

PRIVATE PLACEMENT OFFER LETTER

Private and Confidential
(Not for public circulation)

Serial No. 1

Addressed to: HDFC BANK LTD
(For the use of the addressee only)

ISSUED BY
Citicorp Finance (India) Limited

PRIVATE PLACEMENT OFFER LETTER

(hereinafter, merely for ease of reference only, also called the “OFFER DOCUMENT”)

FOR THE PRIVATE PLACEMENT OF

UNLISTED, RATED, SECURED, NON-CONVERTIBLE DEBENTURES

**ISSUE SIZE OF RS. 500,00,00,000/- (RUPEES FIVE HUNDRED CRORES ONLY)
WITH A GREEN SHOE OPTION OF RS. 100,00,00,000/- (RUPEES ONE HUNDRED CRORES ONLY)
AGGREGATING TO RS. 6,00,00,00,000/- (RUPEES SIX HUNDRED CRORES ONLY)**

to be issued by

CITICORP FINANCE (INDIA) LIMITED

(Incorporated as a Public Limited Company under the (Indian) Companies Act, 1956 (as amended from time to time)

Regd. Office:

First International Financial Centre (FIFC), 8th Floor Plot Nos. C-54 & C-55, G-Block, Bandra- Kurla Complex,
Bandra (East), Mumbai – 400 098

RATING: FIXED RATE DEBENTURES: AAA by ICRA Limited (“ICRA”)

Important Note: The Debentures shall be issued in one more tranches (each tranche of such issue being referred to as a “Tranche” and the issuance of Debentures collective being referred to as the “Issue”) by **Citicorp Finance (India) Limited** (“CFIL” or “Issuer”), strictly on a private placement basis.

This Offer Document has been prepared in accordance with the provisions of Section 42 of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules, 2014.

Neither the Issuer nor any of its directors or promoters have been categorized as a ‘Willful Defaulter’ by any bank or financial institution as per the relevant guidelines issued by the Reserve Bank of India.

The Offer Document is not intended to source subscription from investors under Category I (as defined hereunder) in excess of the number of subscribers as set out in the RBI Circular dated 20th February, 2015 bearing reference number RBI/2014-15/475 DNBR (PD) CC No.021/03.10.001/2014-15 (“**RBI Circular**”). It may be noted that in terms of the RBI Circular there is no limit on the number of persons from whom subscription may be accepted under Category II (as defined hereunder) as long as it is within the issue size, the same should be construed to be made on a “private placement basis”. Further, in relation to the unsecured Debentures, the offer and issue shall be made only to investors under Category II.

The Issue and the Offer Document do not constitute an offer or invitation to the public in general to subscribe to the Debentures. The Offer Document is neither a prospectus nor a statement in lieu of prospectus. The Offer Document shall not be delivered for registration neither is such Offer Document intended to be registered.

No invitation to make an application for the Debentures shall be made to any person other than the person to whom the Offer Document has been addressed. Each copy of the Offer Document will be serially numbered and will be addressed to specific person(s) and only the person to whom a copy of an Offer Document is addressed is entitled to apply for the Debentures, using the application form. Multiple copies of the Offer Document given to the same entity shall be deemed to be given to the same person and shall be treated as such. Any application by a person other than the person to whom the Offer Document has been addressed by the Issuer shall not be entertained at all. The Offer Document does not constitute a commitment on the part of the Issuer to issue the Debentures to an applicant.

The Offer Document shall be made available to potential investors on the strict understanding that it is to be used only by those to whom it is distributed, and is confidential. No recipient of the Offer Document shall be entitled to disclose any information contained in it to any other person and shall not reproduce or distribute the same, in whole or part, or make any announcement in public or to a third party regarding the contents. No recipient shall be entitled to use any of the information other than for the purpose of deciding whether or not to subscribe to the Debentures. It is not intended for distribution to any other person.

The Offer Document is not intended to provide the sole basis of your decision to subscribe to the Debentures. Potential investors are required to make their own independent valuation and judgment as regards the investment before applying for subscription to the Debentures.

The Offer Document is prepared to provide general information about the Issuer to potential investors to whom it is addressed and who are willing, and determine for themselves their eligibility to consider subscribing to the Debentures. The Offer Document does not purport to contain all the information that any potential investor may require. Neither the Offer Document nor any other information supplied in connection with the Debentures are intended to provide the basis of any credit or other evaluation of the Issuer, and any recipient of an Offer Document should not consider such receipt a recommendation to purchase any Debentures. Each potential investor contemplating subscription to the Debentures should make an own, independent, investigation and appraisal of the creditworthiness and condition of the Issuer. Potential investors should consult their own financial, legal, tax and other professional advisors as to the investment and risk considerations arising from an investment in the Debentures and should possess the appropriate resources to analyze such investment and the suitability of such investment to such investor's particular circumstances. It is the responsibility of potential investors to also ensure that if they do subscribe to the Debentures and are allotted Debentures, they will seek to sell these Debentures in strict accordance with the provisions of the relevant Offer Document and applicable laws, so that the sale does not constitute an offer to the public within the meaning of the provisions of the Companies Act.

No person has been authorized to give any information or to make any representation not contained or incorporated by reference in the Offer Document or in any other material made available by the Issuer, to any potential investor pursuant hereto and, if given or made by any person, such information or representation must not be relied upon as having been authorized by the Issuer.

None of the intermediaries or their agents or advisors associated with this Issue: (a) are obliged to or have undertaken to review the affairs of the Issuer during the life of the arrangements contemplated by the Offer Document, or (b) have any responsibility to advise any investor or potential investor in the Debentures of any information available with or subsequently coming to the attention of the intermediaries, agents or advisors, or (c) have separately verified the information contained herein. Accordingly, and correspondingly, no representation, warranty or undertaking, express or implied, is made, and no responsibility is accepted by any such intermediary, and all such intermediaries associated with this Issue shall have no liability.

The Offer Document does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction 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 Debentures or the distribution of the Offer Document in any jurisdiction where such action is required. The distribution of the Offer Document and the offering and sale of the Debentures may be restricted by law in certain jurisdictions. Persons into whose possession an Offer Document comes are required to observe any such restrictions.

SALES RESTRICTIONS: United States of America (the United States)

No issue of Debentures has been, or will be, registered under the United States Securities Act of 1933, as amended (the Securities Act) or with any securities regulatory authority of any state or other jurisdiction of the United States. No issue of Debentures, or interests therein, may at any time be offered, sold, resold or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person or to others for offer, sale, resale or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person. Offers, sales, resales or deliveries of an issue of Debentures, or interests therein, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons would constitute a violation of United States securities laws unless made in compliance with the registration requirements of the Securities Act or pursuant to an exemption therefrom. No issue of Debentures constitutes, nor have they been marketed as, contracts of sale of a commodity for future delivery (or

options thereon) subject to the United States Commodity Exchange Act, as amended, and trading in Warrants has not been approved by the United States Commodity Futures Trading Commission pursuant to the United States Commodity Exchange Act, as amended. As used herein, United States means the United States of America (including the States and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction, and U.S. person has the meaning given in Regulation S under the Securities Act.

Further, the Debentures may not be allotted or transferred to any person or entity that is the subject of any boycott or embargo under any applicable restrictions, or that is the subject of, or located or organized in a country or territory that is the subject of, any economic sanctions administered or enforced by the U.S. Department of the Treasury's Office of Foreign Assets Control, the U.S. Department of State, or other relevant sanctions authority.

DEFINITION OF TERMS/ ABBREVIATIONS AND GLOSSARY OF THE TERMS USED

AIHCPL	Associates India Holding Company Private Limited
Allottee (s)	means the investor(s) whose application for allotment of Debenture(s) has been accepted by the allotment committee and/or the board of directors of the Issuer.
Amounts Outstanding	means at any time, the aggregate amount due and payable by the Issuer in respect of any Tranche of the Debentures, including amounts in respect of the subscription / Principal Amount, interest including any default or penal interest, premium on redemption, remuneration payable to the Debenture Trustee and costs, charges and expenses for creation, preservation and enforcement of the Security.
Articles	means the Articles of Association of the Issuer.
Business Day	means any day on which scheduled commercial banks are open for business in Mumbai.
Category I	refers to the programme of the Issuer to accept subscription of less than INR 1,00,00,000 (Rupees One Crore Only) from each Investor.
Category II	refers to the programme of the Issuer to accept subscription of INR 1,00,00,000 (Rupees One Crore Only) and above from each Investor.
CDSL	Central Depository Services (India) Limited
CFIL / Issuer	Citicorp Finance (India) Limited
CitiFinancial / CCFIL	CitiFinancial Consumer Finance India Limited
Companies Act	The Companies Act, 1956 (to the extent in effect) and/or Companies Act, 2013 as amended from time to time, as may be applicable.
Debenture Holder(s)	Person whose name appears in the Beneficial Owners' list given/held by the Depository.
Debenture(s)	Henceforth the reference to Debentures shall mean: In case of fixed rate/floating rate debentures: Unlisted, secured, rated, redeemable non-convertible debentures to be issued to Investors in accordance with this Offer Document and the Debenture Trust Deed.
Debenture Rules	means the Companies (Share Capital and Debentures) Rules, 2014, issued under the Companies Act, 2013 as amended from time to time.
Debenture Trust Deed(s)	Means: In relation to the issuance of secured debentures: Debenture Trust Deed shall mean the debenture trust deed executed between the Issuer and the Debenture Trustee dated September 06, 2018, as amended, supplemented or modified from time to time; or
Deed of Hypothecation	means the deed of hypothecation dated September 06, 2018 executed by the Issuer in favour of the Debenture Trustee to create Security over the Hypothecated Property.
Depository	means National Securities Depository Limited (NSDL) and/or Central Depository Services (India) Limited (CDSL) as the case may be.
DP	means the Depository Participant
Foreign Portfolio Investor/FPI	means "Foreign Portfolio Investor" as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
ICRA	ICRA Limited

