to prevent increases in our level of NPAs, our business and our future financial performance could be adversely affected.

***11. We depend on the accuracy and completeness of information about customers and counterparties for our credit assessment and risk management. Any misrepresentation, errors in or incompleteness of such information could adversely affect our business and financial performance.***

In deciding whether to extend credit or enter into other transactions with customers, we rely on information furnished to us by or on behalf of customers (including in relation to their financial transactions and past credit history). We may also rely on certain representations from our customers as to the accuracy and completeness of that information. For ascertaining the creditworthiness and encumbrances on collateral, we may depend on the credit information companies or credit bureaus such as CIBIL, on independent valuers in relation to the value of the collateral, and our reliance on any misleading information given that it may affect our judgement of credit worthiness of potential borrowers, and the value of and title to the collateral, which may affect our business, prospects, results of operations and financial condition. We may receive inaccurate or incomplete information as a result of negligence or fraudulent misrepresentation. Our risk management measures may not be adequate to prevent or deter such activities in all cases, which may adversely affect our business prospects, financial condition and results of operations.

Moreover, the availability of accurate and comprehensive credit information on retail customers and small businesses in India is more limited than for larger corporate customers, which reduces our ability to accurately assess the credit risk associated with such lending. Although as part of our credit policy, we are required to conduct credit checks of all our customers, including with credit bureaus, and conduct site-visits and personal discussions, there can be no assurance that such credit information will be accurate or comprehensive. There may be possibility of double-financing obtained by any such clients, that may have been available in a more developed economy, and the availability of such financial and credit information in India may be considered to suffer from an absence of competitive pressure at present. Difficulties in assessing credit risks associated with our day-to-day lending operations may lead to an increase in the level of our non-performing and restructured assets, which could materially and adversely affect our business prospects, financial condition and results of operations.

***12. Our ability to borrow from various banks may be restricted on account of guidelines issued by the RBI imposing restrictions on banks in relation to their exposure to NBFCs which could have an impact on our business and could affect our growth, margins and business operations.***

The RBI vide its Notification (No. RBI/2006-07/205/DBOD. No. FSD.BC.46 / 24.01.028 /2006-07) dated December 12, 2006 has amended the regulatory framework governing banks to address concerns arising from divergent regulatory requirements for banks and NBFCs. This Notification reduces the exposure (both lending and investment, including off balance sheet exposures) of a bank to NBFCs like us. Accordingly, banks exposure limits on any NBFC are reduced from the 25% of the banks' capital funds to 10% of its capital funds. Furthermore, RBI has suggested that banks may consider fixing



internal limits for their aggregate exposure to all NBFCs combined. This Notification limits a bank's exposure to NBFCs which consequently restricts our ability to borrow from banks.

This Notification could affect our business and any similar notifications released by the RBI in the future, which has a similar impact on our business could affect our growth, margins and business operations.

***13. We are party to certain legal proceedings and any adverse outcome in these or other proceedings may adversely affect our business.***

We are involved, from time to time, in legal proceedings that are incidental to our operations and include suits filed by TCFSL against its borrowers and by other parties against TCFSL. These include criminal proceedings, civil proceedings, arbitration cases, consumer cases, tax proceedings, proceedings under SARFAESI Act and cases filed under the Negotiable Instruments Act and Payment and Settlement Systems Act, 2007. These proceedings are pending at different levels of adjudication before various courts, forums, authorities, tribunals and appellate tribunals. A significant degree of judgment is required to assess our exposure in these proceedings and determine the appropriate level of provisions, if any. There can be no assurance on the outcome of the legal proceedings or that the provisions we make will be adequate to cover all losses we may incur in such proceedings, or that our actual liability will be as reflected in any provision that we have made in connection with any such legal proceedings.

***14. If we do not generate sufficient amount of cash from operations, our liquidity and our ability to service our indebtedness and fund our operations would be adversely affected.***

While we believe that our cash flow from operations, available cash and borrowings will be adequate to meet our future liquidity needs, we have substantial debt service obligations and working capital requirements. We cannot assure you that our business will generate sufficient cash flow from operations such that our anticipated revenue growth will be realized or that future borrowings will be available to us under credit facilities in amounts sufficient to enable us to repay our existing indebtedness, fund our expansion efforts or fund our other liquidity needs. If we are unable to service our existing debt, our ability to raise debt in the future will be adversely affected which will have a significant adverse effect on our business prospects, financial condition and results of operations.

Further, we face potential asset liability mismatches creating liquidity shortage or surplus and depending upon the interest rate movement, such situations may adversely affect our interest income from financing activities. As is typical for NBFCs, a portion of our funding requirements is met through short-term funding sources such as cash credit and short-term loans from banks. If we do not generate sufficient cash flow from operations to service our debt obligations and working capital requirements, it may have an adverse effect on our business prospects, financial condition and results of operations.

***15. The regulatory requirement to maintain a stipulated capital adequacy ratio could restrict our future business growth.***

As a Systemically Important Non-Deposit taking NBFC, TCFSL is required to maintain a CRAR of at least 15% of our aggregate risk-weighted assets of our balance sheet (on-balance sheet and of risk adjusted value of off balance sheet items) on an ongoing basis, under the Master Direction – NBFC – Systemically Important Non – Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended from time to time, with a minimum Tier -I capital of 10% (as per notification dated November 10, 2014 issued by RBI). As at March 31, 2018, TCFSL's CRAR was 16.68%, of which Tier I capital was 12.68%. As we continue to grow our loan portfolio and asset base, we will be required to raise additional Tier I and Tier II capital in order to continue to meet applicable capital adequacy ratios with respect to our business. There can be no assurance that we will be able to raise adequate additional capital in the future on terms favorable to us, and this may adversely affect the growth of our business. This could result in non – compliance with applicable capital adequacy ratios, which could have a material adverse effect on our business, prospects, results of operations and cash flows.

**16. *Our risk management measures may not be fully effective in mitigating our risks in all market environments or against all types of risks, which may adversely affect our business and financial performance.***

We are exposed to a variety of risks, including liquidity risk, interest rate risk, credit risk, operational risk and legal and compliance risk. The effectiveness of our risk management is limited by the quality and timeliness of available data. Our risk management techniques may not be fully effective in mitigating our risks in all market environments or against all types of risk, including risks that are unidentified or unanticipated. Some methods of managing risks are based upon observed historical market behavior. As a result, these methods may not predict future risk exposures, which could be greater than the historical measures indicated and which may adversely affect our business and results of operation.

Other risk management methods depend upon an evaluation of information regarding markets, customers or other matters. This information may not in all cases be accurate, complete, current, or properly evaluated. Management of operational, legal or regulatory risk requires, among other things, policies and procedures to properly record and verify a number of transactions and events. Although we have established policies and procedures, they may not be fully effective. Our future success will depend, in part, on our ability to respond to new technological advances and evolving NBFC, vehicle finance and mortgage loan sector standards and practices on a cost-effective and timely basis. The development and implementation of such technology entails significant technical and business risks. There can be no assurance that we will successfully implement new technologies or adapt our transaction-processing systems to customer requirements or evolving market standards.

To the extent our assessments, assumptions or estimates prove inaccurate or not predictive of actual results, we could suffer higher than anticipated losses. If we fail to effectively implement our risk management policies, it could materially and adversely affect our business, financial condition, results of operations and cash flows.

**17. *If we are unable to establish and maintain an effective system of internal controls and compliances, our business and reputation could be adversely affected.***

We manage our internal compliance by monitoring and evaluating internal controls, and ensuring all relevant statutory and regulatory compliances. Further, weak internal controls could lead to certain errors / frauds. However, there can be no assurance that deficiencies in our internal controls will not arise, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all. If we are unable to establish and maintain an effective system of internal controls and compliances, our business and reputation could be adversely affected.

**18. *As an NBFC, non-compliance with the RBI's observations made during its periodic inspections could expose us to penalties and restrictions.***

As an NBFC, we are subject to periodic inspection by the RBI under Section 45N of the RBI Act, pursuant to which the RBI inspects our books of accounts and other records for the purpose of verifying the correctness or completeness of any statement, information or particulars furnished to the RBI. While there have been deficiencies found by the RBI in past inspections with respect to, *inter alia*, deterioration in asset quality of project finance and commercial finance, charging high rates of interest to certain auto loan customers, gross NPAs on higher side, breach of ratio of short term and long term liability, negative networth of certain borrowers, difference in NOF reported etc. and we have responded to such observations and addressed them and no penalties have been levied by RBI, we cannot assure you that the RBI will not find any deficiencies in future inspections or the RBI will not make similar or other observations in the future. In the event we are unable to resolve such deficiencies to the RBI's satisfaction, we may be restricted in our ability to conduct our business as we currently do. While we seek to comply with all regulatory provisions applicable to us, in the event we are unable to comply with the observations made by the RBI, we could be subject to penalties and restrictions which may be imposed by the RBI. Imposition of any penalty or adverse findings by the RBI during the ongoing or any future inspections may have an adverse effect on our business, results of operations, financial condition and reputation.

**19. *Various state government laws regulating money lending transactions could adversely affect our business, prospects, results of operations and financial condition.***

Certain states in India have enacted laws to regulate money lending transactions, which may for instance establish a maximum rate of interest that can be charged. In the event if we are inadvertently unable to comply with the provisions of these state money lending laws, there may be severe civil and criminal penalties for non-compliance with the relevant money lending statutes. Further, in the event that the government of any state in India imposes any penalty against us for prior non-compliance, our business prospects, financial condition and results of operations could be adversely affected.

**20. *System failures or inadequacy and security breaches in computer systems may adversely affect our business.***

Our business is increasingly dependent on our ability to process, on a daily basis, a large number of 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.

Our ability to operate and remain competitive will depend in part on our ability to maintain and upgrade our information technology systems on a timely and cost-effective basis. The information available to and received by our management through our existing systems may not be timely and sufficient to manage risks or to plan for and respond to changes in market conditions and other developments in our operations. We may experience difficulties in upgrading, developing and expanding our systems quickly enough to accommodate our growing customer base and range of products. Our information technology support systems connect our branches and aid us in performing the processes involved in a loan transaction. This ensures centralization of the operations and customer database. We have developed proprietary software, which we use to efficiently link and manage our operations. Our operations rely on the secure processing, storage and transmission of this 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.

Any failure to effectively maintain or improve or upgrade our management information systems in a timely manner could materially and adversely affect our competitiveness, financial position and results of operations. Moreover, 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. Any of the foregoing could affect our operations or result in financial losses, 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.

**21. *Our business is dependent on relationships with our customers established through, amongst others, our branches. Closure of branches or loss of our key relationship personnel may lead to damage to these relationships and a decline in our revenue and profits.***

Our business, to a certain extent, is dependent on branches and the key relationship personnel who directly manage customer relationships. We encourage dedicated personnel to service specific customers since we believe that this leads to long-term client relationships, a trust-based business environment and, over time, better cross-selling opportunities. While no key relationship personnel or operating group of personnel contributes a meaningful percentage of our business, our business may suffer materially if a substantial number of such personnel either perform at less than optimal efficiency or leave the Company. Closure of branches or loss of our key relationship personnel may lead to damage to customer relationships and a decline in our revenue and profits.

***22. The success of our business operations is dependent on our senior management team and KMPs as well as our ability to attract, train and retain employees.***

The continued success of our business operations is attributable to our senior management team and KMP. We believe that the experience of our senior management team has enabled us to experience consistent growth and profitability as well as maintain a robust liquidity and capital position. Our ability to sustain our growth depends upon our ability to attract and retain key personnel, developing managerial experience to address emerging business and operating challenges and ensuring a high standard of customer service. Hiring and retaining such personnel who are qualified and experienced in credit-appraisal and asset valuation, in the vehicle finance sector, may be difficult. We may also face attrition of our existing workforce as a result of increased competition or other factors relating to our businesses. If we cannot hire additional qualified personnel or retain them, our ability to expand our business will be impaired and our revenue could decline.

We will need to recruit new employees, who will have to be trained and integrated into our operations. We will also have to train existing employees to adhere properly to internal controls and risk management procedures. Failure to train and motivate our employees properly may result in an increase in employee attrition rates, require additional hiring, erode the quality of customer service, divert management resources, increase our exposure to high-risk credit and impose significant costs on us. Any inability to attract and retain talented employees, or the resignation or loss of KMPs, or retain our temporary personnel at commercially viable terms, may have an adverse impact on our business and future financial performance.

***23. Any downgrade of our credit ratings would increase borrowing costs and constrain our access to capital and lending markets and, as a result, would negatively affect our net interest margin and our business.***


The cost and availability of capital is dependent on our short-term and long-term credit ratings. Ratings reflect a rating agency's opinion of our financial strength, operating performance, strategic position, and ability to meet our obligations. Our current ratings indicate high degree of safety as regards timely servicing of financial obligations and carrying low credit risk.

