



**Tata Motors Finance Limited**  
Private Placement Memorandum  
Indicative Term Sheet

Issue of 250 Perpetual, Subordinated, Unsecured, Listed, Rated, Non-Convertible Debentures on private placement basis (the "Issue") which shall be taken into account for calculation of Tier I and Tier II Capital (within the limits as prescribed by RBI) for the Face Value of Rs. 10,00,000 Each, For Cash Aggregating Rs.25 Crores (with a minimum subscription of Rs. 1,00,00,000 per investor) plus green shoe option of upto Rs. 45 Crores.

Terms & Conditions are as required under SEBI circular no. SEBI/ HO/ DDHS/ CIR/ P/ 2018/ 05 dated January 05, 2018

Issuer	Tata Motors Finance Limited
Security Name	11.50% Perpetual 'D' FY 2019-20
Type of Instrument	Perpetual, Subordinated, Listed, Unsecured, Rated, Non-Convertible Debentures which shall be taken into account for calculation of Tier I and Tier II Capital (within the limits as prescribed by RBI)
Nature of Instrument	Unsecured
Seniority	Subordinated The claims of the holders of the Debentures shall be: (a) Superior to the claims of the holders of the equity shares issued by the Issuer; and (b) Subordinated to the claims of all other creditors of the Issuer
Mode of Issue	Private placement
Eligible Investors	As per Disclosure Document
Sole Arrangers	A. K. Capital Services Limited
Listing (including name of stock Exchange(s) where it will be listed and timeline for listing)	WDM Segment of NSE within 20 days from the date of allotment.
Rating of the Instrument	"[ICRA] A with negative outlook" by ICRA
Issue Size	Rs 25,00,00,000
Option to retain oversubscription (Amount )	Yes, upto Rs. 45,00,00,000
Purpose & Objects of the Issue	To augment the Issuer's capital and for inclusion of the Debentures as part of the Tier I and/or Tier II Capital of the Issuer in terms of the NBFC Master Directions
Details of the utilization of the Proceeds	The funds raised through this Issue, after meeting the expenditure of and related to the Issue, will be used for our various financing activities, to repay our existing borrowings and for our business operations including for our capital expenditure and working capital requirements.
Coupon Rate	11.50% per annum
Step Up Coupon Rate	The Debentures are issued with only the following step-up option which may be exercised only once during the whole life of the Debentures.  Step-up Option  In the event that the Call Option has not been exercised by the Issuer, on or prior to date falling at the expiry of 10 (Ten) years from the Deemed Date of Allotment, the Coupon Rate applicable to the Debentures shall be automatically increased by 100 basis points (One Hundred basis points) ("Step-up"), which Step-up shall be applicable to the Debentures from the date

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	immediately succeeding the date falling at the expiry of 10 (Ten) years from the Deemed Date of Allotment.
Coupon Payment Frequency	Annually
Yield	NA
Coupon payment dates	18 <sup>th</sup> December every year.
Coupon Type	Fixed (subject to the one-time Step-up option set out in the clause titled "Step Up Coupon Rate")
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc).	As set out in the clause titled "Step Up Coupon Rate"
Lock In Clause	<p>Notwithstanding anything to the contrary contained herein:</p> <p>a) The Issuer shall not be liable to pay Coupon and may defer the payment of Coupon, if</p> <p>i. it's capital to risk assets ratio ("CRAR") is below the minimum regulatory requirement prescribed by RBI; or</p> <p>ii. the impact of such payment results in NBFCs CRAR falling below or remaining below the minimum regulatory requirement prescribed by Reserve Bank of India;</p> <p>b) In the event that making of any Coupon payment by the Issuer may result in net loss or increase the net loss of the Issuer, the making of such of Coupon Payment by the Issuer shall be subject to the prior approval of the RBI and shall be made on receipt of such approval provided that the CRAR remains above the regulatory norm after the making of such payment.</p> <p>c) The Coupon on the Debentures shall not be cumulative except in cases as in (a) above.</p> <p>The Bidders/ Investors/ Debenture Holders agree and acknowledge that invocation of the lock-in clause by the Issuer shall not be construed as a default committed by the Issuer and shall not result in the occurrence of an 'Event of Default' (by whatsoever name called) in respect of the Debentures.</p>
Discretion	<p>Notwithstanding anything to the contrary contained herein, making the payment of any Coupon may be cancelled or suspended at the discretion of the board of directors of the Issuer.</p> <p>The Parties agree and acknowledge that the non-payment of Coupon as a result of exercise by the board of directors of its discretion as set out hereunder shall not be construed as a default committed by the Issuer and shall not result in the occurrence of an 'Event of Default' (by whatsoever name called) in respect of the Debentures.</p>
Day Count Basis	Actual/ Actual
Interest on Application Money	At Coupon Rate from the date of realization of the cheque / receipt of funds in case of RTGS till one day prior to date of allotment. The interest will be paid within one month from the Allotment Date