Income Tax Act, 1961	The Income Tax Act, 1961 as amended from time to time.
Non Resident Indian	As defined under the Foreign Exchange Management Act, 1999 and the rules and regulations thereunder.
NBFC	Non Banking Financial Company
NPA	Non Performing Assets
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
PAN	Permanent Account Number
Private Placement Rules	The Companies (Prospectus and Allotment of Securities) Rules 2014, issued under the Companies Act, 2013.
Principal Amounts	In relation to the Debentures issued at par or at a premium, mean the face value / nominal amount of such Debentures and in relation to Debentures issued at a discount shall mean the discounted issue price / subscription price of such Debentures.
Rating Agency	The credit rating agency as appointed in accordance with the SEBI (Credit Rating Agencies) Regulations, 1999
Rating Letter	In case of Fixed / Floating Rate Debentures: The rating letter dated October 09, 2020 in relating to issuance of fixed/ floating rate debentures issued by the Rating Agency in relation to the issue of the Debentures, and as updated from time to time.
Resident Indian	means a “person resident in India” as defined under the Foreign Exchange Management Act, 1999.
RBI	means Reserve Bank of India
RBI Circular	RBI Circular bearing reference number RBI/2014-15/475 DNBR (PD) CC No.021/03.10.001/2014-15 dated February 20, 2015 as may be amended, modified or supplemented from time to time.
RTGS	Real Time Gross Settlement System.
Security Documents	In relation to the secured Debentures shall mean the Debenture Trust Deed, and the Deed of Hypothecation.
Trustees/ Debenture Trustee/ Trustees to the Debenture Holder(s)	IDBI Trusteeship Services Limited Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai 400 001

PARTICULARS OF THE OFFER

COMMON ISSUE STRUCTURE, TERMS & CONDITIONS

Security Name	For Fixed Rate Non-Convertible Debentures <ul style="list-style-type: none"> Citicorp Finance (India) Limited Fixed Rate Debentures January 2022 (for Interest / Coupon Rate) – Tranche 1
CFIL/Issuer	Citicorp Finance (India) Limited
Date of board resolution	June 29, 2020
Date of passing of resolution in a general meeting under Section 42 of the Act	August 27, 2020
Series	CFIL NCD Series 2020/10/767
Type of Instrument	Unlisted, rated, secured, redeemable, non-convertible debentures.
Nature of Instrument	Secured
Seniority/ Class of Security	Senior
Face value of each Debenture	For fixed rate debentures: INR 10,00,000/- (Rupees Ten Lakhs Only)
Premium payable on the Debentures, if any	Nil
Minimum Application and in multiples of debt securities thereafter	For Category I- Five NCDs, and in multiples of one thereafter. It is clarified that for Category I, Investors may not subscribe to more than 9 (nine only) Debentures. For Category II- Ten NCDs, and in multiples of one thereafter
Indicative Issue Size	Rs. 500,00,00,000/- (Rupees Five Hundred Crores only)
Option to retain oversubscription (Amount)	Yes. Upto an amount of Rs. 100,00,00,000/- (Rupees One Hundred Crores only)
Issue Price	For fixed rate debentures: Rs. 10,00,000/- (Rupees Ten Lakh only) The NCD is being issued at Face Value.
Name and address of the valuer who performed valuation of the security offered, and basis on which the price has been arrived at along with report of the registered valuer	Not Applicable
Relevant date with reference to which the price has been arrived at	Not Applicable
Mode of Issue	Private placement (Dematerialized form)
Eligible Investors and required Documentation	For Companies: <ul style="list-style-type: none"> Certified true copy of the memorandum and the articles of association of the company; and Certified to be true copy of the Resolution of the Board of Directors, authorizing, and with all particulars relating to the investment in NCDs of NBFCs, and in particular, of the Issuer, and these NCDs, and the acceptance of the terms of these NCDs. For Partnerships:

	<ul style="list-style-type: none"> • Certified true copy of the Deed of Partnership, together with all deeds of amendment thereto (if any); and • Certified to be true copy of the Resolution of Partners, authorizing, and with all particulars relating to the investment in NCDs of NBFCs, and in particular, of the Issuer, and these NCDs, and the acceptance of the terms of these NCDs. <p>For Individuals/HUF:</p> <ul style="list-style-type: none"> • Certified copy of photo-identity proof like Passport/ PAN Card/Driving License copy. <p>For Portfolio Managers:</p> <ul style="list-style-type: none"> • Certified true copy of the Resolution of the Board of Directors, authorizing, and with all particulars relating to the investment in NCDs of NBFCs, and in particular, of the Issuer, and these NCDs, and the acceptance of the terms of these NCDs alongwith authorized signatory list); and • Certified copy of Registration Certificate issued by the Securities and Exchange Board of India to undertake Portfolio Management activities. <p>For Association of Persons (“AOP”):</p> <ul style="list-style-type: none"> • Certified true copy of the Agreement/Deed constituting the AOP, together with all deeds of amendment thereto (if any), • Joint letter signed by each individual constituting the AOP, authorizing, and with all particulars relating to the investment in NCDs of NBFCs, and in particular, of the Issuer, and these NCDs, and the acceptance of the terms of these NCDs; and • Certified true copy of photo identity proof like Passport/PAN Card/Driving License copy of each individual constituting the AOP. <p>For Mutual Funds:</p> <ul style="list-style-type: none"> • Certified true copy of SEBI Registration Certificate and trust deed, certified true copy of the resolution of the board of directors of the asset management company, authorizing, and with all particulars relating to the investment in NCDs of NBFCs, and in particular, of the Issuer, and these NCDs, and the acceptance of the terms of these NCDs along with authorized signatory list). The applications forms duly filled shall clearly indicate the name of the concerned scheme for which application is being made. <p>For Private Trusts</p> <ul style="list-style-type: none"> • Certified true copy of the instrument of trust (i.e., the trust deed); and • Certified true copy of the resolution of the trustees authorising investment in debentures. <p>For Societies registered under the Societies Registration Act, 1860 (“Societies”)</p> <ul style="list-style-type: none"> • Certified true copy of the memorandum of association / deed / any other instrument regulating or governing the constitution of the Society, and rules and regulations / bye-laws of the Society; • Certified true copy of resolution authorising investment in debentures along with operating instructions/power of attorney; • Certified true copy of proof of registration with relevant statutory authority; and
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	<ul style="list-style-type: none"> • Certified true copy of specimen signatures of authorised signatories. • Wherever applicable, names and specimen signature(s) of authorized signatories must also be submitted.
Listing (including name of stock exchanges where it will be listed and timeline for listing)	As on the date of the Offer Document, the Debentures are unlisted in nature. Subject to applicable law, the Issuer reserves the right to list the Debentures on recognized stock exchanges in India subsequent to the issuance of the Debentures.
Purpose and object of issue/details of utilization proceeds	The proceeds of the Issue are to be utilized to meet the funds requirements for the business activities of the Issuer.
Contributions being made by the promoters or directors either as part of the offer or separately in furtherance of such objects	No contributions have been made by the promoters or directors of the Issuer, either as part of the offer or separately in furtherance of such objects.
Change in control if any, in the company that would occur consequent to the private placement	Not Applicable
Number of persons to whom allotment on preferential basis/private placement/ rights issue has already been made during the year, in terms of number of securities as well as price	Refer Appendix 1 for details on number of persons to whom allotment on preferential basis/private placement/rights issue has already been made during the year in terms of number securities as well as price
Justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer	Not applicable as there are no allotments for consideration other than cash
Rate of dividend	Not Applicable
Redemption Amount	Face Value of the Debentures (N.B.: Please read the terms and conditions)
Redemption Premium/Discount	Not Applicable
Discount at which security is issued and the effective yield as a result of such discount.	Not Applicable
Day Count Basis	Actual / Actual
Interest on the Application Money	<p>For Fixed Rate Debentures:</p> <p>Interest at applicable Interest Rate will be paid on the application money to the applicants (subject to the deduction of tax at source at prevailing rates, as applicable). Such interest will be paid for the period commencing from the date of credit or realization of the cheque(s)/demand draft(s) up to but excluding the Deemed Date of Allotment. Such interest would be paid on all the valid applications, including the refunds.</p> <p>Where the entire application money has been refunded, the interest on application money shall be paid along with the refund orders. Where an applicant is allotted lesser number of Debentures than applied for, the excess amount paid on application will be refunded to the applicant along with the interest on application money.</p>
Depositories	NSDL/CDSL

Debenture Trustee	The Issuer has received the consent of IDBI Trusteeship Services Limited, to act as the Debenture Trustee on behalf of the Debenture Holders. Attached hereto as Annexure III.
Security	<p>The Debentures shall be secured by way of first pari passu charge over moveable financial assets identified by the Issuer in favour of the Debenture Trustee as set out in the deed of hypothecation dated September 06, 2018 (“Deed of Hypothecation”) and simple mortgage over the immovable assets as set out in the debenture trust deed cum deed of mortgage dated September 06, 2018 in favour of the Debenture Trustee (“Debenture Trust Deed/Trust Deed”).</p> <p>The Security has already been created in the manner set out in the Debenture Trust Deed and the Deed of Hypothecation. The Issuer shall get the Security revalued and replaced, if required under applicable law in accordance with the terms of the Deed of Hypothecation and Trust Deed.</p>
Transaction Documents	<ul style="list-style-type: none"> • Debenture Trust Deed (including any amendments made thereto) • Deed of Hypothecation (including any amendments made thereto) • Listing agreement • NSDL / CDSL application forms for ISIN • Offer Document <p>Any other document that may be designated as a Transaction Document jointly by the Debenture Trustee and the Issuer</p>
Conditions Precedent to Disbursement	Not applicable
Conditions Subsequent to Disbursement	Not applicable
Events of Default	<ol style="list-style-type: none"> i. Default in payment of the Redemption Amount of Debentures on the due date(s); ii. Two consecutive default in payment of any interest on the Debentures on the due date(s); iii. When any material breach of the terms of the Information Memorandum or the Debenture Trust Deed is committed; iv. When the Issuer creates or attempts to create any charge on the Mortgaged Property or any part thereof without the prior approval of the Debenture Trustee, except as permitted under the Debenture trust Deed and the Security Documents; v. The Issuer without the consent of Debenture Holders ceases to carry on its business or gives notice of its intention to do so; vi. Security for the Debentures is in jeopardy in the opinion of not less than three-fourths in value of the nominal amount of the Debentures for the time being outstanding or the Trustees which shall mean a situation where the value of the Security is significantly diminished; or the Security ceases to have effect; or any action is taken in relation to the Security by any person which may have an impact on the Security or Security Documents; or any of the Security Documents executed or furnished by the Issuer becomes illegal, invalid , unenforceable or otherwise fails or ceases to be in effect or fails or