Further, the NCDs for an amount of up to ₹ 7,50,000 lakh proposed to be issued under the Issue have been rated "CRISIL AAA / Stable" by CRISIL vide its letter dated August 15, 2018 and "CARE AAA; Stable" by CARE vide its letter dated August 14, 2018. The rating of the NCDs indicates high degree of safety regarding timely servicing of financial obligations and any downgrading in the rating will lead to the reduction in the value of NCDs issued to the prospective investors. Such instruments carry very low credit risk. The rating provided by CRISIL and CARE may be suspended, withdrawn or revised at any time by the assigning rating agencies and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions.

Any downgrade of our credit ratings would increase borrowing costs and constrain our access to capital and debt markets and, as a result, negatively affect our net interest margin and our business. In addition, downgrades of our credit ratings could increase the possibility of additional terms and conditions being added to any additional financing or refinancing arrangements in the future. The ratings provided by the rating agencies may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions.

***24. We do not own the trademark and the logo associated with “Tata” brand name. Consequently, our ability to use the trademark, name and logo may be impaired.***

We do not own the trademark and logo associated with “Tata” brand name which we use in the course of our business operations. Our Promoter, on behalf of TCFSL, has entered into an agreement dated October 04, 2013 with Tata Sons Private Limited (formerly known as Tata Sons Limited) for use of the

“Tata” trademark and the logo  “TATA”. Therefore, we enjoy limited legal protection and ability to use the trademark and any claims by third parties relating to such trademark may affect our ability to use such trademark. In addition, we have not obtained trademark registration of our name and corporate logo. We may not be able to prevent infringement of our trademark and may be unable to seek remedies for infringement of this trademark by third parties other than relief against passing off by other entities, which may not provide sufficient protection. Our inability to use of this trademark and any unauthorized usage could result in adverse effects to our business and results of operations.

Further, we may become subject to claims by third parties if we use slogans, names, designs, software or other such subjects in breach of any intellectual property rights registered by such third party. Any legal proceedings pursuant to such claims, or settlements thereunder, may divert management attention and require us to pay financial compensation to such third parties, as well as compel us to change our marketing strategies or brand names of our products and services, which could adversely affect our business, prospects, results of operation and financial condition.

***25. TCFSL’s insurance coverage may not adequately protect TCFSL against losses which could adversely affect TCFSL’s business, financial condition and results of operations.***

TCFSL maintains insurance coverage that TCFSL believes is adequate for its operations. TCFSL’s insurance policies, however, may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage. TCFSL maintains general insurance for electronic equipment, leasehold improvements, buildings, IT equipments, directors and officers’ liability policy, bodily injury, property damage and claims for wrongful acts. However, TCFSL cannot assure you that the terms of its insurance policies will be adequate to cover any damage or loss suffered by TCFSL or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim. Any successful assertion of one or more large claims against TCFSL that exceeds TCFSL’s available insurance coverage or changes in TCFSL’s insurance policies, including any increase in premium or any imposition of larger deductibles or co-insurance requirements could adversely affect TCFSL’s business, financial condition and results of operations.

***26. Our branches are located on leased premises and non-renewal of lease or license agreements or their renewal on terms unfavorable to us could adversely affect our operations.***

Our Registered Office is located on premises taken on lease from TCL for a period of 5 years commencing from October 1, 2017 and as on June 30, 2018, almost all our branches are located on leased premises. Further, as we expand our branch network, we expect the number of leased branches to increase significantly. If any of the owners of these premises do not renew the agreements under which we occupy the premises, or if they seek to renew such agreements on terms and conditions unfavourable to us, we may suffer a disruption in our operations or increased costs, or both, which may adversely affect our business and results of operations. All or any of the leases or licenses may not be renewed on similar terms or at all, or we may be evicted from all or a number of these premises and be required to pay damages to the landlord. This may adversely impact our business and financial condition.

- 27. *There may be no active market for the NCDs on the platform of the Stock Exchanges. As a result, the liquidity and market prices of the NCDs may fail to develop and may accordingly be adversely affected.***

There can be no assurance that an active market for the NCDs will develop. If an active market for the NCDs fails to develop or be sustained, the liquidity and market prices of the NCDs may be adversely affected. The market price of the NCDs would depend on various factors, *inter alia*, including (i) the interest rate on similar securities available in the market and the general interest rate scenario in the country, (ii) the market price of our Equity Shares, (iii) the market for listed debt securities, (iv) general economic conditions, and, (v) our financial performance, growth prospects and results of operations. The aforementioned factors may adversely affect the liquidity and market price of the NCDs, which may trade at a discount to the price at which you purchase the NCDs and/or be relatively illiquid.

- 28. *Payments to be made on the NCDs will be subordinated to certain tax and other liabilities preferred by law. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining to pay amounts due on the NCDs.***

The NCDs will be subordinated to certain liabilities preferred by law such as the claims of the GoI on account of taxes, and certain liabilities incurred in the ordinary course of our business. In particular, in the event of bankruptcy, liquidation or winding-up, TCFSL's assets will be available to pay obligations on the NCDs only after all of those liabilities that rank senior to these NCDs have been paid as per Section 327 of the Companies Act, 2013. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining to pay amounts due on the Secured NCDs.

- 29. *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.

- 30. *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.

## **EXTERNAL RISK FACTORS**

- 31. *Instability or difficult conditions in the financial markets could adversely affect our business, results of operations and financial condition.***

Our business is materially affected by conditions in the domestic and global financial markets, as well as economic and political conditions in India. Factors such as macroeconomic and monetary policies, volatility in security prices, industry specific trends, upward and downward trends in the market, legislation and regulations relating to the financial industries, inflation, foreign direct investment, availability of short-term and long-term market funding sources and cost of funding, could affect our business. Unstable or volatile economic conditions could lead to a decrease in real estate and infrastructure projects, thereby reducing the demand for our real estate financing business as well.

The Indian financial market and the Indian economy are influenced by global economic and market conditions, particularly Asian emerging market countries. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the

Indian economy. Such periods and economic climate may deteriorate due to factors beyond our control, including rising interest rates or inflation, terrorism or political uncertainty, any adverse global or domestic events, including the events that may negatively impact liquidity and investment inflows from foreign and domestic investors.

***32. A slowdown in economic growth in India could cause our business to suffer.***

Our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. Any slowdown or perceived slowdown in the Indian economy could adversely affect our business. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. Any downturn in the macroeconomic environment in India could also adversely affect our business, results of operations, financial condition and the payment of interest and redemption of the NCDs.

India's economy could be adversely affected by a general rise in interest rates or inflation, adverse weather conditions affecting agriculture, commodity and energy prices as well as various other factors. A slowdown in the Indian economy could adversely affect the policy of the GoI towards our industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy.

The Indian economy is also influenced by economic and market conditions in other countries, particularly emerging market conditions in Asia. A decline in India's foreign exchange reserves and exchange rate fluctuations may also affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition. A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business and results of operations and the payment of interest and redemption of the repayment of liabilities.

Further, other factors which may adversely affect the Indian economy are scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our developments and expansions, volatility in, and actual or perceived trends in trading activity on India's principal stock exchanges; changes in India's tax, trade, fiscal or monetary policies, like application of GST; political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries; occurrence of natural or man-made disasters; infectious disease outbreaks or other serious public health concerns; prevailing regional or global economic conditions, including in India's principal export markets; and other significant regulatory or economic developments in or affecting India or its financial services sectors.

***33. Political instability or changes in the Government could adversely affect economic conditions in India and consequently our business.***

Our performance and the interest payable on the NCDs may be affected by changes in controls, interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India. The GoI has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. The business of TCFSL may be affected by changes in GoI policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India.

Since 1991, successive Indian governments have pursued policies of economic liberalisation, financial sector reforms including significantly relaxing restrictions on the private sector. The governments have usually been multi-party coalitions with differing agendas. Any political instability could affect the rate of economic liberalisation and the specific laws and policies affecting foreign investment. A significant change in India's economic liberalisation and deregulation policies could adversely affect business and economic conditions in India generally, and our business in particular, if any new restrictions on the private sector are introduced or if existing restrictions are increased.

**34. *The Indian tax regime has undergone substantial changes which could adversely affect the Company's business and profits and the net receivables in relation to the NCDs***

The GST that has been implemented with effect from July 1, 2017 combines taxes and levies by the GoI and state governments into a unified rate structure, and replaces indirect taxes on goods and services such as central excise duty, service tax, customs duty, central sales tax, state vat, cess and surcharge and excise that were being collected by the GoI and state governments.

As regards the General Anti-Avoidance Rules ("GAAR"), the provisions of chapter X-A (Sections 95 to 102) of the Income Tax Act, 1961, are applicable from assessment year 2019 (fiscal 2018) onwards. The GAAR provisions intend to declare an arrangement as an "impermissible avoidance arrangement", if the main purpose or one of the main purposes of such arrangement is to obtain a tax benefit, and satisfies at least one of the following tests: (i) creates rights, or obligations, which are not ordinarily created between persons dealing at arm's length; (ii) results, directly or indirectly, in misuse, or abuse, of the provisions of the income tax act, 1961; (iii) lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or (iv) is entered into, or carried out, by means, or in a manner, that is not ordinarily engaged for bona fide purposes. If GAAR provisions are invoked, the tax authorities will have wider powers, including denial of tax benefit or a benefit under a tax treaty. In the absence of any precedents on the subject, the application of these provisions is uncertain.

Further, the GoI has issued a set of Income Computation and Disclosure Standards ("ICDS") that will be applied in computing taxable income and payment of income taxes thereon, effective from April 1, 2016. ICDS apply to all taxpayers following an accrual system of accounting for the purpose of computation of income under the heads of "profits and gains of business/profession" and "income from other sources" as the taxation regime in India is undergoing a significant overhaul, its consequent effects on economy cannot be determined at present and there can be no assurance that such effects would not adversely affect our business, future financial performance, profits and the interest earned on the NCDs.

**35. *Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, prospects, results of operations and financial condition.***

Our business and financial performance could be adversely affected by changes in law or interpretations of existing, or the promulgation of new, laws, rules and regulations in India applicable to us and our business. There can be no assurance that the central or the state governments may not implement new regulations and policies which will require us to obtain approvals and licenses from the governments and other regulatory bodies or impose onerous requirements and conditions on our operations.

Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. Any unfavourable changes to the laws and regulations applicable to us could also subject us to additional liabilities.

The application of various Indian tax laws, rules and regulations to our business, currently or in the future, is subject to interpretation by the applicable taxation authorities. If such tax laws, rules and regulations are amended, new adverse laws, rules or regulations are adopted or current laws are interpreted adversely to our interests, the results could increase our tax payments (prospectively or retrospectively) and/or subject us to penalties. As a result, any such changes or interpretations could have an adverse effect on our business and financial performance.



***36. Any downgrading of India's debt rating by a domestic or international rating agency could adversely affect our ability to raise financing and our business.***

India's sovereign debt rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our control. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or 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 business, financial performance, profits and ability to obtain financing for capital expenditures and the interest and redemption of the NCDs.

***37. Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.***

The annual rate of inflation was at 2.47% (provisional) for the month of March 2018 (over March 2017) as compared to 2.48% (provisional) for the previous month and 5.11% during the corresponding month of 2017. (Source: *Index Numbers of Wholesale Price in India, Review for the month of March 2018, published on April 16, 2018 by Government of India, Ministry of Commerce and Industry*). Continued high rates of inflation may increase our expenses related to salaries or wages payable to our employees or any other expenses. There can be no assurance that we will be able to pass on any additional expenses to our payers or that our revenue will increase proportionately corresponding to such inflation. Accordingly, high rates of inflation in India could have an adverse effect on our profitability and, if significant, on our financial condition.

***38. Acts of terrorism, civil disturbance, communal conflicts, regional conflicts and other similar threats to security could adversely affect TCFSL's business, cash flows, results of operations and financial condition***

Increased political instability and regional conflicts, evidenced by the threat or occurrence of terrorist attacks, enhanced national security measures, conflicts in several countries and regions in which TCFSL operates, strained relations arising from these conflicts and the related decline in consumer confidence may hinder our ability to do business. Any escalation in these events or similar future events may disrupt TCFSL's operations or those of our customers and suppliers. Further, certain events that are beyond the control of TCFSL, such as violence or war, including those involving India, the United Kingdom, the United States or other countries, may adversely affect worldwide financial markets and could potentially lead to a severe economic recession, which could adversely affect our business, results of operations, financial condition and cash flows, and more generally, any of these events could lower confidence in India's economy. Southern Asia has, from time to time, experienced instances of civil unrest and political tensions and hostilities among neighbouring countries. Political tensions could create a perception that there is a risk of disruption of services provided by India-based companies, which could have an adverse effect on our business, future financial performance and price, interest payable and redemption amount of the NCDs.