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Default Interest Rate	In case of default in payment of Interest and/or principal redemption on the due dates, additional interest of 2% p.a. over the coupon rate will be payable by the Company for the defaulting period
Delay in listing	If there is delay in listing beyond 20 days then the company shall pay penal interest of 1% p.a. over the coupon rate from the expiry of 30 days from the deemed date of allotment till listing of such debt securities.
Tenor	Perpetual
Redemption Date	Not applicable as the Debentures are perpetual
Issue Price per NCD	At par i.e. Rs. 10,00,000/-
Redemption Amount	NA
Redemption Amount per NCD	NA
Redemption Premium per NCD	NA
Discount at which security is issued and the effective yield as a result of such discount.	NA
Put option Date	NA
Put option Price	NA
Call Option Date	Call Option may be exercised by the Issuer on the date falling at the expiry of 10 years from the Deemed Date of Allotment and the last date of every month thereafter ("Call Option Dates").  Upon the receipt of the approval of the RBI (to the extent required under the NBFC Master Directions), the Issuer shall have the right, but not the obligation to redeem the Debentures on any Call Option Date by providing a notice in writing to the Debenture Trustee intimating it of the exercise of the Call Option at least 15 (Fifteen) calendar days prior to the Call Option Date.
Call Option Price	Shall mean the aggregate of the principal amount of the Debentures and accrued Coupon, if any, for the period commencing from the immediately preceding Coupon Payment Date.
Put Notification Time	NA
Call Notification Time	As per the row titled 'Call Option' above
Face Value per NCD	Rs. 10,00,000/-
Minimum Application	Minimum subscription of 10 NCDs of Rs. 10,00,000 (Rupees Ten Lakh each) each aggregating to Rs 1 crore and above and multiple of 5 NCDs thereafter
Bidding Timing	
1. Bid Opening Date	December 17, 2019 at 10:30 am
2. Bid Closing Date	December 17, 2019 at 11:30 am
Issue Timing	
1. Issue Opening Date	December 17, 2019
2. Issue Closing Date	December 17, 2019
3. Pay-in Date	December 18, 2019
4. Deemed Date of Allotment	December 18, 2019

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Issuance mode of the Instrument	Demat only (for private placement)
Trading mode of the Instrument	Demat only (for private placement)
Settlement mode of the Instrument	Payment to the Debenture holders will be made by way of direct credit through National Electronic Clearing Service (NECS), Real Time Gross Settlement (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
Depository	Both NSDL and CDSL
Business Convention	<p>In the event that any Coupon Payment Date or any other date on which any payments are required to be made by the Company is not a Business Day, the payment may be made on the immediately succeeding Business Day however the dates of the future coupon payments would be as per the schedule originally stipulated at the time of issuing the Debentures. In other words, the subsequent coupon schedule would not be disturbed merely because the payment date in respect of one particular coupon payment has been postponed earlier because of it having fallen on a day which is not a Business Day.</p> <p>If the Redemption Date falls on a day which is not a Business Day, payment of Principal Amount (along with accrued Coupon/ Redemption Premium for the relevant Series being redeemed calculated for the period until but excluding the date of payment) shall be made one Business Day prior to the Redemption Date.</p>
Security (where applicable) (Including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security).	The instrument is unsecured and is subordinated to the claims of other creditors
Security Cover	NA
Debenture Trustee	IDBI Trusteeship Services limited
Transaction Documents	Disclosure document Application form Debenture Trust Deed dated August 08, 2019 PAS – 4 in the form prescribed under the Companies Act, 2013.
Conditions Precedent to Disbursement	NA
Condition Subsequent to Disbursement	NA
Events of Default	As set out in the Debenture Trust Deed dated 8 <sup>th</sup> August 2019
Governing Law and Jurisdiction	The Debentures will be governed by the laws of India and the courts of Mumbai shall have the non-exclusive jurisdiction to deal with any disputes or matters arising pursuant to the

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	Transaction Documents.
Role and Responsibilities of Debenture Trustee	As Per Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 and the Debenture Trust Deed dated August 08, 2019
Allotment Basis	Allotment basis will be on yield-time priority
Other Terms & Conditions	<ul style="list-style-type: none"><li>➤ The Bidders are advised to bid/quote strictly as per operating Guidelines provided by stock exchanges.</li><li>➤ Bids with indicative/ tentative amount are liable for rejection.</li><li>➤ This is merely invitation for exploring the quantum available &amp; not be considered as an invitation to subscribe to the Debentures.</li><li>➤ The Company's decision regarding acceptance of number and amount of bids shall be final.</li><li>➤ The Issuer reserves its sole and absolute right to modify (pre-pone/ postpone/ deferment/ cancel (scrap)) the proposed bond issue schedule without giving any reasons or prior notice. In such a case, arranger/ investors shall be intimated about such modification.</li><li>➤ The Issuer is entitled at its sole and absolute discretion to accept or reject any application, in part or in full, without assigning any reason.</li><li>➤ Application forms which are incomplete or which do not fulfil the Terms &amp; Conditions indicated on the application form are liable to be rejected.</li></ul>

The Company will not be issuing any Debentures under this summary term sheet which is having tenor of less than one year.

For Tata Motors Finance Limited

Authorized Signatories

Date: December 13, 2019