	<p>ceases to provide any benefit of the priority , liens, rights, powers, privileges or security interest purported or sought to be created thereby, or if any such Security Document are assigned or otherwise transferred amended or terminated repudiated or revoked without the approval of the Debenture Trustee; and</p> <p>vii. if an order of a court of competent jurisdiction is made or a special resolution of the shareholders is passed for the winding up of the Issuer.</p>
Provisions related to Cross Default Clause	Not Applicable
Role and Responsibilities of Debenture Trustee	Please see page 21 of this Offer Document. In the event of any inconsistency between the Debenture Trust Deed and any Offer Document, pertaining to the “Roles and Responsibilities of the Debenture Trustee”, the Debenture Trust Deed shall override such Offer Document to the extent of such inconsistency.
Governing Law and Jurisdiction	Laws as applicable in India (including laws applicable to the state of Maharashtra) and subject to exclusive jurisdiction of courts and tribunals at Mumbai only.
Rating	In case of Fixed / Floating Rate Debentures: The rating letter dated October 09, 2020 in relating to issuance of fixed/ floating rate debentures issued by the Rating Agency in relation to the issue of the Debentures, and as updated from time to time.
Issuance and Trading Mode	Dematerialized Mode.
Mode of payment	Cheque / pay order will be dispatched by courier or registered post at the address provided in the Application Form / at the address as subsequently notified to the Issuer in writing by Debenture-holder(s) or at the address on the Depository’s record. Where applicable, settlement will be effected by account to account transfer vide Reserve Bank of India’s Real Time Gross Settlement System.
Mode of repayment	Please refer to Section Terms And Conditions Applicable To The Debentures at BVII (a) of this Offer Document
Settlement mode of the instrument	Cheque / pay order will be dispatched by courier or registered post at the address provided in the Application Form / at the address as subsequently notified to the Issuer in writing by Debenture-holder(s) or at the address on the Depository’s record. Where applicable, settlement will be effected by account to account transfer vide Reserve Bank of India’s Real Time Gross Settlement System.
Business Day Convention	Modified Following Business Day Convention as defined by ISDA Definitions 2000. Provided However, if the due date in respect of the Maturity Date falls on a Saturday, Sunday and/or a Public Holiday/s or a day which is a bank holiday at the place where the payment is to be made, the immediately previous working day shall be considered as the effective date/due date for such payment
Record Date	<p>(a) CFIL’s register of Debenture Holder(s)/record of the Depository will be closed on the Record Date. The Record Date, for interest and redemption (other than by way of exercise of Call Option payments shall be fifteen (15) days prior to the date(s) of respective payment; and</p> <p>(b) in case exercise of Call Option, the Record Date shall be one (01) Business Day prior to the date of notice of Call Option to determine</p>

	the names of Debenture Holder(s) to whom interest, and/or principal / Call Option Price is to be paid.
Default interest rate	In case of default in payment of Interest and/or Redemption Amount on the due dates, additional interest of at least @ 2% p.a. over the Interest will be payable by the Issuer for the defaulting period.

Terms and Conditions specific to Interest / Coupon Rate

Issue Opening Date	October 15, 2020
Issue Closure Date	October 15, 2020 The Offer Document is valid upto and including the Issue Closure Date. No Applications shall be accepted after the Issue Closure Date
Pay - in Date	October 15, 2020
Deemed Date of Allotment	October 15, 2020
Redemption and Maturity Date	Shall mean subject to Business Day Convention: (a) In case of exercise of Call Option: January 28, 2021; and (b) In case of non-exercise of Call Option: January 28, 2022
Tenor/ Duration	<ul style="list-style-type: none"> 105 days from the Deemed Date of Allotment in case call option is exercised 470 days from the Deemed Date of Allotment in case call option is not exercised
Interest Rate/ Coupon Rate	4.40% per annum
Coupon type	Fixed coupon
Change of Coupon Basis/Step Up/Step Down Coupon Rate	In case the debentures are not called on Call Option Exercise Date, then there would be a step up in coupon by 200 basis points over the Interest Rate/ Coupon Rate i.e., (stepped up coupon shall be 6.40% per annum from January 28, 2021 up to January 28, 2022).
Interest / Coupon Period	<ul style="list-style-type: none"> First Interest / Coupon Payment Date: January 28, 2021- Rs. 12,657.53/-per Debenture with Face Value of Rs 10,00,000/- for Interest / Coupon Period from October 15, 2020 up to January 28, 2021 Second Interest / Coupon Payment Date (if Call Option not exercised on Call Option Start Date): January 28, 2022 - Rs. 64,000.00/- per Debenture with Face Value of Rs 10,00,000/- for Interest / Coupon Period from January 28, 2021 up to January 28, 2022
Call Option Exercise Date	The Issuer may exercise the Call Option on January 27, 2021. Upon exercise of Call Option, the interest and redemption payment shall be made on January 28, 2021
Distributor(s) to the Issue	For Interest / Coupon Rate – Tranche 1 - Citibank NA will be paid a distribution fee of upto 0.02% (Exclusive of GST) by the Issuer on the amount of distribution done by them. Citibank N.A. is affiliated with the Issuer

A. SALIENT TERMS AND CONDITIONS OF ISSUE, APPLICATION AND ALLOTMENT OF THE DEBENTURES (TO BE READ IN CONJUNCTION WITH ISSUE STRUCTURE TERMS AND CONDITIONS)

1. AUTHORITY FOR THE ISSUE

Sr. No.	Resolution	Date
1.	Resolution of the board of directors under section 179 of the Companies Act, 2013	June 29, 2020
2.	Special resolution of the shareholders of the Company under section 42 of the Companies Act, 2013	August 27, 2020
3.	Special resolution of the shareholders of the Company under section 180(1)(a) of the Companies Act, 2013	August 27, 2020
4.	Special resolution of the shareholders of the Company under section 180(1)(c) of the Companies Act, 2013	August 27, 2020

The resolutions under 2, 3 and 4 are collectively referred to as the “Shareholders’ Resolutions”

2. WHO CAN APPLY?

Only those persons, who are individually addressed through direct communication by CFIL, are eligible to apply for the Debentures, subject to due consideration by them of the laws, rules and regulations applicable to them. No other person may apply. The Application Process is as set out under the application form for the Debentures.

3. ALLOTMENT OF THE DEBENTURES

The Debenture will be issued in accordance with the terms set out in this Offer Document and the Debenture Trust Deed.

Since the Debentures would be issued in electronic (dematerialized) form, it will be governed as per the provisions of the Depositories Act, 1996, Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, rules notified by the Depository/ Depository Participant from time to time and other applicable laws and rules notified in respect thereof.

The beneficiary account of the investor(s) with the Depository/ DP will be given initial credit within 2 (two) days from the Deemed Date of Allotment.

4. RATING

In case of issue of fixed/ floating rate debentures: ICRA has assigned the [ICRA]AAA (Stable) (pronounced ICRA triple A) rating dated October 09, 2020 aggregating to Rs 4,075 crores (amount outstanding Rs. 884 crores and amount yet to be placed Rs. 2,366 crores as on October 09, 2020) of Citicorp Finance (India) Limited (CFIL). The long term rating outlook is ‘Stable’.

ICRA reserves the right to suspend, withdraw or revise the above rating at any time on the basis of new information or unavailability of information or such other circumstances, which ICRA believes, may have an impact on the rating assigned. The rating should not be treated as a recommendation to buy, sell or hold the Debentures issued.

Necessary co-operation would be given to the credit rating agency in providing true and adequate information until the debt obligations in respect of the Debentures are outstanding. For further details, please see the Rating Letter attached with this Offer Document.

5. RIGHT TO ACCEPT OR REJECT APPLICATIONS

The Issuer reserves at its sole and absolute and uncontrolled discretion and without assigning any reason, to accept or reject any application in whole or in part. In case the application is rejected in full or in part, the entire application monies or part thereof as the case may be will be refunded to the applicant, through registered post to the applicant's address as mentioned in the application or by other mode as available for payment, at the sole risk of the applicant. Any application, which is not complete in any respect, is liable to be rejected. Incomplete applications will also not be eligible for any interest on the application amount in any event.

6. COST OF THE ISSUE FOR DEBENTURES

The Issuer will pay the distributor (if any) a capped distribution fee on the amount of distribution done by them for the tranche/ each of the tranches as agreed mutually.

The remuneration of the Trustees would be payable as agreed mutually.

There are no other direct costs associated with the Issue.

B. FINANCIAL AND OTHER TERMS AND CONDITIONS OR INFORMATION APPLICABLE TO THE DEBENTURES

I. INTEREST ON DEBENTURES

Interest on the Debentures shall be calculated in accordance with each Offer Document. No interest on the Debentures shall accrue on the Debentures after the date of Maturity of the Debentures. Interest will be paid to the registered Debenture Holder whose name stands/appears in the register of holders of the Debentures or to those Debenture Holders whose names appear on the list of the beneficial owners given by the Depositories to the Issuer as on the Record Date.

II. PUT / CALL OPTION

In accordance with the guidelines issued by RBI titled "Issue of Non-Convertible Debentures (Reserve Bank) Directions, 2010 as amended from time to time, the Call Option and/or Put Option (if any) shall not be exercised by the Issuer or the Debenture Holders any time prior to 90 days from the date of the Deemed Date of Allotment.