Furthermore, if India were to become engaged in armed hostilities, particularly hostilities that are protracted or involve the threat or use of nuclear weapons, the Indian economy and consequently company's operations might be significantly affected. India has from time to time experienced social and civil unrest and hostilities, including riots, regional conflicts and other acts of violence. Events of this nature in the future could have an adverse effect on our ability to develop our business. As a result, our business, results of operations and financial condition may be adversely affected. These events have had and may continue to have an adverse impact on the global economy and customer confidence, which could in turn adversely affect TCFSL's revenue, operating results and cash flows.

Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price, interest payable and redemption amount of the NCDs. The impact of these events on the volatility of global financial markets could increase the volatility of the market price of securities and may limit the capital resources available to TCFSL and to our customers and suppliers.

***39. Natural disasters and other disruptions could adversely affect the Indian economy and could adversely affect our business, results of operations and financial condition.***

Our operations may be damaged or disrupted as a result of natural disasters such as earthquakes, floods, heavy rainfall, epidemics, tsunamis and cyclones and other events such as protests, riots and labour unrest. Such events may lead to the disruption of information systems and telecommunication services for sustained periods. They also may make it difficult or impossible for employees to reach our business locations. Damage or destruction that interrupts our provision of services could adversely affect our reputation, our relationships with our customers, our senior management team's ability to administer and supervise our business or it may cause us to incur substantial additional expenditure to repair or replace damaged equipment or rebuild parts of our business. Any of the above factors may adversely affect our business, results of operations and financial condition.

***40. The effects of the adoption of the "Indian Accounting Standards converged with IFRS" ("IND-AS") are uncertain.***

Our financial statements are prepared in accordance with the Indian GAAP. In January 2016, the Ministry of Corporate Affairs ("MCA") laid out a road map for implementation of IND-AS for scheduled commercial banks, insurance companies and non-banking financial company ("NBFCs"). NBFCs will be required to prepare IND-AS-based financial statements (consolidated and individual) in two phases. Under Phase I, NBFCs that have a net worth of ₹5 billion or more, including us, and our holding, subsidiary, joint venture or associate companies are required to prepare IND-AS-based financial statements for accounting periods beginning from April 1, 2018 onwards with comparatives for the periods ending March 31, 2018 or thereafter. Under Phase II, NBFCs whose equity and/or debt securities are listed or are in the process of listing on any stock exchange or outside India and have a net worth less than ₹5 billion, NBFCs that are not listed and have a net worth of more than ₹2.5 billion but less than ₹5 billion, and their respective holding, subsidiary, joint venture or associate companies are required to prepare IND-AS-based financial statements for accounting periods beginning from April 1, 2020 onwards with comparatives for the periods ending March 31, 2020 or thereafter. NBFCs that have a net worth below ₹2.5 billion and not covered under the above provisions shall continue to apply Accounting Standards specified in Annexure to Companies (Accounting Standards) Rules, 2006. MCA notified the Companies (Indian Accounting Standards) Rules 2015 on February 16, 2015 ("IAS Rules"). As the requirement to adopt IND-AS in our financial reporting has just begun to apply to us, we are not able to determine with a degree of certainty the impact of adoption of IND-AS and there can be no assurance that our financial condition, results of operations, cash flows or changes in shareholders' equity will not appear materially worse under IND-AS than under Indian GAAP. We may also encounter difficulties in the on-going process of implementing and enhancing our management information systems in response to the adoption of IND-AS. Moreover, there is increasing competition for the small number of IND-AS experienced accounting personnel available as more companies begin to prepare IND-AS financial statements. Further, there is no significant body of established practice on which to draw in forming judgments regarding the new system's implementation and application. RBI,

as the principal regulator of NBFCs, has not issued any detailed guidance or working paper on the implementation of IND-AS. There is no clarity on various aspects encompassing the implementation, including but not limited to, instruments which are qualified as capital instruments, asset classifications and provisioning and how conflicts between IND-AS and existing prudential norms will be dealt with. There is no precedent within the financial services industry on how revenue authorities will treat certain items from direct and indirect tax perspectives. The preparations of IND-AS financial statements may impact significant judgements both at the time of the first adoption and going forward. These judgements may be erroneous or changed in response to comments from regulators or the industry

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

**41. Our Management will have significant flexibility in applying proceeds of the Issue. Here may be potential conflicts of interest with our Promoter and its affiliates.**

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**

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

All securities where a fixed rate of interest is offered, such as our 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.

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

ICRA has assigned a “[ICRA]AAA(stable)” rating to this Issue for an aggregate amount of Rs. 3,00,000 Lakh. The Issuer cannot guarantee that these ratings will not be downgraded. Such a downgrade in the above credit ratings may lower the value of the NCDs and may also affect the Issuer’s ability to raise further debt.

<b>(V) SUMMARY TERM SHEET</b>
-------------------------------

PRIVATE PLACEMENT OF 30,000 SECURED, REDEEMABLE, NON-CONVERTIBLE, DEBENTURES OF THE FACE VALUE OF RS. 10,00,000 EACH (RUPEES TEN LAKH ONLY), FOR CASH AGGREGATING RS. 3,000,00,00,000/- (RUPEES THREE THOUSAND CRORE ONLY) IN ONE OR MORE TRANCHES 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	: Secured, Redeemable, Non-Convertible, Debentures
Face Value	: Rs. 10,00,000/- each
Number of Debentures	: As per Pricing Supplement
Minimum Subscription	: As per Pricing Supplement
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	: Secured
Rating	: “[ICRA]AAA(stable)’ 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.

## **(VI) INTRODUCTION**

The Company is a wholly owned Subsidiary of TCL. The Company is registered with the RBI and is classified as a Systemically Important Non-Deposit Accepting Non Banking Financial Company. 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**

We are a Systemically Important Non – Deposit taking Non – Banking Financial Company (“ND – SI – NBFC”) focused on providing a broad suite of financing products customized to cater the needs of various segments. Our financing products include:

Corporate finance: The Corporate Finance Division (“CFD”) offers commercial finance which offers vanilla term loans, working capital term loans, channel finance, bill discounting, construction equipment finance, leasing solutions, lease rental discounting, promoter finance and structured products. In addition, the Special Assets Management Group (“SAMG”) was formed to manage the project finance portfolio of the *erstwhile* infrastructure finance division;

Consumer finance: The Consumer Finance and Advisory Business Division (“CFABD”) offers a wide range of consumer loans such as car and two wheeler loans, commercial vehicle loans, tractor loans, business loans, loans against property, personal loans, consumer durable loans and loans against securities;

Additionally, we have launched Tata cards, which are white label credit cards that enable customers to earn and redeem points across Tata group partners and offer convenient payment options in the form of EMIs.

### **Key Strengths**

#### ***Integrated financial services platform***

Our customers 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 and marketing of Tata cards. We believe our management structure enables us to leverage relationships across lines of our business. Our product knowledge and multi – channel delivery model enhances our ability to cross – sell our services. 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 final objective.

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

Our present mix of business includes corporate finance and consumer finance. We, therefore, provide integrated financial services while maintaining a diversified and balanced mix of businesses. We continue to explore further opportunities to set up new business 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.

#### ***Robust internal processes and risk management framework***

We believe that we have strong internal control and risk management systems to assess and monitor risks across our various business lines. Our processes have been standardised with the objective of providing high quality of service and ensuring efficiency. This is achieved by facilitating the integration of our workforce, processes and technology. Our key business processes are regularly monitored by the respective heads of our business and/or operations. We believe that we have the necessary internal controls and risk management systems in TCFSL to assess and monitor risks across various business lines. TCFSL's internal control system is designed to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliances with laws and regulations. Our Board has constituted various Committees including Finance and Asset Liability Supervisory Committee, Risk Management Committee and Audit Committee to monitor and manage risk. All new lines of business and product launches follow a rigorous internal approval process that requires assessing risk, client suitability, understanding regulations 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.

#### ***Synergy and parentage of Tata group***

Tata group is a global enterprise, headquartered in India, and has its presence in varied sectors. The group's long standing operations in various sectors such as steel, motors, chemicals, hospitality, financial services etc. have resulted in establishing 'Tata' as a recognized brand. We believe that the relationship that Tata group has developed provides us instant brand recognition. Furthermore, we derive certain business synergies from our Promoter which helps us in sourcing customers, expanding our operational network and increasing market penetration.

We leverage our Promoter's experience in the various facets of the financial services sector which allows us to understand market trends and mechanics and helps us in designing our products to suit the requirements of our target customer base as well as to address opportunities that arise out of changes in market trends. We believe that by leveraging on the existing relationships and synergies with our Promoter and the Tata group we will be able to further expand the size of our loans and advances outstanding, launch new products and build scale.

#### ***Widespread operational network***

We believe that the scale of our operational network provides us with a competitive advantage. We operate an extensive network of our 134 offices spanning across 23 states, as of June 30, 2018. The reach of our offices allows us to service our existing customers and attract new customers as a result of personal relationships cultivated through proximity and frequent interaction by our employees. Our widespread office network reduces our reliance on any one region in India and allows us to apply best practices developed in one region to other regions. Our geographic diversification also mitigates some of the regional, climatic and cyclical risks. In addition, our extensive office network benefits from a decentralized approval system, which allows each office to grow its business organically as well as

leverage its customer 68 relationships. We service multiple products through each of our offices which reduce operating costs and improve total sales. We believe that the challenges inherent in developing an effective office network in rural and semi-urban areas provide us with a significant first mover advantage over our competitors in these areas.

### ***Strong and experienced management team***

We believe that the expertise and industry knowledge of our Board of Directors and senior management team has enabled us to accelerate the growth in our business. Our senior management team has experience in various lines of businesses operated by TCFSL with a track record of successfully growing businesses. In addition, our product and operational leaders also have experience in the finance industry. We believe that the industry knowledge of our management team and professionals, who are supported by a qualified pool of employees, provides us with a distinct competitive advantage and also benefits us with respect to the development of products which enables us to focus on geographical expansion, reduce cost and execute our business plans.

### **Our Business Strategies**

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

We intend to maintain high growth and profitability by increasing the scope and intensity of the 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 consumer finance segment by strengthening and expanding our relationship with the corporate and retail clients, leveraging the vast network of vendors, dealers and customers, launching new products and services and developing distribution channels.

#### ***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. We believe that this will enable us to maintain growth and profitability by further limiting our exposure to market fluctuation or dependence on any particular line of business.

#### ***Leverage our technology advantage***

We plan to continue investing in technology to significantly enhance our technical capabilities across our products and service 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.

#### ***Expand 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 other cities in India, which we believe present opportunities in terms of clients and revenues and establish our presence in the overseas market. In the future, we may endeavor to use our international offices as supplementary distribution channels for our offerings in the Indian market. Our long term strategy includes participation in overseas financial markets by setting up regulated financial services companies in such jurisdictions.

#### ***Attain and retain talented professionals***

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

## 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*

The CFD of TCFSL has been divided into two categories i.e. commercial finance and SAMG. The loans and advances outstanding of CFD stood at ₹ 2,083,025 lakh as of March 31, 2018, comprising of 97.98% and 2.02% of commercial finance and SAMG, respectively.