III. RECORD DATES

- (a) CFIL's register of Debenture Holder(s)/record of the Depository will be closed on the Record Date. The Record Date, for interest and redemption (other than by way of exercise of Call Option payments shall be fifteen (15) days prior to the date(s) of respective payment; and
- (b) in case of exercise of Call Option, the Record Date shall be one (01) Business Day prior to the date of notice of Call Option to determine the names of Debenture Holder(s) to whom interest, and/or principal Call Option Price is to be paid.

IV. TAX DEDUCTION AT SOURCE

Tax as applicable under the Income Tax Act, 1961 or any statutory modification or re-enactment thereof will be deducted at source on interest payment /redemption (as the case may be). Requisite certificate(s) for tax deducted at source, as contemplated and/or required under the provisions of the Income Tax Act, 1961 from time to time, will be issued to the registered holders of the Debentures as per records on the Record Date(s). Tax exemption Certificate/Document (in duplicate), if any must be lodged at the Registered Office or the

designated office of the Issuer prior to the record date(s) along with the Application Form. With effect from 1st June 2008, any interest payable to a person resident in India on any security issued by an issuer, where such security is held in dematerialized form and is are listed and will not be subject to Tax Deduction at Source.

V. SECURITY/PRINCIPLE TERMS OF ASSETS CHARGED

Secured Debentures

The secured Debentures shall be secured by the following security (“**Security**”).

- (a) A first ranking simple mortgage over Issuer’s immovable property being Flat No. 301 & 302 on the 3rd floor of the building known as ‘Silver Crescent’ situated at J.B.Nagar, Andheri (East), Mumbai - 400 093 (“**the Immovable Property/Mortgaged Property**”). The mortgage created by the Issuer over the Immovable Property shall rank *pari passu* with the mortgages and charges which have been created by the Issuer over the Immovable Property to secure the borrowings/ credit facilities availed by the Issuer and/ or to secure other issues of debentures already issued by the Issuer, and
- (b) By first ranking charge over the movable assets of the Issuer being receivables arising from loans disbursed by the Issuer where the security for such loans is in the form of either a pledge, mortgage or charge in the nature of a hypothecation or otherwise created over equity shares, mutual funds units or book debts or receivables (collectively “**Movable Financial Assets/Hypothecated Property**”). The charge created by the Issuer over the Movable Financial Assets shall rank *pari passu* with the charges which have been created by the Issuer over the movable property to secure the borrowings/ credit facilities availed by the Issuer and/ or to secure other issues of debentures already issued by the Issuer subject to the Issuer maintaining at all times 100% security cover or such other ratio as may be prescribed under applicable law from time to time

The Issuer shall be entitled to create the mortgage over the Mortgaged Property and charge over the Hypothecated Property in favour of the said Trustee in one or more forms and in one or more tranches and through one or more documents as may be decided by the Board of Directors/Committee of Directors appointed for this purpose, in consultation with the said Trustee, at their discretion, without requiring any consent/confirmation from the Debenture Holders.

By reason of the nature of the Movable Financial Assets offered as security, the Issuer shall be at liberty at any time during the continuance of this security, without any permission of or intimation to the Trustees or the Debenture Holders to withdraw, change modify, subtract, add to, replace and/or substitute the Movable Financial Assets with such other Movable Financial Assets whether of the same or greater value as the Issuer may deem fit. Upon such substitution, alteration, modification, replacement, addition of such Movable Financial Assets, such Movable Financial Assets shall be deemed to have been charged to the Trustee as the original Movable Financial Assets.

The Debentures will at all time rank *pari-passu* with other creditors only with respect to those assets, which are common for securing the other creditors (present and future) and proposed issues of debentures.

The salient features of the Security are as follows:

- (a) The Security shall secure the Redemption Amount of the Debentures along with interest, remuneration of Trustee, all fees, costs, charges and expenses related therewith;
- (b) The Security cover of the Debenture Holders will remain and be maintained throughout as 100% or such other ratio as may be prescribed under applicable law from time to time; and

The Copy of the Trust Deed and the Deed of Hypothecation are available for inspection at the registered office of the Issuer during business hours from 10:00 AM to 5:00 PM.

VALUER: Not Applicable

Unsecured Debentures

Unsecured Debentures issued under the Offer Document shall be subordinate in nature and shall rank *pari passu* with other unsecured creditors of the Issuer. So no security cover would be required to be maintained for the issuance of the unsecured Debentures. Asset cover shall be maintained on the unsecured Debentures in accordance with the applicable law.

The Copy of the Trust Deed are available for inspection at the registered office of the Issuer during business hours from 10:00 AM to 5:00 PM.

VI. FURTHER ISSUES /BORROWINGS

Subject to the Issuer maintaining the aforesaid security cover at all relevant times, the Issuer shall be at liberty from time to time during the continuance of the Debentures, and thereafter, to issue at such future dates and in such denomination as it considers advisable, further convertible and/or non-convertible debentures and other such instruments and/or to raise further loans, advances and/or avail of further financial and/or guarantee facilities from financial institutions, banks and/or any other person(s) or entities in any other form to be secured on the said assets on a *pari passu* basis without any approval from or intimation to the Debenture Holder(s) and/or to the Trustees.

VII. REDEMPTION OF DEBENTURES

(a) Payment on Redemption

On the redemption date, redemption proceeds would be paid by electronic clearing /RTGS/NEFT to those Debenture Holder(s) whose names appear on the list of beneficial owners provided by the Depository(ies) to the Issuer. These names would be as per the Depository's records on the Record Date fixed for the purpose of redemption. These Debentures will be simultaneously extinguished through appropriate debit action at the end of the Depository with advice to the Issuer. It may be noted that in the entire process mentioned herein, no action is required on the part of the Debenture Holder(s).

The payment may also be made by account payee cheque/pay order, where such account payee cheque/pay order will be dispatched by courier or registered post at the address provided in the Application Form / at the address as subsequently notified to the Issuer in writing by Debenture-Holder(s) or at the address on the Depository's record. Once the cheque /pay order for redemption amount is dispatched to the Debenture- Holder at the addresses provided by him or available from the Depository's record, the liability of the Issuer shall be deemed to have been discharged for payment of the redemption amount.

Please note, if the Debentures are redeemed prior to the Redemption and Maturity Date:

- a) on account of Premature Exit under Clause B. VIII (ii) below; or
- b) for any other reason,

the Debenture Holders may not receive par value of the Debentures.

VIII. RIGHT TO REPURCHASE DEBENTURES

Subject to the applicable law, the Issuer will have the power, exercisable at its absolute discretion from time to time, to repurchase and keep alive or cancel or sell some, or all of the Debentures at any time prior to the specified date of redemption.

Purchase and Resale of Debentures:

- (i) The Issuer may, at any time and from time to time and if permitted under applicable law, purchase Debentures under this issue at discount, at par or premium in the open market or otherwise. Such Debentures may, at the option of the Issuer, be cancelled, held or resold. The Debenture Holder may offer the Debentures for purchase by the Issuer, however the Issuer is under no obligation and shall not be bound to accept in whole or in part any request for purchase of the Debentures.

IX. MODE OF TRANSFER

Transfer of Debentures

The Debenture(s) shall be transferred and/or transmitted in accordance with the applicable provisions of the Companies Act and the Debenture Rules. The provisions relating to transfer and transmission and other related matters in respect of shares of CFIL contained in the Articles and the Act shall apply, mutatis mutandis (to the extent applicable to debentures) to the Debentures as well. In respect of the Debentures held in certificate form, a suitable instrument of transfer as may be prescribed by CFIL may be used for the same and the instrument of transfer shall be in the form as set out in the Debenture Rules. The Debentures held in dematerialised form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL/ DP of the transferor/transferee and any other applicable laws and rules notified in respect thereof. Transfer of Debentures to and from Non Resident Indians/other non resident entities in case they seek to hold the Debentures and are eligible to do so, will be governed by then prevailing guidelines of RBI. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the register of Debenture Holders/record of the Depository. In such cases, claims, if any, by the transferee(s) would need to be settled with the transferor(s) and not with CFIL.

The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of Debentures held in dematerialized form. The seller should give delivery instructions containing details of the buyer's DP account to his DP.

The Issuer confirms that the forms of transfer as set out hereinabove are common forms of transfer as applicable to all debentures issued by the Issuer.

X. SUCCESSION

In the event of demise of the sole/ first holder of the Debentures, the Issuer will recognize the executor or administrator of the deceased Debenture Holder or a holder of a succession certificate or other legal representative as having title to the Debentures. The Issuer shall not be bound to recognize such executor, administrator or holder unless such executor or administrator obtains probate or letter of administration or such holder is the holder of a succession certificate or other legal representation, as the case may be, from a duly constituted court in India.

XI. REGISTER OF DEBENTURE HOLDERS

The register of all Debenture Holder(s) containing necessary particulars shall be maintained by the Issuer at its Registered Office or at or at such place or places where the register of members is for the time being kept in accordance with the provisions of the Companies Act and the Companies (Management and Administration) Rules, 2014. The Register of Transfers shall be maintained by the Issuer at its registered office or the designated office or at any such other place as may be determined by the Issuer.

XII. RIGHT OF DEBENTURE HOLDERS

The Debenture Holder(s) will not be entitled to any of the rights and privileges available to shareholder(s) of the Issuer. The Debentures shall not confer upon the holders the right to receive notice, or to attend and vote at the general meetings of shareholders of the Issuer. If any resolution affecting the rights attached to the Debentures is to be placed before the shareholders, the said resolution will first be placed before the Debenture Holders for their consideration. All administrative and procedural issues will be resolved by the Issuer, without further reference to the Debenture Holders.

The provisions contained in the Companies Act, 2013 and the Debenture Rules, as prevailing and to the extent applicable, will apply to any meeting of the Debenture Holders.

The Debenture Holders will be entitled to their Debentures free from any equities and/or cross claims by the Issuer against the original or any intermediate/subsequent holders thereof.

XIII. MODIFICATION OF RIGHTS

The rights, privileges, terms and conditions attached to the Debentures may be varied, modified or abrogated with the consent, in writing, of those beneficial owners of the Debentures in the dematerialised form who hold at least three-fourths of the outstanding amount of the Debentures or with the sanction accorded pursuant to a resolution passed at a meeting of the Debenture Holders, provided that nothing in such consent or resolution shall be operative against the Issuer where such consent or resolution modifies or varies the terms and conditions of the Debentures, if the same are not acceptable to the Issuer.

XIV. NOTICES

Any notices to the Debenture Holder(s) required to be given by the Issuer shall be deemed to have been given if sent by ordinary post to the registered holder of the Debentures, at the address on the record of the Issuer or at the addresses as per the Depository's record and shall be deemed to have been effected in the ordinary course of post. All notices to be given by the Debenture- Holder(s)/ Trustee shall be sent by registered post or by hand delivery to the Issuer or to such persons at such address as may be notified by the Issuer from time to time and shall be deemed to have been effected on actual receipt.

XV. ARBITRATION

If any question of dispute shall at any time arise between the parties with respect to the validity, interpretation, implementation or alleged material breach of any provision of the Offer Document or the rights or obligations of the parties hereunder, then the parties shall attempt to settle such dispute amicably between them.

In the event that such dispute has not been amicably settled within 60 days, then such a question or dispute, to the extent that it is arbitrable under applicable law, shall be referred to and finally resolved by arbitration under the Arbitration & Conciliation Act, 1996 or any subsequent amendments or re-enactment thereof prevailing at that time and shall be referred to the arbitration of a sole arbitrator to be appointed jointly by the Parties.

In the event of the parties not being able to concur on the appointment of a sole arbitrator then the reference shall be to 3 (Three) arbitrators who shall be appointed as follows:

- (a) the Issuer shall appoint 1 (One) arbitrator;
- (b) the Debenture Trustee shall appoint 1 (One) arbitrator; and,
- (c) the 2 (Two) appointed arbitrators shall appoint the presiding arbitrator.

The seat and venue of the arbitration shall be at Mumbai. The language to be used in the arbitration proceedings shall be English.

The arbitration panel shall have the authority to assess the costs and expenses of the arbitration proceedings (including the tribunal's fees and expenses) against one or more of the disputing parties in whatever manner or allocation the arbitration panel deems appropriate.

XVI. GOVERNING LAWS AND JURISDICTION

The Debentures shall be governed by and construed in accordance with the laws as applicable in India (including laws applicable to the state of Maharashtra). Subject to Clause B. XV (*Arbitration*), any dispute

relating to the Debentures shall be subject to the exclusive jurisdiction of the courts and tribunals at Mumbai only.

XVII. DEFAULT IN PAYMENT

In case of default in payment of Interest and/or Redemption Amount on the due dates, additional interest of at least @ 2% p.a. over the Interest will be payable by the Issuer for the defaulting period.

XVIII. SEVERABILITY

Should any one or more of the provisions contained in this Offer Document for the Debentures be or become invalid, the validity of the remaining provisions shall not in any way be affected thereby and the invalid provisions will be sought to be replaced by other, valid provisions, which achieve a position similar to that which was arrived at under the previous, invalid provisions, unless the provision/s rendered invalid are such that materially affect the ability of the remaining provisions to survive the provisions that are rendered invalid.

A. REGISTRARS TO THE ISSUE

CFIL handles all registrar activities, in-house. All queries regarding the registrar activities can be addressed to:

Citicorp Finance (India) Ltd Operations Department
First International Financial Centre (FIFC),
11th Floor Plot Nos. C-54 & C-55,
G-Block, Bandra-Kurla Complex,
Bandra (East), Mumbai – 400 098
Phone: 91-22-61757242
Fax: 91-22-26535835
Email: manish.ratti@citi.com

B. VALUATION AGENCY

Not Applicable

C. NAME AND ADDRESS OF COMPLIANCE OFFICER

Name: Mr. Vinod Raghavan
Designation: SVP Compliance
Address: Citicorp Finance (India) Limited
First International Financial Centre (FIFC), 9th Floor Plot Nos. C-54 & C-55, G Block,
Bandra-Kurla Complex, Bandra (East), Mumbai – 400 098
Phone Number: 22 6175 5661
Email Id: vinod1.raghavan@citi.com

XIX. DEBENTURE TRUSTEE

The Issuer has received the consent of IDBI Trusteeship Services Limited to act as the Trustee on behalf of the Debenture Holders. Attached hereto as Annexure III.

XX. ROLE, POWER AND OBLIGATIONS OF DEBENTURE TRUSTEE – Salient clauses relating to the general rights, powers and discretions of the Trustee are as under:

- (a) The Trustee shall not be bound to give notice to any person of the execution of the Trust Deed or in any way to interfere with the conduct of CFIL's business unless and until the security created / to be created in terms of the Trust Deed and Deed of Hypothecation or the rights under the Debentures shall have become enforceable and the Trustee shall have determined to enforce the same.

- (b) Save as otherwise expressly provided in the Trust Deed, the Trustee shall, as regards all trusts, powers, authorities and discretions, have absolute and uncontrolled discretion as to the exercise thereof;
- (c) The Trustee shall not be responsible for the monies paid by applicants for the Debentures or bound to see the application thereof;
- (d) Subject to the terms of the Trust Deed and applicable law, the Trustee shall not be liable for anything whatsoever, except a breach of trust knowingly and intentionally committed by the Trustee. Provided however, that the Debenture Trustee shall be liable for any negligence, fraud, breach of trust and wilful misconduct of the officer to whom the Debenture Trustee has delegated its powers;
- (e) At any time after the Debentures become repayable and have not been repaid, the Debenture Trustee may after receipt of written instructions from the Debentures Holders representing not less than three-fourths in value of the nominal amount of the Debentures for the time being outstanding institute such proceedings against the Issuer as they may think fit to enforce repayment thereof together with accrued interest and all other monies payable in respect thereof but they shall not be bound to take any such proceedings unless:
 - (i) the Debenture Trustee is so requested in writing by three-fourths in value of the nominal amount of the Debentures for the time being outstanding;
 - (ii) sufficient monies are advanced by the Debenture Holder(s) to the Debenture Trustee for enforcement of their rights and Security; and
 - (iii) the Debenture Trustee is indemnified to their satisfaction by the Debenture Holders

PROVIDED NEVERTHELESS that nothing contained in this clause shall exempt the Trustees from or indemnify them against any liability for breach of trust nor any liability which by virtue of any rule or law would otherwise attach to them in respect of any negligence, default or breach of trust which they may be guilty of in relation to their duties under the Trust Deed.

- (f) In relation the secured Debentures, at any time before the security constituted under the Trust Deed becomes enforceable, the Trustees may, at the cost and request of the Issuer concur with the Issuer in doing all or any of the things which the Issuer might have done in respect of the Immovable Property as if no security had been created and particularly, but not by way of limitation, may sell, call in, collect, convert, lease, purchase, substitute, exchange, surrender, develop deal with or exercise any right in respect of all or any of the Immovable Property upon such terms and for such consideration as the Trustees may deem fit. Provided that all property of any description and all net capital monies arising from or receivable upon any such dealing as aforesaid and remaining after payment therefrom of the costs and expenses of and incidental to such dealing shall be and become part of the Immovable Property and shall be paid or vested in or specifically charged in favour of the Trustees in trust for the holders in such manner as the Debenture Holders shall require. In relation to the secured Debentures, the Trustees shall hold UPON TRUST the monies, received by them or a receiver in respect of the Security or any part thereof arising out of:
 - (i) any sale, calling in, collection or conversion under the Power of Sale;
 - (ii) income, rent or profits in respect of the Mortgaged Properties;
 - (iii) any insurance contracts or proceeds or claims paid under any insurance contract;
 - (iv) compensation money in respect of any acquisition requisition or nationalisation or take-over of the management of the Issuer;
 - (v) enforcement of Security in accordance with the Security Documents; and
 - (vi) any other realisation whatsoever.
- (g) The Debenture Trustee shall in the first place, by and out of the said monies which it can appropriate towards the Amounts Outstanding reimburse itself and pay, retain and discharge all the costs, charges and expenses incurred in or for collection, conversion or the exercise of the trusts and

powers under these presents, including the remuneration of the Debenture Trustee as herein provided, and shall apply the residue of the said monies:

- (i) firstly, in or towards payment to the applicable Debenture Holders of a series or tranche, *pari passu*, of all arrears of interest remaining unpaid on the Debentures held by them;
- (ii) secondly in or towards payment to the applicable Debenture Holders of a series or tranche, *pari passu*, of all Principal Amounts owing on the Debentures held by them and whether the said Principal Amounts shall or shall not then be due and payable; and
- (iii) thirdly, the surplus (if any) of such monies to the person(s) entitled thereto.

Provided that, if the Trustees are of the opinion that it is expedient to do so, payments may be made on account of Principal Amounts before the whole or part of the interest due on the applicable Debentures has been paid off, but such alteration in the order of payment of principal and interest herein prescribed shall not prejudice the right of the Debenture Holders to receive the full amount to which they would have been entitled if the ordinary order of payment had been observed.

Provided that, the powers mentioned above shall be subject to *pari-passu* rights of other secured creditors in respect of the Immovable Property/Moveable Financial Assets and the distribution and disbursement of realisation shall be subject to the said *pari-passu* mortgages and/or charges.

- (h) In relation to the secured Debentures, CFIL shall be at liberty from time to time during the continuance of the security hereby created to issue at such dates and in such denomination as it considers advisable further debentures to be secured on the Immovable Property and/or the Movable Financial Assets on a *pari-passu* basis without any approval from or intimation to the Debenture Holder(s) and to the Trustees. In the event CFIL at any time or times exercising the right hereby given to issue further debentures, it shall be entitled to call upon the Trustees to join with CFIL in executing such supplemental deed or deeds if so deemed necessary by CFIL.