### *Commercial finance:*

Commercial finance includes asset based loans as well as business loans to improve cash flow, debt consolidation, working capital finance, debt restructuring etc. Such loans are targeted towards large, medium and small corporates which are tailored to suit the business requirement, market conditions and entity size. As of March 31, 2018, commercial finance constituted ₹ 2,041,033 lakh i.e. 55.29% of our total loans and advances outstanding. Our commercial finance products include:

- i) *Term loans.* We offer term loans for funding brownfield and greenfield construction projects, capital improvements, capital investments such as machinery and working capital and the purchase of existing business. The loan tenure varies from 3 months to 5 years. As of March 31, 2018, loans and advances outstanding for vaNilla term loans stood at ₹ 401,038 lakh.
- ii) *Working capital loans.* We offer working capital finance by way of working capital term loan and working capital demand loan for daily business expenses such as rent, utilities, marketing expenses, inventory, salaries or mortgage payments. As of March 31, 2018, loans and advances outstanding for working capital loans stood at ₹ 60,354 lakh.
- iii) *Leasing Solutions:* This covers diverse assets such as construction equipment, computers and telecommunication equipment, ATMs etc. As of March 31, 2018, loans and advances outstanding for leasing solutions stood at ₹ 43,437 lakh.
- iv) *Equipment finance:* We finance the purchase of a wide range of equipment from heavy machinery to office equipment. The loan tenure varies from 3 years to 5 years. As of March 31, 2018, loans and advances outstanding for equipment finance stood at ₹ 41,801 lakh.
- v) *Lease rental discounting:* We provide lease rental discounting to secure financing against future rentals on commercial properties which are leased out. The loan tenure varies from 1 year to 7 years. As of March 31, 2018, loans and advances outstanding for lease rental discounting stood at ₹ 21,572 lakh.
- vi) *Structured finance:* This includes structured debt in the form of convertible bonds or non-convertible debentures based on the requirement of the capital, funding for promoters whose companies are not listed yet or who are looking at listing in near future, debt syndication in both rupee and foreign currency through our strong network of associate banks, NBFCs and financial institutions. Our offering includes syndication of all fund-based and non fund-based products for funding green field as well as expansion projects in India and overseas. Structured finance also helps in maintaining a balanced debt equity ratio. As of March 31, 2018, loans and advances outstanding for structured investments stood at ₹ 267,371 lakh.
- vii) *Letter of credit:* We offer this facility through an arrangement with selected banks to earn revenue from the credit receivables. We offer two types of letters of credit viz. (i) usance letter of credit which is the deferred payment for 1 – 3 years payable on maturity date; and (ii) sight letter of credit which is converted into buyer's credit on maturity of the letter of credit with an option to rollover. As of March 31, 2018, loans and advances outstanding for letter of credit (off balance sheet exposure) stood at ₹ 43,419 lakh.



- viii) *Supply chain finance*: We offer such financing services through the dealer for the purpose of running the business. As of March 31, 2018, loans and advances outstanding for supply chain finance stood at ₹ 836,266 lakh.
- ix) *Bill discounting*: This includes providing short term finances for supplying to large corporates giving access to funds at competitive rates. As of March 31, 2018, loans and advances outstanding for bill discounting stood at ₹ 52,202 lakh.
- x) *Construction equipment finance*: This includes providing finances for purchasing construction equipment. As of March 31, 2018, loans and advances outstanding for construction equipment finance stood at ₹ 316,992 lakh.

#### *SAMG:*

SAMG was formed on April 1, 2015 to manage and recover the dues arising out of project finance portfolio of the *erstwhile* infrastructure finance division of TCFSL. As of March 31, 2018, SAMG managed a portfolio of ₹ 41,992 lakh.

#### *Consumer finance*

The consumer finance and advisory business of TCFSL offers a wide range of loans to several types of retail customers. We provide loans for purposes such as expansion of businesses, working capital and purchase of automobiles and equipment. As of March 31, 2018, consumer finance business constituted ₹ 16,08,299 lakh i.e. 43.57% of our total loans and advances outstanding. Our consumer finance products include:

##### i) *Car and two wheeler loans*

We finance the purchase of cars and two wheelers which are used for personal or commercial purposes. Our customers in this segment primarily include salaried and self-employed individuals. As of March 31, 2018, loans and advances outstanding for cars and two wheelers stood at ₹ 216,121 lakh and ₹ 57,407 lakh, respectively.

##### ii) *Commercial vehicle loans*

We have financed the purchase of used or new commercial vehicles which are used for carrying goods and passengers. Our customers in this segment typically comprise of medium and small fleet operators, transport operators and small businesses. As of March 31, 2018, loans and advances outstanding for commercial vehicles stood at ₹ 37,901 lakh.

##### iii) *Business loans*

Business loans are offered to meet working capital requirements, for specific project funding, expansion of the business including purchase of new machinery for the business or for starting a new business or ancillary units. Such loan is provided for tenor upto 36 months. As of March 31, 2018, loans and advances outstanding for business loans stood at ₹ 241,622 lakh.

##### iv) *Loan against property*

LAP is the term loan secured by way of mortgage of property. Primarily the loan is used for meeting the business needs such as working capital loans, expansion of business, educational needs, etc. We provide such loan for tenor of up to 15 years. As of March 31, 2018, loans and advances outstanding for LAP stood at ₹ 582,755 lakh.

v) *Personal loans*

We offer loans to meet the personal needs of an individual such as marriage, education, travel, medical or general purposes. These loans are offered primarily to salaried or self employed professional for a period of 1 year to 6 years. As of March 31, 2018, loans and advances outstanding for personal loans stood at ₹ 208,883 lakh.

vi) *Consumer durable loans*

We offer such loans for purchase of household items like washing machine, refrigerator, air conditioner, television, and such other products. As of March 31, 2018, loans and advances outstanding for consumer durable loans stood at ₹ 21,198 lakh.

vii) *Loan against securities (“LAS”)*

This facility is offered to meet the financial needs of the individuals without liquidating the investments by pledging securities or mutual funds as collateral. Such loan is offered for a period of 12 months. As of March 31, 2018, loans and advances outstanding for LAS stood at ₹ 52,419 lakh.

viii) *Rural finance*

Our rural finance portfolio comprises providing finances to the farmers for purchasing equipment and machinery for carrying on the agricultural and other allied activities which includes loans for purchasing new and used tractors, loans to set up mini dairies, working capital loans and top up loans. Such loans are for a tenor up to 3 years. As of March 31, 2018, rural finance constituted ₹ 189,993 lakh.

ix) *Tata Cards*

Tata card is a white label credit card marketed and distributed by TCFSL. These cards provide various benefits to the card holders including earning and redeeming points through a loyalty program. As on March 31, 2018, 1.9 lakh cards were distributed in the market.

## **Risk Management**

Risk management is an integral part of TCFSL’s business strategy. 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. The risk management at TCFSL covers credit risk, market risk, operational risk, fraud risk and other risks.

The risk management oversight structure includes Committees and senior management committees. 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. Our concentration risk is managed by analyzing counter-party, industry sector, geographical region, single borrower and borrower group. While the credit committee and officers of TCFSL approve counter-party credit exposure in line with the delegation of power and authority approved by the Board of Directors, the credit monitoring committee primarily focuses on post sanction monitoring. The 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. TCFSL has an operational risk management framework approved by our Board. The key risk indicators (“**KRI**”) are monitored 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 the matters relating to fraud risk, including corrective and remedial actions as regards people and processes.

### **Internal Audit and Control System**

TCFSL’s internal control system is designed to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance with laws and regulations. Internal audit function is required to provide an independent assessment to the Board on the effectiveness of implementation of risk management framework, including the overall adequacy of the internal control system and compliance with internal policies and procedures. The internal audit reports are then discussed with the management and are reviewed by our Audit Committee.

### **Information Technology**

Our information technology support systems aid us in performing the processes involved in a loan transaction. TCFSL has built the capabilities for integration across systems, entities and agencies for achieving a seamless customer experience. We have taken certain initiatives to enable the sales teams and enhance productivity and information security framework, transformation of the core lending system, the upgradation of data centre assets and the ongoing consolidation and building of TCFSL’s digital platform for both the retail and the corporate businesses.

We have deployed the latest technology covering the internet, cloud, analytics, social media and mobility areas. Some of the initiatives that TCFSL has launched viz. mobile application, the online car store which is a one stop shop for searching the right car and right car loan, the online home store which houses certain projects and the artificial intelligence-backed chat-bot help cater to growing customer queries.

Further, to maintain the integrity and availability of critical business information required to continue operations, information resources are backed up as per documented backup plans. The backups are maintained as per retention requirements and are tested periodically to ensure that they are usable for recovery purposes as and when necessary. The restoration procedures are tested and updated regularly to ensure that they are effective and that they can be completed within the required timeframe for operational procedures for recovery. To ensure that critical business functions are able to continue functioning in the event of major failures or disasters, TCFSL has formulated a disaster recovery plan. This plan documents recovery time objective / recovery point objective of IT applications supporting critical business functions. The plans are reviewed and tested through disaster recovery drills on an annual basis.

### **Competition**

We face competition in all the segments of our business. 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 having an extensive branch network, greater currency funding capabilities and wider range of products and services which enable them to be more competitive. In retail banking, both public sector banks and private sector banks with their large deposit base, technology and extensive branch network have greater reach to the retail clients. Additionally, the customer relationship, capability of people, service quality, market focus, pricing and recruitment and retention of skilled professional human resources influence the competitive intensity in our business segment.

## **Human Resources**

TCFSL recognises people as its most valuable asset. As on June 30, 2018, we had 2,771 permanent employees on the rolls of TCFSL. We consider talent management as the key 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 interventions and job rotations are planned for the employees who constitute our talent pool. Our learning and development initiatives include executive development programs, e-learning and various classroom based training programs.

## **Intellectual Property**

The logo and the trademark associated with the logo “Tata” are not registered in our name. The right to use the name “Tata” has been granted to TCFSL by Tata Sons Private Limited (formerly known as Tata Sons Limited) vide an agreement dated October 04, 2013 entered amongst Tata Sons Private Limited (formerly known as Tata Sons Limited) and our Promoter.

For further details, please see the section *“Risk Factors – We do not own the trademark and the logo associated with “Tata” brand name. Consequently, our ability to use the trademark, name and logo may be impaired on page no 24*

## **Insurance**

We believe that we maintain all material insurance policies that are customary for companies operating in similar businesses. These include leasehold improvements, buildings, IT equipment, directors and officers liability policy, bodily injury, property damage and claims for wrongful acts.

## **Property**

Our Registered Office is located at 11th Floor, Tower A, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai, Maharashtra which is taken on license by us for a period of 5 years commencing from October 1, 2017. Further, as on June 30, 2018, we have 134 branches located in 23 states throughout India which have been mostly leased by us.

## **Corporate Social Responsibility**

The Corporate Social Responsibility Committee of TCFSL is responsible to formulate and recommend to the Board the CSR policy indicating the activities falling within the purview of Schedule VII to the Companies Act, 2013. We have adopted Tata group’s Affirmative Action (“AA”) Programme since 2008 which addresses the essentials, education, employability, employment and entrepreneurship for the Scheduled Caste (“SC”) and Scheduled Tribe (“ST”) communities.

## **GENERAL INFORMATION**

TCFSL was incorporated at Mumbai, Maharashtra on November 19, 2010, as a public limited company, under the provisions of the Companies Act, 1956, bearing CIN U67100MH2010PLC210201, under the name “Tata Capital Financial Services Limited”. TCFSL also received a Certificate for Commencement of Business on December 16, 2010. TCFSL has obtained a certificate of registration dated November 4, 2011 bearing registration no. N-13.02005 issued by the RBI to commence the business of non-banking financial institution without accepting public deposits under Section 45 IA of the RBI Act, 1934. TCFSL is a Systemically Important Non-Deposit taking NBFC.

**Registered Office**

11<sup>th</sup> Floor, Tower A, Peninsula Business Park, Ganapatrao Kadam Marg,  
Lower Parel, Mumbai – 400 013  
Phone: (022) 6606 9000, Fax: (022) 66562699

**Address for Correspondence**

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

**Corporate Office**

TCFSL does not have a corporate office.