The Copies of the Trust Deed and Deed of Hypothecation are available for inspection at the registered office of CFIL during business hours from 10:00 AM to 5:00 PM.

XXI. RETIREMENT OR REMOVAL OF TRUSTEE

- (a) The Trustee hereof may retire at any time without assigning any reason and without being responsible for any loss or costs occasioned by such retirement provided that they shall have given at least 60 (sixty) days previous notice in writing to the Issuer in that behalf. However, they shall continue to act as Trustee till a successor trustee is appointed by the Issuer;
- (b) The Trustee hereof may be removed by the Debenture Holders by a special resolution duly passed at the meeting of the Debenture Holders convened in accordance with the provisions set out in the Schedule [3] of the Trust Deed. CFIL shall appoint such person or persons as may be nominated by such resolution as new Trustee or Trustee hereof; and
- (c) For the purposes aforesaid, forthwith upon receipt of the notice of retirement from the Trustee for the time being hereof or on the occurrence of the vacancy in the office of the Trustee or Trustees hereof, CFIL shall convene a meeting of the Debenture Holders. A body corporate or a statutory corporation which is a financial institution in the public sector may be appointed to be a Trustee hereof. Whenever there shall be more than two Trustees hereof the majority of such Trustees shall be entitled to exercise the powers, authorities and discretion hereby vested in the Trustees.

XXII. DEBENTURE REDEMPTION RESERVE

As per Rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014, issued by the Ministry of Company Affairs, Government of India companies which are registered as NBFCs with the RBI, are not required to create a Debenture Redemption Reserve (“**DRR**”), as contemplated under the Companies Act for any private placement of Debentures.

Issue / instrument specific regulations:

The Issuer shall also comply with the following acts/regulations, to the extent applicable as amended from time to time, in relation to the issuance of the Debentures:

- (a) The Companies Act, 2013.
- (b) The Companies Act, 1956.
- (c) The Depositories Act, 1996.
- (d) The Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993.
- (e) The SEBI Guidelines.
- (f) The RBI Circular.
- (g) The rules and regulations issued under any of the above and any other applicable rules, regulations, notifications issued by the RBI.

XXIII. TAX BENEFITS

Neither the CFIL nor its shareholders are entitled to any special tax benefits under the provisions of the Income Tax Act, 1961.

Investors in the Issue are advised to consider the tax implications of their investment in the Debentures.

XXIV. DEPOSITORY ARRANGEMENT

The Issuer has made depository arrangements with NSDL and CDSL for issue and holding of the Debenture(s) in dematerialized/electronic form.

CFIL handles all registrar activities, in-house Issue. The Issuer has made necessary depository arrangements with NSDL and CDSL for issue and holding of Debentures in dematerialized form. Investors can hold the debentures only in dematerialised form and deal with the same as per the provisions of Depositories Act, 1996 as amended from time to time. The Depository Participant's name, DP-ID and beneficiary account number must be mentioned at the appropriate place in the Application Form. The Issuer shall take necessary steps to credit the Debentures allotted to the depository account of the Debenture Holder.

As per the provisions of Depositories Act, 1996, the Debentures issued by the Issuer can be held in a dematerialized/electronic form, i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode.

In this context:

- (a) For subscription of the Debentures names in the Application Form should be identical to those appearing in the Beneficiary Account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- (b) The address, nomination details and other details of the application as registered with his DP shall be used for all correspondence with the applicant(s). The applicant(s) are therefore responsible for the correctness of his demographic details given in Application Form vis-à-vis those with his/their DP. In case information is incorrect or insufficient, the Issuer would not be liable, including for losses, if any.

XXV. CONFIDENTIALITY

The information and data contained herein is submitted to each recipient on a strictly private and confidential basis. By accepting a copy of this/these document(s), each recipient confirms that neither it nor any of its employees or advisors will use the information contained herein for any purpose other than evaluating the specific transactions described herein or will divulge to any other party any such information. **This document**

and related annexures must not be photocopied, reproduced, extracted or distributed in full or in part to any person other than the recipient without the prior written consent of the Issuer.

XXVI. DUE DATE OF PAYMENT

If the date of payment of interest falls on non-Business Day or on a day on which money market is not functioning in Mumbai, the interest payment will be made on the next Business Day.

In case of interest payment falling in leap year, the interest payment(s) will be calculated as per SEBI Circular no CIR/IMD/DF/18/2013 dated 29th Oct 2013 read with SEBI Circular no CIR/IMD/DF-1/122/2016 dated November 11, 2016 as may be amended or modified from time to time.

If the redemption payment date and interest payment date falls together on a non-Business Day or on a day on which money market is not functioning in Mumbai, redemption and accrued interest payment will be made on the previous Business Day.

XXVII. ADDITIONAL OBLIGATIONS

Notwithstanding anything contained hereinabove, every potential investor/investor of the Debentures must read, understand and accept, and shall be deemed to have read, understood and accepted, the terms and conditions of an Offer Document prior to investing in the Debentures.

As a Debenture Holder, every initial investor undertakes by virtue of an Offer Document, that if the initial investor as the Debenture Holder sells the Debentures to subsequent investors, the initial investor as the Debenture- Holder shall ensure that such subsequent investor(s) and so on, receive from the Debenture Holder, a copy of the relevant Offer Document, and shall sell the Debentures to a subsequent investor only if such subsequent investor has read, understood and accepted all the terms and conditions and documents referred to above and herein. Any such subsequent investor shall be deemed to have read, understood and accepted the terms and conditions including in the documents referred to above prior to investing in the Debentures.

Any person selling these Debentures would be responsible for ensuring full and prior disclosure of the terms and conditions of the Debentures to the person(s) to whom they are selling these Debentures and shall sell the Debentures only if the subsequent subscriber has read, understood and accepted all the terms and conditions and documents. The Issuer would presume full knowledge of the contents of the relevant Offer Document and a full understanding of the Debentures, their nature and the applicable terms and conditions, on the part of any person holding/buying these Debentures, and no claim to the contrary shall be entertained.

Debenture Holder(s) are hereby also put on notice that prior to their seeking to enter into any transaction of securitization involving the Debentures, the Issuer should receive no less than ten (10) Business Days' written notice of intent in this regard along with all relevant draft documentation referring to the Debentures and their terms and conditions, and the Issuer reserves the right to require changes to be made to references regarding the Debentures and/or their terms and conditions in the securitization documentation, towards ensuring an accurate representation of the Debentures and/or their terms and conditions. The Issuer has no obligation in this regard and if it does not receive such written notice and draft documentation, or if its requirements in regard to changes are disregarded, then it shall have no liability for any misrepresentation, in regard to the Debentures and/or their terms and conditions in any securitization documentation.

MANAGEMENT'S PERCEPTION OF RISK FACTORS

The following are not the only risks that are envisaged by the management of the Issuer, and the Investors should consider the following risk factors carefully for evaluating the Issuer and its business before making any investment decision. The Issuer's business operations could also be affected by additional factors that are not presently known to the Issuer or that the Issuer currently considers to be either not significant or immaterial to its business and operations. Further, the Issuer as well as its promoters/shareholders may explore divestments / acquisitions / restructuring opportunities from time to time including, but not limited to, to address business opportunities, market factors or forces, credit risks, competitive challenges or product portfolio efficiencies. Unless otherwise mentioned in the relevant risk factors discussed below, the Issuer is not in a position to quantify the extent of the risks discussed below. If any of the following risks actually occur, the Company's business, financial condition and results of operations could suffer, the value of the Company's debt securities could decline. Unless the context requires otherwise, the risk factors described below apply to CFIL only.

(Risk factors would include material factors, which events may be material either individually or collectively, qualitatively or quantitatively and may be material at present or in future.)

Materiality:

The Risk Factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality:

1. Some events may not be material individually but may be found material collectively.
2. Some events may have material impact qualitatively instead of quantitatively.
3. Some events may not be material at present but may be having material impact in future.

The following are the risks envisaged by the management, and investors should consider the following risk factors carefully for evaluating CFIL and its business before making any investment decision. Unless the context requires otherwise, the risk factors described below apply to the amalgamated entity only, i.e. CFIL.

Internal Factors

1. Non-Performing Assets

CFIL's primary business activity is of providing credit/ financing to customers in India. The business of lending carries the inherent risk of delinquencies, non-recovery from or default by borrowers. In case internal controls established by CFIL to recover its dues (lending) from its customers fail, CFIL will have to make provisions for or write-off these assets from its capital. CFIL fully writes off its delinquent contracts which are overdue for more than 180 days.

As on Mar 31, 2020 the issuer had NPAs (net) worth Rs. 2.50 Crores as against Rs. 1.89 Crores as on Mar 31, 2019.

As on Mar 31, 2020, the issuer had net bad debts written off Rs. 37.79 Crores as against Rs. 22.66 Crores as on Mar 31, 2019.

2. Operational and System Risk

CFIL has established operational and system controls to safeguard the risk of improper authorizations, inappropriate documentation, failure in maintenance of proper security policies, frauds and employee errors etc. Failure of any of the operational and system (information security) controls may hamper the ability of CFIL to run its business operations.

3. **Investments Portfolio**

CFIL has an investment portfolio aggregating to Rs. 674.30 Crores as on Mar 31, 2020 (Rs.436.76 crores as on Mar 31, 2019), which is subject to market, credit and liquidity risk.

4. **Contingent Liabilities**

CFIL has contingent liabilities on its books; they can potentially be invoked by the beneficiaries and could affect CFIL's profitability and reduction of net worth.

As on March 31, 2020, CFIL had contingent liabilities of about Rs 44.02 crores (31 March 2019: Rs 44.89 crores). **Outstanding Litigation of CFIL** are as under

The disclosures pertaining to outstanding litigation are based on the information that is material and available in the context of the issue as on the date of this Offer Document. This does not purport to contain all the information that any potential investor may require. The Issuer does not undertake to update the disclosures herein and thus the same should not be relied upon with respect to subsequent events.

Against the Issuer

As on June 30, 2020, 314 cases have been filed against the Issuer in various courts of India, primarily on account of deficiency in service/ collection harassment/ repossession of vehicles pursuant to default on the part of the customers in payment of financing instalments due/ dispute in mortgage properties, etc. The amount involved in such litigation is approximately Rs 31,76,12,628/- in aggregate. Against this a provision has been created in books of account as per internal process.

Significant Pending Court Proceedings:

a) Money lenders statutes related issues:

- Notice was received from the relevant authority in the State of Kerala under the provisions of the state money lending statutes. Such notices were issued to several non-banking financial companies in Kerala including CFIL & CCFIL. On dismissal of the writ petitions & writ appeals made to the High Court of Kerala, the NBFCs have filed SLP before the Supreme Court of India against the order dated May 30, 2011 ("Judgement"). By the Judgment it was held that NBFCs including CFIL & CCFIL fall within the purview of the term 'Money Lender' as envisaged under Section 2(7) of the Kerala Money Lenders Act, 1958 ("KML Act") and are liable to be registered and licensed under Section 3 of the KML Act for carrying on its business in Kerala.
- Special Leave Petition (SLP(C) No.34891/ 2009 & 18908 of 2011, now Civil Appeal No. 5192/ 2012 connected to Civil Appeal 5241/2012) were preferred by CCFIL & CFIL respectively before the Hon'ble Supreme Court of India. The reliefs sought in the SLP include, inter alia, stay of the operation of the Judgment. On July 15, 2011, the Supreme Court granted our prayer seeking status quo in the matter. The SLP has been tagged along with the main SLP being no. SLP (C) No. 34057 of 2009 (Lead SLP) filed by Muthoot Finance. The Hon'ble Court was pleased to order for completion of pleadings. Matter was last listed on 02-04-2020, but could not be taken up due to paucity of time. No particular date of hearing has been mentioned as yet. As per counsel no regular matters are being taken up. At present, only two or three benches are working and they are also taking up two or three matters in the day, which are of extreme importance or urgency. The interim stay granted by the Court still continues till the pendency of the matters.
- Similar cases are pending before High Court of Bombay and High Court of Karnataka where the issue in question is whether state money lending laws are applicable to CitiFinancial. Matter is not yet listed for further hearing. Interim stay granted by the Hon'ble Courts still continues.

b) CCFIL appeal – Chief Controlling Revenue Authority (CCRA) decision

- CCFIL had received an order from SDM, Delhi alleging for evasion of stamp duty upon issuance of shares to its shareholders citing the state of Delhi to be the place of taxation, being the registered office of the company. An appeal was filed by CCFIL before Chief Controlling Revenue Authority (CCRA) on the ground that the correct place of taxation of stamp duty is the place of execution of such certificates, being state of Haryana in this case. The appeal filed by the company was in favour of SDM and the Company was directed to pay the deficient stamp duty amounting to Rs. 97, 35, 139 /- along with 12% interest on the deficient amount from the date of issuing of respective share certificates till the date of the order passed by the SDM and a compoundable fine of Rs. 500/-. The Company has made the payment of Rs. 1,57,11,601 /- as ordered, under protest. An application has been filed with Divisional Commissioner to refer the case to High Court to seek guidance on the substantial questions of law, under section 57(1) of the Indian Stamp Act, 1899. The matter came up for hearing on May 22, 2014 before the Divisional Commissioner. The application was argued at length and thereafter the DC, Revenue had reserved the matter for final orders. The matter was last listed on January 11 2019 which got simply adjourned as the Divisional commissioner was transferred. . Since long time no officer was assigned to hear the matter several adjournment took place .Post analysis on the question of law, it is recommended for withdrawal of petition. The same is approved by Legal head. The same is informed to law firm and appropriate steps for withdrawal will be taken once government offices reopen after COVID-19 lockdown.

c) Prime Telesystem Limited (CFIL as an investor):

Pursuant to Subscription cum Shareholders Agreement dated 28th February 2001 following investments were made:

Citicorp: Rs. 4.8 crore

Intel: Rs. 4.6 crore

Sasken: Rs. 2.4 crore

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Total: Rs.11.8 crore

Suit No. 1944 of 2001 was filed against PTL and its Promoters by a shareholder/ director, Mr. Ajay Satsangi, on grounds of fraud and defalcation of funds by the Promoters of PTL.

Inspite of the stay order of the High Court of Delhi, authorized signatories/directors during the period 16/2/2009 to 13/5/2009, withdrew an amount of Rs. 4,89,20,500/- from Citibank A/c.

Presently following proceedings are pending and CFIL is a party:

- Execution Petition No.5 of 2008 was filed by CFIL to execute the Arbitral Award dated September 3, 2007.- referred to mediation for possible settlement. The Director submitted a settlement proposal, which has been rejected by CFIL. In the meantime, keeping in view the delaying tactic adopted by the director, we pursued the execution proceeding and the High Court was pleased to issue directions on the company and the directors to disclose their assets in the manner and format as provided by Court, within a month's time. We have also been granted time of four week's thereafter to file a response to the declarations that would be filed. Thereafter, the High Court referred the matter to mediation and after several rounds of discussions, settlement agreement has finally been signed between the parties on February 26, 2020 as per which the investment of Rs. 4.25 crores is payable in installments by 2022. In 2020 an amount of Rs. 1.25 crores is expected under the settlement.
- Execution Petitions No.16 of 2008 and 17 of 2008 were filed by Sasken and Intel respectively to execute the Arbitral Award dated September 3, 2007. Ongoing.
- Contempt Petition bearing No. 225 of 2011 filed by Sasken against PTL and Mr. Satish Mehta for violating order dated April 23, 2008 passed by the High Court of Delhi in OMP No. 185/2002. Ongoing.
- Suit No. 1944 of 2001 was filed against PTL and its Promoters by a shareholder/ director, Mr. Ajay Satsangi.- Matter was dismissed by the Court with liberty to Ajay Satsangi to approach NCLT. Nothing has been filed before NCLT till date.

d) Primus Retail (In Liq.)

By virtue Subscription and Shareholders Agreement dated 16th May, 2007, CFIL invested an amount of Rs. 30 Crores in PRPL through subscription of 3,00,000 [Three Lac] zero coupon unsecured redeemable optionally convertible debentures of Rs. 1,000/- [Rupees One Thousand] each,

In the said agreement the Promoters of PRPL including. Raju M. Mahtaney, V. Balaji Bhat, P. Sudhir Rao and Ms. Pooja R. Mahtaney stood as guarantors.

Present status:

- 1) The Company is in Winding up.
- 2) Application u/s 9 filed seeking interim relief including against guarantors has been disposed-off by Order dated March 3, 2016 whereby the Respondent Nos.3 to 5 (Guarantors) have been directed to furnish Bank Guarantee to CFIL to the tune of Rs.30 Crores. CFIL and the Guarantors are in appeal against the said order before High Court of Karnataka at Bangalore. The clubbed appeals are pending. Promoters/Guarantors have withdrawn their appeal pursuant to the order being passed. The appeal filed on behalf of CFIL is pending.
- 3) Application u/s 11 filed for appointment of the Arbitrators is pending. - The Arbitral Tribunal has passed an award on October 30, 2018 in favour of CFIL and allowed the claim of Rs. 30 cr. with interest @ 30% p.a. compoundable annually from May 2007 till date of actual payment which comes to an amount of Rs.611 Cr. approx. as on date. Execution proceeding has not been initiated yet. The Mahtaneys (promoters) have approached our Counsel to re-initiate settlement discussions. We are considering moving forward with potential settlement discussions through Counsel. In the meantime the promoters have filed separate appeals against the award and we would be filing objections on behalf of CFIL. Upon analysing the asset report received from external empanelled firm on assets of the promoters, it has been decided that one time settlement is a better option vis-à-vis execution of the award which would require huge amount to be paid towards court fees upfront by CFIL. The Mahtaneys have agreed to pay Rs. 15 crores within six months towards full and final settlement, of which Rs. 1.5 crore will be paid upfront at the time of executing the settlement terms. The first tranche of settlement amount of Rs. 1.5 Crores has already been credited into the CFIL account on January 30, 2020. The settlement agreement has been executed between the parties. Mahtaneys have identified a buyer for one of their properties and will be moving an application for permission to sell the property before the Karnataka High Court which will be supported by CFIL. We are expecting further recovery of about 9.5 crores post lockdown.

5. Business and Management Continuity Risk

CFIL has a well-structured network of branches with the centralized operation from Mumbai. Any event, which causes business establishments to cease, functioning in their respective states, could potentially lead to a disruption in the business of CFIL for as long as such a disruption lasts. Additionally, the affairs and operations of CFIL are run and managed by its management personnel as a collective group for its efficient functioning and any event such as a large scale resignation of its management personnel could hamper the ability of CFIL to conduct its business normally. There could be additional operational risks arising as a result of the amalgamation. These include risks pertaining to integrating critical business processes and their supporting processes within the merged entity. There are additional challenges in respect of overlapping systems and processes which the Board would have to address.

6. Asset Liability Mismatch

CFIL will utilize its borrowings in its business activity of financing. In the event, Issuer fails to recover its dues from customers, there would be a mismatch to Issuer's assets and liabilities with respect to liquidity profile. A mis-match in liquidity profile could conceivably put pressure on CFIL's ability to service its debt.

7. Interest Rates

CFIL could face interest rate risk if CFIL's assets and liabilities are mis-matched with respect to interest rate structure. A mis-match in interest rate profile could lead to a large decline in CFIL's profitability if there is an adverse movement in the interest rates.

8. Bank Loans

According to the applicable provisions of the loan agreements governing these draw-downs, these loans are re-payable on demand. If some or all of the Issuer's banks exercise this option, it could constrain the Issuer's ability to conduct its business efficiently.