**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  
11<sup>th</sup> Floor, Tower A, Peninsula Business Park, Ganapatrao Kadam Marg,  
Lower Parel, Mumbai – 400 013  
Phone: (022) 6606 9000, Fax: (022) 66562699

**Compliance Officer**

Ms. Avan Doomasia, Company Secretary  
11<sup>th</sup> Floor, Tower A, Peninsula Business Park,  
Ganapatrao 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

**Credit Rating Agency to the Issue**

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

**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 January 31, 2019 are, as under:

Name, Age, Designation, DIN and Nationality	Address	Date of Appointment	Details of other Directorships
<b>Mr. Rajiv Sabharwal</b>  53 years  Non-Executive Director  00057333  Indian	C-183, Kalpataru Sparkle, N. Dharmadhikari Road, Gandhinagar, Bandra (East), Mumbai 400 051	April 1, 2018	1) Tata Capital Housing Finance Limited 2) Tata Capital Limited 3) Tata Cleantech Capital Limited 4) Tata Securities Limited 5) Tata Realty and Infrastructure Limited 6) Tata Capital Pte. Ltd. 7) Tata Asset Management Limited 8) Tata Capital Advisors Pte. Ltd. 9) Tata Asset Management (Mauritius) Private Limited 10) Tata Indian Opportunities Fund 11) Tata Indian Sharia Equity Fund
<b>Mr. F N Subedar</b>  63 years  Non-Executive Director  00028428  Indian	Flat No. 1, Wadia Building, 6 Babulnath Road, Grant Road, Mumbai-400007	March 26, 2011	1) Tata Industries Limited 2) Tata Services Limited 3) Tata Petrodyne Limited 4) Tata Investment Corporation Limited 5) Tata AIG General Insurance Company Limited 6) Tata Capital Limited 7) Tata Realty and Infrastructure Limited 8) Tata Asset Management Limited 9) Zoroastrian Investment Corporation Private Limited 10) Tata Indian Infrastructure Fund 11) Tata Limited, London
<b>Mr. Mukund S. Dharmadhikari</b>  71 years  Independent Director  05003224  Indian	32 01 - B wing, Bellissimo, N. M. Joshi Marg, Apollo Mills Compound, Mahalaxmi, Mumbai - 400011	January 28, 2015	NIL

Ms. Anuradha E. Thakur 70 Years Independent Director 06702919 Indian	B-7, 3 <sup>rd</sup> Floor, Bageshree Co-operative Housing Society, Shankar Ghanekar Marg, Prabhadevi, Mumbai-400025	January 28, 2015	1) Patnaik Steels and Alloys Limited (Nominee Director) 2) Tata Capital Housing Finance Limited 3) Privi Organics Limited 4) Privi Organics India Limited 5) Tata Asset Management Limited
Mr. Kusal Roy 48 years Managing Director 02268654 Indian	Flat No. 12, Shikha Aptt., Union Park, No. 14 Golf Link Estate, Near Shatranj Restaurant, Khar (West), Mumbai 400 052,	April 1, 2018	NIL

**Details of change in directors since last three years (as on January 31, 2019 ):**

Name, Designation and DIN	Date of Appointment / Resignation	Director of the Company since (in case of resignation)	Remarks
Mr. Pranab Kumar Choudhury Independent Director 00015470	Ceased to be a Director upon death (22/11/2016)	Appointment (28/01/2015)	
Mr. Madhusudan Kannan Non- Executive Director 02647756	Resignation (28/10/2016)	Appointment (30/06/2015)	
Mr. M D Mallya Non Executive Director 01804955	Ceased to be a Director upon death (25/11/2018)	Appointment (17/07/2017)	
Mr. Janki Ballabh Independent Director 00011206	Ceased to be a Director upon retirement (23/10/2017)	Appointment (26/03/2011)	
Mr. Praveen P. Kadle Managing Director & CEO 00016814	Retirement (31/03/2018)	Appointment (19/11/2010)	
Mr. Rajiv Sabharwal Non-Executive Director 00057333	Appointment (01/04/2018)	-	
Mr. Kusal Roy Managing Director DIN: 02268654	Appointment (01/04/2018)	-	

**Details of Auditor of the Company (as on January 31, 2019):**

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)
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	Appointment (21/08/2017)	-

**Credit Rating**

ICRA has, after due consideration, assigned a “[ICRA]AAA(stable)” (pronounced “ICRA Triple A”) rating to the Secured Redeemable Non-Convertible Debentures Programme (Private Placement) of the Company for Rs. 3,000 crore. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

**Rating Rationale issued by ICRA**

<https://www.icra.in/Rationale/ShowRationaleReport/?Id=76762>

**Debenture Trustee**

VISTRA ITCL (India) Limited  
(Formerly Known as IL & FS Trust Company Limited)  
Plot C-22, G-Block  
Bandra Kurla Complex  
Bandra (E), Mumbai - 400 051  
Tel: 022-2659 3794  
Fax: 022- 2653 3297  
Website : [Mumbai@vistra.com](mailto:Mumbai@vistra.com)  
Contact : Ms. Sonal Gokhale  
Email: [Sonal.Gokhale@vistra.com](mailto:Sonal.Gokhale@vistra.com)  
SEBI Reg.No. IND000000452

The Debenture Trustee has given its consent to act as Debenture Trustee to the proposed issue and for creation of a pari passu charge in their favour for 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 from TCL 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:
- Company's Immoveable Property, more particularly mentioned in Part A of First Schedule of the Debenture Trust Deed dated April 12, 2016;
  - 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:
- Company's Immoveable Property, more particularly mentioned in Part A of First Schedule of the Debenture Trust Deed dated May 31, 2016;
  - 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 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.

18. The Company's Current Assets are charged in favour of VISTRA ITCL INDIA LIMITED who is acting on behalf of various lending banks vide Deed of Hypothecation dated January 19, 2018 as annexed with various accession deeds for charge created subsequently for various lenders for Rs. 1,50,000 Lakh.

Current Assets defined as:

- (i) All receivables of the Company arising out of loan, lease and hire purchase transactions
- (ii) All other book debts
- (iii) Trade Advances
- (iv) 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 19, 2018, 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.

19. 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 10, 2018 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 August 10, 2018
- ii. Company's Moveable Property , more particularly specified in Part B of First Schedule of the Debenture Trust Deed August 10, 2018

Under the Debenture Trust Deed dated August 10, 2018 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.

20. The Company's Current Assets are charged in favour of VISTRA ITCL INDIA LIMITED who is acting on behalf of various lending banks vide Deed of Hypothecation dated August 28, 2018 as annexed with various accession deeds for charge created subsequently for various lenders for Rs. 1,500,000 Lakh.

Current Assets defined as:

- e. All receivables of the Company arising out of loan, lease and hire purchase transactions
- f. All other book debts
- g. Trade Advances
- h. 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 August 28, 2018, 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.

21. 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 September 10, 2018, with VISTRA ITCL INDIA LIMITED for Rs. 6,00,000 Lakh by way of creation of charge by way of mortgage on:

- i. Company's Immoveable Property, more particularly mentioned in Second Schedule of the Debenture Trust Deed dated September 10, 2018
- ii. Company's Receivables, more particularly specified in the Third Schedule of the Debenture Trust Deed dated September 10, 2018

Under the above Debenture Trust Deed, the Company shall be entitled to create a charge or otherwise encumber the Secured Properties (or any part thereof) in favour of any Person as and by way of security for any further Financial Indebtedness (including in the form of debentures) incurred by the Company ("**Follow-on Borrowings**") without the prior written consent of the Debenture Trustee. It is clarified that the Debenture Trustee shall not be required to obtain any prior consent of, or provide any intimation to any of the Debenture Holders for the creation of any additional charge on the Secured Properties (or any part thereof).

22. 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 January 25, 2019 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 January 25, 2019
- ii. Company's Moveable Property, more particularly specified in Part B of First Schedule of the Debenture Trust Deed January 25, 2019



Under the Debenture Trust Deed dated January 25, 2019 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 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 August 5, 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.

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 Trustee Agreement upto an amount of Rs. 50,000 Lakh with IDBI Trusteeship Services Limited on October 07, 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.

**(VII) FINANCIAL INFORMATION**

TATA CAPITAL FINANCIAL SERVICES LIMITED			
CONDENSED STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2018			
(Rs. in lakh)			
Particulars	For the half year ended September 30, 2018 (Audited)	For the half year ended September 30, 2018 (Audited)	For the Year ended March 31, 2018 (Audited)
<b>I Revenue from operations</b>			
(i) Interest Income	2,24,762	1,88,589	3,87,896
(ii) Dividend Income	245	218	249
(iii) Rental Income	15,728	12,570	25,555
(iv) Fees and commission Income	5,477	5,300	11,537
(v) Net gain on fair value changes	1,102	-	-
(vi) Net gain on derecognition of investment in Associates	11,780	-	-
<b>II Other income (to be specified)</b>	2,864	4,287	7,644
<b>III Total Income (I+II)</b>	<b>2,61,958</b>	<b>2,10,964</b>	<b>4,32,881</b>
<b>IV Expenses</b>			
(i) Finance costs	1,46,200	1,13,976	2,34,316
(ii) Fees and commission expense	-	-	-
(iii) Net loss on fair value changes	-	1,950	1,231
(iv) Impairment of investment in Associates	-	-	585
(v) Impairment on financial instruments	21,439	4,532	18,306
(vi) Employee benefits expense	21,843	20,068	40,612
(vii) Depreciation and amortisation and impairment	12,881	11,974	23,637
(viii) Other expenses	26,196	22,573	45,658
<b>Total expenses (IV)</b>	<b>2,28,559</b>	<b>1,75,073</b>	<b>3,64,345</b>
<b>V Profit/(loss) before exceptional items and tax (III-IV)</b>	<b>33,399</b>	<b>35,891</b>	<b>68,536</b>
<b>VI Exceptional Items</b>	-	-	-
<b>VII Profit/(loss) before tax (V-VI)</b>	<b>33,399</b>	<b>35,891</b>	<b>68,536</b>
<b>VIII Tax expense</b>			
(1) Current tax	20,175	15,340	20,007
(2) Deferred tax	(6,575)	(11)	8,268
<b>Net tax expense</b>	<b>13,600</b>	<b>15,329</b>	<b>28,275</b>
<b>IX Profit before the period from continuing operations (VII-VIII)</b>	<b>19,799</b>	<b>20,562</b>	<b>40,261</b>
<b>X Profit from discontinued operations before tax</b>	-	-	-
<b>XI Tax expense of discontinued operations</b>	-	-	-
<b>XII Profit from discontinued operations (after tax) (X-XI)</b>	-	-	-
<b>XIII Profit for the period (IX+XII)</b>	<b>19,799</b>	<b>20,562</b>	<b>40,261</b>
<b>XIV Other Comprehensive Income</b>			
(i) Items that will not be reclassified subsequently to statement of profit and loss - Remeasurement of defined employee benefit plans	(445)	(21)	74
<b>Total Other Comprehensive Income/(Losses)</b>	<b>(445)</b>	<b>(21)</b>	<b>74</b>
<b>XV Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit/(Loss) and Other Comprehensive Income for the period)</b>	<b>19,354</b>	<b>20,541</b>	<b>40,335</b>
<b>XVI Earnings per equity share (for continuing operation):</b>			
(1) Basic	1.91	1.70	3.53
(2) Diluted	1.91	1.70	3.53
<b>XVII Earnings per equity share (for discontinuing operation):</b>			
(1) Basic	-	-	-
(2) Diluted	-	-	-
<b>XVIII Earnings per equity share (for discontinued &amp; continuing operations)</b>			
(1) Basic	1.91	1.70	3.53
(2) Diluted	1.91	1.70	3.53

**TATA CAPITAL FINANCIAL SERVICES LIMITED**  
**CONDENSED STANDALONE BALANCE SHEET AS AT SEPTEMBER 30, 2018**

(Rs. in lakh)

Particulars	As at September 30, 2018 (Audited)	As at March 31, 2018 (Audited)
<b>ASSETS</b>		
<b>(1) Financial assets</b>		
(a) Cash and cash equivalents	2,76,584	8,127
(b) Bank balances other than (a) above	4,633	4,462
(c) Derivative financial instruments	-	-
(d) Receivables		
(i) Trade receivables	3,783	5,952
(ii) Other receivables	-	-
(e) Loans	42,47,756	36,98,626
(f) Investments	29,284	29,472
(g) Other financial assets	46,289	64,662
<b>Total financial assets</b>	<b>46,08,329</b>	<b>38,11,301</b>
<b>(2) Non-financial assets</b>		
(a) Current tax assets (net)	6,265	6,265
(b) Deferred tax assets (Net)	69,277	62,702
(c) Investment property	-	-
(d) Property, plant and equipment	76,231	69,000
(e) Capital work-in-progress	95	101
(f) Intangible assets under development	147	39
(g) Goodwill	-	-
(h) Other intangible assets	2,079	2,314
(i) Other non-financial assets	39,301	36,705
<b>Total non-financial assets</b>	<b>1,93,395</b>	<b>1,77,126</b>
<b>Total Assets</b>	<b>48,01,724</b>	<b>39,88,427</b>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
<b>(1) Financial liabilities</b>		
(a) Derivative financial instruments	6	98
(b) Payables		
(i) Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	57,710	52,534
(c) Debt Securities	14,25,079	12,32,147
(d) Borrowings (Other than debt securities)	23,32,584	17,80,252
(e) Deposits	-	-
(f) Subordinated liabilities	3,09,498	2,72,040
(g) Other financial liabilities	1,44,316	1,65,535
<b>Total financial liabilities</b>	<b>42,69,193</b>	<b>35,02,606</b>
<b>(2) Non-Financial liabilities</b>		
(a) Current tax liabilities (Net)	21,369	10,114
(b) Provisions	1,72,693	1,58,070
(c) Other non-financial liabilities	23,975	22,502
<b>Total non-financial liabilities</b>	<b>2,18,037</b>	<b>1,90,686</b>
<b>(3) Equity</b>		
(a) Share capital	1,29,755	1,29,755
(b) Other equity	1,84,739	1,65,380
<b>Total equity</b>	<b>3,14,494</b>	<b>2,95,135</b>
<b>Total Liabilities and Equity</b>	<b>48,01,724</b>	<b>39,88,427</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 14, 2018.

2 In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015. The Company has adopted Ind AS from April 1, 2018 with effective transition date as April 1, 2017. These financial results together with the results for the comparative reporting period have been prepared in accordance with the recognition and measurement principles as laid down in Ind AS 34 - Interim Financial Reporting, prescribed under Section 133 of the Companies Act, 2013 (the "Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India.

The financial results have been prepared on historical cost basis except for certain financial instruments measured at fair value in accordance with the requirement of the Ind AS.

Previous period have been restated to Ind AS. In accordance with paragraph 32 of Ind AS 101 First-time Adoption of Indian Accounting Standard, the Company has presented a reconciliation of the profits as per previous GAAP and Ind AS.

3 As required by paragraph 32 of IND AS 101, net profit reconciliation between the figures reported under previous GAAP and Ind AS is as under :

Particulars	Six months ended September 30, 2017	Year ended March 31, 2018
Net Profit after tax as reported under previous GAAP	21,336	48,258
Adjustments resulting in increase/(decrease) in profit after tax as reported under previous		
Impairment allowance on Financial Instruments at Amortised cost and trade receivables	8,937	11,023
Impact of EIR method on Financial Instruments at Amortised cost	(1,212)	(4,370)
Impact of EIR method on other financial assets	(9)	35
Dividend accrued on CCCPS and dividend distribution tax thereon	(5,137)	(10,643)
Net Fair value gain/(loss) on Investment at FVTPL	401	(802)
Amortisation of Option fair value cost for Equity settled ESOP's	(410)	(817)
Remeasurement of defined benefit obligation	21	(74)
Current tax adjustment	(669)	-
Net Deferred tax asset/(liability) on above adjustments	(2,696)	(2,349)
Net Profit after tax as reported under Ind AS	20,562	40,261
Other comprehensive income (net of tax) on account of Remeasurement of defined benefit obligation	(21)	74
<b>Total comprehensive income (after tax) as reported under Ind AS</b>	<b>20,541</b>	<b>40,335</b>

As required by paragraph 32 of IND AS 101, equity reconciliation between the figures reported under previous GAAP and Ind AS is as under :

Particulars	Year ended March 31, 2018	As on April 1, 2017
Equity as reported under previous GAAP	4,96,138	4,06,408
Adjustments resulting in increase/(decrease) in equity as reported under previous GAAP		
Impairment allowance on Financial Instruments at Amortised cost and trade receivables	(51,083)	(62,106)
Impact of EIR method on Financial Instruments at Amortised cost	(21,716)	(17,346)
Impact of EIR method on other financial assets	35	-
Net Fair value gain/(loss) on Investment at FVTPL	(1,296)	(494)
Net Deferred tax asset/(liability) on above adjustments	25,138	27,487
Equity reported under Ind AS pre-CCCPS accounted for as liability	4,47,216	3,53,949
Reclassification of Cumulative Compulsorily Convertible Preference shares (CCCPS) to Borrowings including	(1,52,081)	(94,500)
Equity as reported under Ind AS	2,95,135	2,59,449

For Tata Capital Financial Services Limited

Place : Mumbai

Date : November 14, 2018

Kusal Roy  
Managing Director  
DIN : 02268654

**Annexure 1****Additional Information****a) Credit rating**

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

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

c) Debt Equity ratio: 7.66 times (Debt equity ratio is (Debt Securities issued + Subordinated Liabilities + Other 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. 294,569 lakh . (Net Worth is equal to share capital plus reserves & surplus less deferred revenue expenditure.)

k) Net profit after tax: Rs. 19,799 lakh. Total Comprehensive Income for the period is 19,354 lakh.

l) Earnings per share: Rs. 1.91 (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 2018-19/Financial Results: September 30, 2018":

<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.

Particular	FY 2017-18	FY 2016-17	FY 2015-16	FY 2014-15
Networth	4,774	3,895	3,463	3,202
Total Debt of which:				
Non Current maturities of long Term Borrowing	31,339	27,284	25,386	21,228
Short term Borrowing	12,868	9,457	11,855	10,075
Current maturities of Long term Borrowing	12,931	10,066	9,733	7,078
Net Fixed Assets	5,540	7,761	3,798	4,075
Non Current Assets	715	793	713	593
Cash and Cash Equivalents	15,052	15,345	15,052	11,808
Current Investment	125	73	45	44
Current Assets	2	8	29	10
Current Liabilities	20,247	17,486	14,750	13,290
Assets Under Management	2,715	2,717	1,614	1,232
Off Balance Sheet Items - Contingent Liabilities and capital commitments	-	-	-	-
Interest Income	43	45	40	12
Interest Expenses	4,207	3,852	3,178	2,790
Provisioning & Write-offs	2,231	2,212	1,941	1,819
PAT	317	602	336	396
Gross NPA (%)	483	216	266	187
Net NPA (%)	3.32	4.94	5.34	5.71
Tier I Capital Adequacy Ratio (%)	0.90	1.22	3.13	3.78
Tier II Capital Adequacy Ratio (%)	12.68	11.78	11.79	11.31
	4.00	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



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

**Brief History**

TCFSL was incorporated in Mumbai, Maharashtra on November 19, 2010, as a public limited company, under the provisions of the Companies Act, 1956, bearing CIN U67100MH2010PLC210201, under the name "Tata Capital Financial Services Limited". TCFSL also received a Certificate for Commencement of Business on December 16, 2010. TCFSL has obtained a certificate of registration dated November 4, 2011 bearing registration no. N-13.02005 issued by the RBI to commence the business of non-banking financial institution without accepting public deposits under Section 45 IA of the RBI Act, 1934. TCFSL is a Systemically Important Non-Deposit taking NBFC.

Pursuant to the notifications issued by the RBI for a CIC, TCL got itself reorganised as a CIC by transferring, at book value, the business of its CFD and CFABD, along with its investments in non-group companies to TCFSL, with effect from April 1, 2011. This transfer was effected through a Scheme of Arrangement between TCL and TCFSL under a court process under Sections 391-394 of the Companies Act, 1956. 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 of Arrangement 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 of Arrangement), stood transferred from TCL to the Company, with effect from April 1, 2011.

**Share Capital of the Company as on January 31, 2019 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, Subscribed and Paid Up</b>	
1,29,75,50,000 Equity Shares of Rs. 10 each	12,97,55,00,000
227,00,00,000 Preference Shares of Rs. 10 each	22,70,00,00,000
<b>Total</b>	<b>35,67,55,00,000</b>

**Changes in the Authorised Capital of the Company for the last five years (as on January 31, 2019):**

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 January 31, 2019):**

Date of Allotment	No. of Shares	Face Value (Rs.)	Issue Price Per Share (Rs.)	Consideration (in Rs. )	Nature of Allotment	Cumulative Capital (Rs.)		
						No of Equity Shares	Equity Share Capital (in Rs. Thousands)	Equity Share Premium (in Rs. Thousands)
19/11/10	50,000	10	10	500	Subscription to the Memorandum of Association	50,000	500	-
07/02/11	25,00,000	10	10	25,000	Rights Issue at par	25,50,000	25,500	-
28/03/12	12,95,00,000	10	20 (inclusive of premium)	2,59,00,000	Rights Issue at premium	129,75,50,000	1,29,75,500	1,29,50,000

**Preference Share Capital history of the Company for the last 5 years (as on January 31, 2019)**

Date of Allotment	No. of Preference Shares	Face Value (Rs.)	Issue Price Per Share (Rs.)	Consideration (in Rs. Thousands )	Nature of Allotment	Cumulative Capital (Rs.)		
						No of Preference Shares	Preference Share Capital (in Rs. Thousands)	Preference Share Premium (in Rs. Thousands)
29/09/2015	3,50,00,000	10	10	35,00,00	Rights Issue	3,50,00,000	35,00,00	-
23/03/2016	12,50,00,000	10	10	125,00,00	Rights Issue	16,00,00,000	160,00,00	-
28/06/2016	28,50,00,000	10	10	285,00,00	Rights Issue	44,50,00,000	445,00,00	-

28/9/2016	10,00,00,000	10	10	100,00,00	Rights Issue	54,50,00,000	545,00,00	-
29/12/2016	10,00,00,000	10	10	100,00,00	Rights Issue	64,50,00,000	645,00,00	-
28/2/2017	20,00,00,000	10	10	200,00,00	Rights Issue	84,50,00,000	845,00,00	-
31/3/2017	10,00,00,000	10	10	100,00,00	Rights Issue	94,50,00,000	945,00,00	-
29/12/2017	7,50,00,000	10	10	75,00,00	Rights Issue	102,00,00,000	1020,00,00	-
8/3/2018	10,00,00,000	10	10	100,00,00	Rights Issue	112,00,00,000	1120,00,00	-
21/3/2018	25,00,00,000	10	10	250,00,00	Rights Issue	137,00,00,000	1370,00,00	-
31/3/2018	15,00,00,000	10	10	150,00,00	Rights Issue	152,00,00,000	1520,00,00	-
29/6/2018	55,00,00,000	10	10	55,00,000	Rights Issue	207,00,00,000	2070,00,00	-
28/9/2018	10,00,00,000	10	10	10,00,000	Rights Issue	217,00,00,000	2170,00,00	-
28/12/2018	10,00,00,000	10	10	10,00,000	Rights Issue	227,00,00,000	2270,00,00	-

**Equity Shareholding pattern of the Company as on January 31, 2019**

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	Address
1	Tata Capital Limited	129,75,49,994	NA	100%	11th Floor, Tower A, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai, 400 013
2	Tata Capital Limited jointly with Mr. Rajiv Sabharwal	1	NA		
3	Tata Capital Limited jointly with Mr. Puneet Sharma	1	NA		
4	Tata Capital Limited jointly with Mr. Avijit Bhattacharya	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. Kusal Roy	1	NA		
	<b>Total</b>	<b>129,75,50,000</b>		<b>100</b>	

**Preference Shareholding pattern of the Company as on January 31, 2019**

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	Address
1	Tata Capital Limited	227,00,00,000	NIL	100%	11th Floor, Tower A, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai, 400 013

### **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 January 31, 2019**

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	NIL	100%	NIL	NIL

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

### **Details of Promoter holding in the preference shares of the Company as on January 31, 2019**

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	227,00,00,000	NIL	100%	NIL	NIL

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

### **Details of acquisition, amalgamation, reorganization or reconstruction in the last one year**

No amalgamations, acquisitions, reorganisations or reconstructions have been undertaken by the Company in the last one year, preceding the date of this Draft Shelf Prospectus, other than International Asset Reconstruction Company Private Limited ("IARCL") ceasing to be an associate of the Company with effect from March 8, 2018, owing to the reduction in percentage of shares held by the Company in IARCL

### **Listing**

The 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 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 (XI) 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 December 31, 2018**

- (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**

<b>Name of the Investors</b>	<b>No. of Ncds</b>
Wipro Limited	10200
State Bank of India	9700
Postal Life Insurance Fund A/C UTI AMC	6150
HDFC Bank Limited	4478
Hindustan Zinc Limited	3000
HDFC Trustee Company Limited A/C – HDFC Short Term Debt Fund	2750
International Finance Corporation	2720

Cognizant Technology Solutions India Private Limited	2650
Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Liquid Fund	2500
Tech Mahindra Limited	2250

(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
ICICI Bank Limited	1720
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
Chhattisgarh State Electricity Board Gratuity and Pension Fund Trust	663
Britania Industries Limited	503
HDFC Ergo General Insurance Company Limited	500
Serum Institute of India Private Limited	500
SBI Equity Savings Fund	500
United India Insurance Company Limited	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
Tata Capital Limited	1250
India Airlines Employees Provident Fund	500
State Bank Of Patiala Employees' Pension Fund Trust	470
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
ALLAHABAD BANK	2000000
SERUM INSTITUTE OF INDIA PVT LTD	2000000
NPS TRUST - A/C SBI PENSION FUND SCHEME - CORPORAT	1750000
MAHARASHTRA STATE ELECTRICITY BOARDS CONTRIBUTORY	1242000
RELIANCE GENERAL INSURANCE COMPANY LIMITED	1000000
BANK OF BARODA (EMPLOYEES) PENSION FUND	750000
ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C	731467
HCL TECHNOLOGIES LTD	500000
HINDUSTAN INSTRUMENTS LTD EMPLOYEES PROVIDENT FUND	400000

WIPRO SYSTEMS PROVIDENT FUND TRUST	270000
------------------------------------	--------

(v) Unsecured, Redeemable, Non-Convertible Debentures- Public Issue

Name	Holding
INFOSYS LIMITED EMPLOYEES PROVIDENT FUND TRUST	850000
BRITANIA INDUSTRIES LIMITED	250000
HINDUSTAN PETROLEUM CORPORATION LIMITED PROVIDENT	100000
FDC LIMITED	100000
KONKAN RAILWAY CORPORATION LTD EMPLOYEES PROVIDENT	60000
ASIAN PAINTS OFFICE PROVIDENT FUND	40000
SET INDIA PVT. LTD. EMPLOYEES PF TRUST.	39000
USHA MARTIN EMPLOYEES PROVIDENT FUND	35500
GUJARAT ALKALIES AND CHEMICALS LTD EMPLOYEES PROVI	32000
ALEMBIC PHARMACEUTICALS LIMITED PROVIDENT FUND	30000

**(IX) DISCLOSURES ON EXISTING FINANCIAL INDEBTEDNESS**

**A. Details of Secured Bank Borrowings:**

(i) The Company's secured borrowings as on December 31, 2018 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	195.00	February 14, 2019
IDBI Bank Limited	WCDL	150.00	75.00	February 26, 2019
Indusind Bank Limited	WCDL	1100.00	1000.00	500 crores – June 05, 2019 500 crores – June 14, 2019
Dena Bank	WCDL	500.00	495.00	January 8, 2019
Bank of America N.A.	WCDL	200.00	200.00	May 10, 2019
The Federal Bank Limited	WCDL	400.00	200.00	February 27, 2019
The Jammu & Kashmir Bank Ltd.	WCDL	200.00	195.00	January 30, 2019
The Jammu & Kashmir Bank Ltd.	WCDL	200.00	200.00	February 11, 2019
Corporation Bank	WCDL	100.00	100.00	January 11, 2019
Allahabad Bank	Term Loans	600.00	600.00	March 25, 2022
Karnataka Bank	Term Loans	150.00	150.00	June 28, 2019
Canara Bank	Term Loans	300.00	300.00	August 16, 2019
Canara Bank	Term Loans	300.00	300.00	June 29, 2021
Deutsche Bank	Term Loans	200.00	200.00	June 18, 2021
Deutsche Bank	Term Loans	200.00	200.00	Mar 15, 2019
Deutsche Bank	Term Loans	200.00	200.00	December 16, 2021
ICICI Bank	Term Loans	400.00	400.00	December 24, 2021
HDFC Bank	Term Loans	1000.00	1000.00	333 Crores – July 30, 2019 333 Crores – January 2020 334 Crores – July 2020
Syndicate Bank	Term Loans	500.00	500.00	November 5, 2019
Syndicate Bank	Term Loans	200.00	200.00	September 12, 2019
Catholic Syrian Bank	Term Loans	100.00	100.00	November 29, 2021
Union Bank of India	Term Loans	300.00	300.00	December 21, 2021
<b>Total</b>		<b>7,500.00</b>	<b>7,110.00</b>	

(ii) **Cash Credit Borrowings**

Name	Limit (Rs. Crs)	Amount Utilised (Rs. Crs)
Bank of Maharashtra	200.00	100.00
Punjab and Sind Bank	200.00	195.00
Punjab National Bank	300.00	295.90
UCO Bank	300.00	109.53
Karnataka Bank Limited	50.00	45.03
Axis Bank Limited	400.00	389.94
Bank of America N.A.	400.00	395.00
Syndicate Bank	100.00	90.82



Allahabad Bank	200.00	195.00
Federal Bank	100.00	34.97
Oriental Bank of Commerce	200.00	196.00
<b>Total</b>	<b>2,450.00</b>	<b>2,046.19</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 security for the above borrowings is governed primarily by the security trustee agreement cum deed of hypothecation dated January 19, 2018 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 security for the above borrowings is governed primarily by the security trustee agreement cum deed of hypothecation dated August 28, 2018 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 December 31, 2018

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

Debenture Series	Tenor	Coupon Rate	Amount (in Cr.)	Date of Allotment	Redemption Date
TCFSL NCD 'AH' FY 2012-13	3,652	9.85%	50	05-Sep-12	05-Sep-22
TCFSL NCD "C" FY 2014-15 - Option-II	1,826	9.61%	35	09-Jul-14	09-Jul-19
TCFSL NCD "AA" FY 2014-15	3,653	9.36%	95	20-Nov-14	20-Nov-24
TCFSL NCD "AF" FY 2014-15-Option-I	3,653	9.22%	15	08-Dec-14	08-Dec-24
TCFSL NCD "AF" FY 2014-15-Option-I	3,653	9.22%	60	08-Dec-14	08-Dec-24
TCFSL NCD "E" FY 2015-16	1,827	8.88%	330	05-May-15	05-May-20
TCFSL NCD "X" FY 2015-16	1827	8.65%	10	16-Dec-15	16-Dec-20
TCFSL NCD "Y" FY 2015-16	1096	8.65%	25	08-Jan-16	08-Jan-19
TCFSL NCD "Z" FY 2015-16	1183	8.85%	100	05-Feb-16	03-May-19
TCFSL NCD "AA" FY 2015-16	1826	8.75%	7	16-Mar-16	16-Mar-21
TCFSL NCD "AB" FY 2015-16	1824	8.80%	10	21-Mar-16	19-Mar-21
TCFSL NCD "AC" FY 2015-16	1113	8.79%	11.3	31-Mar-16	18-Apr-19
TCFSL NCD "AC" FY 2015-16	1113	8.79%	10	31-Mar-16	18-Apr-19

TCFSL NCD "B" FY 2016-17	1096	8.70%	20	07-Apr-16	08-Apr-19
TCFSL NCD "D" FY 2016-17	1094	8.70%	10	20-Apr-16	19-Apr-19
TCFSL NCD "F" FY 2016-17	1095	8.67%	25	24-May-16	24-May-19
TCFSL NCD "G" FY 2016-17	1824	8.70%	50	30-May-16	28-May-21
TCFSL NCD "I" FY 2016-17 - Option I	1109	8.75%	25	10-Jun-16	24-Jun-19
TCFSL NCD "I" FY 2016-17 - Option II	1291	8.72%	13	10-Jun-16	23-Dec-19
TCFSL NCD "N" FY 2016-17	1095	8.82%	200	12-Jul-16	12-Jul-19
TCFSL NCD "O" FY 2016-17	1095	8.66%	25	19-Jul-16	19-Jul-19
TCFSL NCD "P" FY 2016-17	1095	8.62%	10	29-Jul-16	29-Jul-19
TCFSL NCD "T" FY 2016-17	1093	8.20%	25	25-Aug-16	23-Aug-19
TCFSL NCD "U" FY 2016-17	1405	8.25%	15	26-Aug-16	01-Jul-20
TCFSL NCD "V" FY 2016-17 - Option II	1094	8.16%	25	31-Aug-16	30-Aug-19
TCFSL NCD "X" FY 2016-17	911	8.20%	250	08-Sep-16	08-Mar-19
TCFSL NCD "AA" FY 2016-17	893	7.84%	50	06-Oct-16	18-Mar-19
TCFSL NCD "AC" FY 2016-17	1093	7.85%	35	27-Oct-16	25-Oct-19
TCFSL NCD "AD" FY 2016-17	1125	8.10%	23	10-Nov-16	10-Dec-19
TCFSL NCD "AE" FY 2016-17	1125	8.10%	75	16-Nov-16	16-Dec-19
TCFSL NCD "AG" FY 2016-17	1826	7.58%	272	28-Dec-16	28-Dec-21
TCFSL NCD "AH" FY 2016-17	730	7.85%	150	06-Feb-17	06-Feb-19
TCFSL NCD "AI" FY 2016-17	754	7.84%	100	08-Feb-17	04-Mar-19
TCFSL NCD "AJ" FY 2016-17	1094	7.85%	25	01-Mar-17	28-Feb-20
TCFSL NCD "AK" FY 2016-17	730	7.85%	19	27-Mar-17	27-Mar-19
TCFSL NCD "AL" FY 2016-17	1826	7.91%	40	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	30-May-17	30-May-19
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	06-Jul-17	06-Aug-20
TCFSL NCD "F" FY 2017-18	730	7.70%	100	10-Jul-17	10-Jul-19
TCFSL NCD "G" FY 2017-18	1094	7.70%	25	12-Jul-17	10-Jul-20
TCFSL NCD "H" FY 2017-18	730	7.67%	500	18-Jul-17	18-Jul-19
TCFSL NCD "I" FY 2017-18	1684	7.70%	75	20-Jul-17	28-Feb-22
TCFSL NCD "J" FY 2017-18	730	7.60%	550	07-Aug-17	07-Aug-19
TCFSL NCD "K" FY 2017-18	1612	7.69%	75	16-Aug-17	14-Jan-22
TCFSL NCD "J" FY 2017-18 - Further Issuance	705	7.60%	247.8	01-Sep-17	07-Aug-19
TCFSL NCD "L" FY 2017-18	728	7.50%	200	29-Sep-17	27-Sep-19
TCFSL NCD "M" FY 2017-18	497	7.63%	750	16-Nov-17	28-Mar-19
TCFSL NCD "N" FY 2017-18	546	7.50% XIRR	50	29-Nov-17	29-May-19
TCFSL NCD "O" FY 2017-18	1106	8.00% XIRR	75	12-Jan-18	22-Jan-21
TCFSL NCD "P" FY 2017-18	1824	8.25%	48	22-Jan-18	20-Jan-23
TCFSL NCD "Q" FY 2017-18	730	8.20%	700	24-Jan-18	24-Jan-20
TCFSL NCD "A" FY 2018-19	457	9.07%	540	19-Jun-18	19-Sep-19
TCFSL NCD "B" FY 2018-19	546	8.98%	185	29-Jun-18	27-Dec-19

TCFSL NCD "B" FY 2018-19 Further Issuance	540	8.98%	180	05-Jul-18	27-Dec-19
TCFSL NCD "C" FY 2018-19	550	8.88%	395	19-Jul-18	20-Jan-20
TCFSL NCD "D" FY 2018-19	1264	9.48%	112	22-Oct-18	08-Apr-22
TCFSL NCD "E" FY 2018-19	1096	9.50% XIRR	326.2	26-Oct-18	26-Oct-21
TCFSL NCD "F" FY 2018-19	480	9.29%	75	26-Nov-18	20-Mar-20
TCFSL NCD "G" FY 2018-19	574	9.32%XIRR	130	30-Nov-18	26-Jun-20
TCFSL NCD "C" FY 2018-19 Further Issuance	410	8.88%	230	06-12-18	20-Jan-20
TCFSL NCD "H" FY 2018-19 Option-I	1826	9.25%	194	19-Dec-18	19-Dec-23
TCFSL NCD "H" FY 2018-19 Option-II	3653	9.25%	112	19-Dec-18	19-Dec-28
<b>TOTAL</b>			<b>10,430.30</b>		

The NCDs have been rated [ICRA]AAA(Stable), CRISIL AAA/Stable and CARE AAA 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.

(iv) Secured, Redeemable Non-Convertible Debentures issued to the Public, which are outstanding as on, December 31, 2018:

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
Series – I #	36 months	8.70%	50.29	September 27, 2018	September 27, 2021	Refer below	Secured	Refer below
Series – I #	36 months	8.80%	1417.77	September 27, 2018	September 27, 2021	Refer below	Secured	Refer below
Series – I #	60 months	8.80%	76.88	September 27, 2018	September 27, 2023	Refer below	Secured	Refer below
Series – I #	60 months	8.90%	1457.01	September 27, 2018	September 27, 2023	Refer below	Secured	Refer below
		<b>Total</b>	<b>3290.13</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 NCDs are rated "ICRA AAA(Stable)" by ICRA. The 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 respective Debenture Trust Deeds executed between the Company and the Debenture Trustee.

# The NCDs are rated "CRISIL AAA/Stable" by CRISIL Limited and "CARE AAA; Stable" by CARE Ratings Limited. The NCDs are secured by way of first ranking pari-passu charge on the Company's Specific Immoveable Property and on identified book debts, loans and advances, and receivables, both present and future, of TCFSL in favor of the Debenture Trustees administered through the respective 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 December 31, 2018 was as under:

Lender's Name	Type of Facility	Sanctioned Amount (in Crore)	Principal Amount Outstanding	Repayment Date/Schedule
Dena Bank	Unsecured Term Loans	400.00	399.42	July 26, 2019
HDFC Bank	Unsecured Term Loans	600.00	600.00	200 Crores – July 31, 2019 200 Crores – January 31, 2020 200 Crores – 31 July ,2020
HDFC Bank Limited	Unsecured Term Loans	700.00	700.00	February 27, 2019
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	200.00	200.00	May 28, 2019
Jammu & Kashmir Bank	Unsecured Term Loans	200.00	200.00	June 28, 2019
United Overseas Bank	Unsecured Term Loans	22.00	22.00	January 11, 2019
Bank of India	Unsecured Term Loans	500.00	495.00	January 28, 2019
Titan Company Limited	Inter Corporate Deposits	50.00	50.00	June 18, 2019
	Total	3,322.00	3,316.42	

(ii) Unsecured, Redeemable Non-Convertible Subordinated Debentures – Tier II Debentures which are outstanding as on December 31, 2018:

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
TCFSL Tier-II Bond 'A' Series FY 2018-19	3652	9.32%	200	28-12-2018	28-12-2028
			<b>2,020.45</b>		

Above NCDs are rated CARE AAA, [ICRA] AAA, CRISIL AAA

(iii) Unsecured, Non-Convertible Subordinated Debentures – Perpetual Debentures outstanding as on December 31, 2018:

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-Mar-24
TCFSL Perpetual 'A' FY 2015-16	3653	9.99%	100.00	16-Jul-2015	16-Jul-25
TCFSL Perpetual 'B' FY 2015-16	3653	9.86%	50.00	6-Jan-2016	6-Jan-26
TCFSL Perpetual 'C' FY 2015-16	3653	9.86%	50.00	2-Feb-2016	2-Feb-26
TCFSL Perpetual 'D' FY 2015-16	3653	9.86%	100.00	9-Feb-2016	9-Feb-26

TCFSL Perpetual 'E' FY 2015-16	3652	9.80%	100.00	23-Mar-2016	23-Mar-26
TCFSL Perpetual 'A' FY 2016-17	3652	9.80%	50.00	30-Jun-2016	30-Jun-26
TCFSL Perpetual 'B' FY 2016-17	3652	9.00%	10.00	13-Jan-2017	13-Jan-27
TCFSL Perpetual 'C' FY 2016-17	3652	9.05%	40.00	08-Mar-2017	08-Mar-27
TCFSL Perpetual 'A' FY 2017-18	3652	9.05%	50.00	21-Jun-17	21-Jun-27
TCFSL Perpetual 'B' FY 2017-18	3652	8.77%	50.00	14-Jul-17	14-Jul-27
TCFSL Perpetual 'C' FY 2017-18	3652	8.61%	93.00	11-Sep-17	11-Sep-27
TCFSL Perpetual 'D' FY 2017-18	3651	8.90%	125.00	26-Mar-18	24-Mar-28
			<b>918.00</b>		

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

- (iv) Unsecured, Redeemable Non-Convertible Debentures-Private Placement-outstanding as on December 31, 2018

Debenture Series	Tenor	Coupon Rate	Amount (in Crore)	Date of Allotment	Redemption Date / Schedule
TCFSL Unsecured NCD "A" FY 2017-18	730	7.90%	800.00	27-June-17	27-June-19
			<b>800.00</b>		

Above NCDs are rated CRISIL AA+/Stable

- (v) Unsecured, Redeemable Non-Convertible Debentures issued to the Public, which are outstanding as on, December 31, 2018:

Debenture Series	Tenor/ Period of Maturity	Coupon Rate	Amount (Rs.in cr)	Date of Allotment	Redemption Date/ Schedule
Series I	120 months	9.00% (p.a)	29.55	September 27, 2018	September 27, 2028
Series I	120 months	9.10% (p.a)	341.85	September 27, 2018	September 27, 2028
			<b>371.40</b>		

The above NCDs are rated "CRISIL AAA/Stable" by CRISIL Limited and "CARE AAA; Stable" by CARE Ratings Limited

### C. Commercial Papers

As at December 31, 2018 Commercial Papers outstanding are 6,515 Crores repayable as per table below :

Maturity Date	Amount Outstanding (In Crore)	Maturity Date	Amount Outstanding (In Crore)
25-01-2019	500.00	25-03-2019	450.00
29-01-2019	725.00	26-03-2019	100.00
31-01-2019	450.00	15-05-2019	75.00
01-02-2019	250.00	20-05-2019	100.00
04-02-2019	250.00	29-05-2019	325.00
07-02-2019	300.00	04-06-2019	600.00
12-02-2019	65.00	10-06-2019	75.00
19-02-2019	300.00	17-06-2019	50.00

27-02-2019	250.00	21-06-2019	200.00
06-03-2019	300.00	06-12-2019	500.00
08-03-2019	150.00	13-12-2019	500.00
		<b>Total</b>	<b>6,515.00</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**

There has been no delay and /or default in servicing of debt/interest or in payment of principal or interest on any financing facilities or term loan or debt security issued by TCFSL.

**G. Debt Equity Ratio (September 30, 2018):**

Particulars	(Rs. in Lacs)	
	Before	After
Total Debt	39,17,957	42,17,957
Net Worth	5,11,569	5,11,569
<b>Debt Equity Ratio</b>	<b>7.66%</b>	<b>8.25%</b>

*Assuming that the entire Rs. 3,000,00,00,000/- (Rupees Three Thousand 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

## **(X) OFFERING INFORMATION**

### **1. Issue Size**

The 'Issuer' proposes to raise Rs. 3,000,00,00,000/- (Rupees Three Thousand Crore Only) through the issue of Secured, Redeemable, Non-Convertible Debentures of the Face Value of Rs. 10,00,000/- each (Rupees Ten Lakh Only) by way of private placement in or more Tranches.

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

No Debenture Redemption Reserve is being created for the issue of NCDs in pursuance of this Disclosure Document 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 Secured 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 the Company or any other class of securities of the Company. However, if any resolution affecting the rights attached to the Secured NCDs is to be placed before the members, the said resolution will first be placed before the concerned registered Secured NCD Holders for their consideration.

Subject to applicable statutory / regulatory requirements, including requirements of the RBI, the rights, privileges and conditions attached to the Secured NCDs may be varied, modified and/or abrogated with the consent of Secured NCD Holders representing at least 51% in value of the outstanding amount of the Secured NCDs, obtained either in writing or by way of a resolution passed at a meeting of the NCD Holders in accordance with the Debenture Trust Deed, provided that nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the Secured NCDs, if the same are not acceptable to us.

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.

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

Notwithstanding anything contained hereinabove, every potential investor/ investor of the 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 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 NCDs would be responsible for ensuring full and prior disclosure of the terms and conditions of the NCDs to the person(s) to whom they are selling these NCDs and shall sell the 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 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 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 NCDs;
- (b) has understood that the method and manner of computation of, returns and calculations on the 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 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 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 NCDs;
- (f) has the legal ability to invest in the 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 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 NCDs, and
- iii) investment in the 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 asset

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

- i) investing in the 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 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 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. Re-issue or Roll Over**

The Secured NCDs can be rolled over only by passing a special resolution by the Secured NCD Holders through postal ballot, with the consent of at least 75% of the Secured NCD Holders by value of such Secured NCDs, after providing at least 21 days prior notice for such roll over, in accordance with the SEBI Debt Regulations, as amended from time to time. TCFSL shall redeem the Secured NCDs of all the Secured NCD Holders, who have either not participated in the voting by postal ballot or have not given their positive consent to the roll-over.

#### **8. Minimum subscription**

Minimum subscription of 1 NCD (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.

**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 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

**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, OFFER LETTER 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, etc., 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 NCDs to be in demat mode, so as to facilitate listing. Accordingly, the NCDs shall be issued only in demat form. TCFSL will make necessary arrangements with NSDL and CDSL for the issue of NCDs in Dematerialized form. Investors shall hold the 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 NCDs allotted. In case of incorrect details provided by the investors and inability of the Company to credit the depository account, the allotment of 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 NCDs (i.e., the investors shall have the right to hold the 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 NCDs by completing the application forms for the NCDs in the prescribed form, as enclosed in the Offer Letter. 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 NCDs in excess of the aggregate of the application moneys relating to the 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**

In case of fixed rate Debentures, they shall carry interest at fixed Coupon Rate as per the respective Pricing Supplement/Offer Letter from the corresponding Deemed Date of Allotment.

In case of floating rate 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 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 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 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 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 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 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 NCDs held in dematerialized form held by Indian Residents.

#### **19. Redemption**

Unless previously redeemed or purchased and cancelled, the NCDs shall be redeemed at such price, at the expiry of the respective tenor as mentioned in the Pricing Supplement/Offer Letter. 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 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**

- **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 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.

- **NCDs held in Demat Form**

In case of the NCDs held in demat form, no action is required on the part of the Debenture Holder(s) at the time of redemption of the 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 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 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 date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day, however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. In case the Maturity Date (also being the last Interest Payment Date) does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment.

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

If any NCD certificate(s) is / are mutilated or defaced or the cages for recording transfers of 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 NCDs**

TCFSL will make allotment of NCDs to investors in due course after verification of the application form, the accompanying documents and on realization of the application money. The allotted 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 Stock Exchange but shall not be less than 15 days prior to the relevant event. In case the Record Date falls on a day when the Stock Exchange is having a trading holiday, the immediate subsequent trading day or a date notified by TCFSL to the Stock Exchange, will be deemed as the Record Date.

**26. Security / Further Borrowings**

NCDs to be issued by the Company in pursuance of this Disclosure Document together with interest, costs, charges, remuneration of the Debenture Trustee and all other moneys payable in respect thereof shall be secured by way of creation of first ranking pari-passu charge on:



- i. The Company's Immovable Property, being Flat no. 202 admeasuring carpet area of 620 sq.ft. on the 2nd Floor of the building known as B2-Daisy, in Neelkanth Greens Complex, situated on all that piece and parcel of land bearing Survey Nos.312(P), 316(P), 318 (P) Near Tikuji-Ni-Wadi, Majiwada, Thane-(W) – 400 610, and
- ii. The Company's Moveable Property being specified class of assets of the Company i.e receivables and book debts arising out of the classes,

as mentioned under Second Schedule of Debenture Trust Deed executed on January 25, 2019.

To maintain the required Security Cover, the Company may add and/ or substitute the aforesaid class of assets/receivables. It shall be the responsibility of the Company to identify from time to time and indicate the class of assets/receivables that are to be charges/ mortgaged. Upon such intimation, the class of assets/receivables so identified would deem to have been charged/mortgaged under these presents.

TCFSL shall be entitled, from time to time, to make further issue of NCDs or such other instrument to the Public, members of the Company or to any other person(s) and/or raise further loans/advances and/or avail of further financial and/or guarantee(s) facilities from Indian or International Financial Institutions, Banks and/or any other person(s) on the security of the above properties or any part thereof and/ or such other assets and properties and having such ranking including ranking in priority to the security to be created in favour of the Trustees as may be decided by the Company from time to time, on such terms as to security or otherwise as may be mutually acceptable to TCFSL and the Trustees provided the required Security cover has been maintained without requiring the consent of the Debenture Holders. The security will be created within the stipulated timeframe as allowed by the regulators from time-to-time.

Right to Securitise including the right to assign the charged assets, etc.

Notwithstanding anything contained in this Disclosure Document, so long as Required Security Cover is maintained, the Company shall have all the rights to deal with the charged assets in normal course of business including, inter alia, the right to securitize and / or to assign, lien mark, assign the Security and/or to create a further first and pari passu (subject to maintaining the Required Security Cover) or second charge on the Security.

## **27. Buy Back of NCDs**

TCFSL may, at its sole discretion, from time to time, consider, subject to applicable statutory and/or regulatory requirements, effect a buy-back of the NCDs, upon such terms and conditions as may be decided by TCFSL.

TCFSL may, from time to time, invite the NCD Holders to offer the NCDs held by them through one or more buy-back schemes and/or letters of offer upon such terms and conditions as TCFSL may determine, subject to applicable statutory and/or regulatory requirements. Such NCDs which are bought back may be extinguished, re-issued and/or resold in the open market with a view of strengthening the liquidity of the NCDs in the market, subject to applicable statutory and/or regulatory requirements.

## **28. 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.”

### **29. 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 Registered Office.

### **30. 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 NCDs standing in the name of the deceased Debenture Holder on production of sufficient documentary proof or indemnity.

### **31. 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 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.

### **32. Trustee**

Vistra ITCL (India) 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 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 NCDs by the Issuer.

### **33. Register of Debenture Holders**

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

### **34. 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.

### **35. 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.

### **36. Undertaking By TCFSL**

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

### **37. 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>(XI) OTHER INFORMATION</b>
-------------------------------

**List of Material Contracts and Documents**

The following contracts and documents which are or may be deemed to be material :

1. Letter dated January 16, 2019 from ICRA Limited assigning the credit rating to the Secured Redeemable NCDs of the Company.
2. Letter dated January 25, 2019 from Vistra ITCL (India) Limited giving consent for acting as Trustees
3. 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
4. Memorandum and Articles of Association of the Company
5. 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

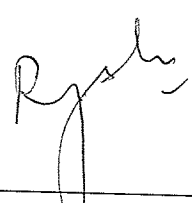
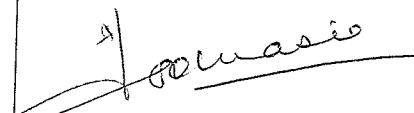
**Disclosure Pertaining to Wilful Default**

- (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 :** January 31, 2019

**Place:** Mumbai