- 9. Bank Loans with financial covenants** –Some of the loans drawn down by CFIL, require the Issuer to meet the financial covenants specified by the lenders. Failure of the Issuer to meet these covenants, could result in these loans being called back by the lenders, impacting the Issuer's ability to conduct its business, including servicing such debt that is approaching maturity.

10. Debenture Redemption Reserve

As per Rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014, issued by the Ministry of Company Affairs, Government of India, companies which are registered as NBFCs with the RBI, are not required to create a Debenture Redemption Reserve ("DRR"), as contemplated under the Companies Act for any private placement of Debentures.

- 11. Risk in relation to unsecured Debentures:** The unsecured debentures rank subordinate to the secured debentures and all secured creditors and in case of an Event of Default, no security would be available for enforcement in relation to the unsecured Debentures.

The Debenture Holder shall receive at least the face value of the Debenture, only if the investor holds and is able to hold the Debenture till the Redemption and Maturity Date. Please note that both the return on the Debentures and the return of the principal amount in full are at risk if the Debentures are not held till, or for any reason have to be sold or redeemed before, the Redemption and Maturity Date.

12. Purchases and sales by the Issuer and its affiliates may affect the holders' return

The Issuer and its affiliates may from time to time buy or sell the Debentures or debt instruments similar to the Debentures and/or other obligations or have positions in securities economically related to a series of Debentures for their own account for business reasons or in connection with hedging of the obligations under the particular series of Debentures. These transactions could affect the price of such obligations or securities in a manner that would be adverse to the holder's investment in the Debentures. The Issuer and its affiliates have not considered, and are not required to consider, the interests of investors as holders of the Debentures in connection with entering into any of the above mentioned transactions

External Factors

- 1. Regulatory and Legal Risk** - CFIL is subject to regulatory supervision. Changes in Government policies may impact the economic environment, which may in turn affect CFIL. Further, any changes in Government policies can impact business by impacting margins (interest rates) or by impacting distribution growth or through changes in accounting/other norms. Changes in government policy may impact the performance of the transportation and construction sector, which may in turn affect CFIL
- 2. Credit Risk** –The business of providing loans to fleet & transport operators and other class of borrowers carries the risk of default by borrowers. CFIL is exposed to the inability and / or unwillingness of its customers to repay the credit offered by CFIL in the course of its business operations. CFIL underwrites credit risk on the basis of documents made available by its customers, market information and its internal procedures – it is conceivable that CFIL could underwrite large asset exposures to its customers who may then during the course of the loan be unable and / or unwilling to pay them back.
- 3. Business Competition- Risk of Competition in transportation lending and resource raising.** CFIL is exposed to rising competition from banks and other NBFCs. Some of these players are very aggressive in underwriting credit risk and pricing their products. CFIL could face a situation where it stands to lose business to its competitors due to such and other factors arising out of competition.

4. **Demand and Supply Risk** –CFIL’s business is largely linked to the growth in the Indian economy and credit needs of customers. In case of unfavorable events impacting a particular product/customer segment the demand for some of the Issuer’s products may slow down
5. **Volatility/Inflationary pressures/ slowdown in the global and Indian market:** CFIL may be exposed to risks due to volatility being experienced in the international market which could have an adverse impact on the Indian market and in turn may adversely affect the value of CFIL's assets and profits. CFIL may also be exposed to factors emanating from the consequences of inflation including as leading from high oil and commodity prices as contributing elements, and consequent reduced demand.

XXVIII.Additional Risk Disclosures

The following discussion of risks attendant to the Debentures, is subject to and pursuant to the terms of issuance of the Debentures as provided in the Offer Document and other related documents. Capitalized terms used and not otherwise defined herein shall have the meanings given to them in the Offer Document.

The initial subscriber by subscribing to, and any subsequent purchaser by purchasing the Debentures, shall be deemed to have agreed, and accordingly the Issuer shall be entitled to presume, that each of the initial subscriber, and any subsequent purchaser (Debenture Holder, as also referred to hereinabove and hereinafter):

- (a) has (1) sufficient knowledge, experience and expertise as an investor, to make the investment in the Debentures; (2) not relied on either of the Issuer or any of their affiliate, associate, holding, subsidiary or group entities (“Citi”) or any person acting in its, or their behalf (“City 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 Debentures as set out in the relevant Offer Document; (3) understood that information contained in the relevant Offer Document, or any other document issued by the Issuer is not being construed as business or investment advice; and (4) made an independent evaluation and judgment of all risks and merits before investing in the Debentures;
- (b) 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 Issuer, Citi and/or Citi Agents 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;
- (c) has received all the information believed to be necessary and appropriate or material in connection with, and for, the investment in the Debentures;
- (d) holds the Debentures as an investment, and has not purchased the Debentures on a speculative basis;
- (e) as an investor, is knowledgeable and experienced in making investments, including in debt instruments having variable or unpredictable returns and also investments similar to the Debentures;
- (f) in investing in the Debentures:
 - (i) has obtained such independent and appropriate financial, tax, accounting and legal advice as required and/or deemed necessary, to enable the Debenture Holder to independently evaluate, assess and understand the appropriateness, merits and risks associated with investing in the Debentures, and also as to the Debenture Holders’ legal competency and ability (including under applicable laws and regulations), to invest in the Debentures, and
 - (ii) has not, and does not claim to have, received, and has not relied on any advice or statements made or rendered by Citi or Citi Agents, with respect to the Debentures, including as to the nature of returns, the probability of any returns or any erosion in the value of the Debentures over its life, or on maturity, redemption, sale or disposal, and none of such

entities or persons have made any representations to the Debenture Holder, express or implied, with respect to any of the above;

- (g) undertakes that, if the Debenture Holder sells the Debentures to subsequent investors, the Debenture Holder shall ensure, and it is the Debenture Holder's obligation in that regard, that (1) the subsequent investors receive the terms and conditions, risks and representations contained in the Offer Documents and any other related document and fully understand the Debentures, (2) sale to subsequent investors will be subject to such investors having confirmed the receipt of all of (1) above, (3) the sale and transfer of the Debentures shall be effected only in the manner stipulated - if the Debentures are listed on a stock exchange, then through a stock exchange in accordance with the rules, regulations and bye-laws of such stock exchange, and if otherwise, then by way of spot delivery;
- (h) understands that Citi or any person acting on behalf of Citi, may have an interest/position as regards the Issuer of the Debentures and/or may have an existing banking relationship, financial, advisory or other relationship with them and/or may be in negotiation/discussion with them as to transactions of any kind;
- (i) has the legal ability to invest in the Debentures, 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;
- (j) where the Debenture Holder is a **Partnership firm**:
 - (i) its investing in the Debentures on its terms is within the scope of its investment policy and is not in conflict with the provisions of the partnership deed currently in force,
 - (ii) the investment in Debentures is being made by and on behalf of the partners (and binds all the partners jointly and severally), and that the partnership is in force and existing, and the investment has been ratified by all of the partners, jointly and severally,
 - (iii) the investment in Debentures has been duly authorised by all the partners, and does not contravene any provisions of the partnership deed, or any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the Partnership or its assets or any of the Partners or their respective assets,
 - (iv) for any minor as may have been admitted to the benefits of the partnership, the legal guardian of the minor has confirmed that the above applies equally to the minor as if the minor were a partner, and
 - (v) for any Hindu Undivided Family ("HUF") that may be partner, the *Karta* declares that the above equally binds each of the co-parcenors and beneficiaries of the HUF;
- (k) where the Debenture Holder is a **Company/Society/Insurance Company/Banks**, also confirms that:
 - (i) the Debenture Holder is not precluded under any law, rules, regulations and/ or circulars/bye-laws issued by any statutory authority/ies including under the Companies Act, 1956 or the Societies Registration Act, 1860 or the Insurance Act, 1938 or the Banking Regulation Act and/or any other rules and regulation issued by RBI or any other governmental authority, (as the case may be) from investing in the Debentures,
 - (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 Debentures, and
 - (iii) investment in the Debentures does not contravene any provisions of the Memorandum and the Articles of Association or any other relevant constitutional document, or any law,

regulation or contractual restriction or obligation or undertaking binding on or affecting the Debenture Holder or the Debenture-Holder's assets;

(l) where the Debenture Holder is a **Portfolio Manager**, also confirms that:

- (i) the Debenture Holder, as a Portfolio Manager, is fully in compliance with the laws and regulations applicable to it including the Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993 and the requirements of Circular dated 20th March 2006 "Guidelines on Anti-Money Laundering Standards" of the Securities and Exchange Board of India, and subsequent amendments thereto,
- (ii) the Debenture Holder is appropriately investing in the Debentures on behalf of its client, the principal of the investment ("**Client**") and the investment in the Debentures is within the scope of its authority including pursuant to the agreement entered into by the Debenture Holder with the Client, as provided for by Regulation 14 of the Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993 (the "**Agreement**"), and accordingly binds the Client. Should there be any dispute by the Client as regards the investment in the Debentures including but not limited to the scope of its authority with regard to such investment, the Debenture Holder shall be deemed to be the principal and any loss or liability arising out of the investment in the Debentures shall be to its own account and/or dealt with entirely by the Debenture-Holder with the Client, with no reference to Citicorp Finance (India) Limited,
- (iii) the Debenture Holder shall ensure that the Client understands the risks involved in investment in the Debentures and is capable of taking the risks posed by such Debentures and shall satisfy itself that the Debentures are suitable to the risk profile of the Client,
- (iv) the Debenture Holder shall provide its Clients with a copy of the Offer Document;
- (v) the Debenture Holder shall guide the Clients as to where the valuations (of the Debentures) will be available (if any),
- (vi) the Debenture Holder shall guide the Clients as to the applicable exit loads/exit options/liquidity support, (if any) etc. being provided by the Issuer in the secondary market,
- (vii) the Debenture Holder has strictly complied with all applicable know-your-client norms in relation to the Client,
- (viii) the Debenture Holder consents to the disclosure or provision by CFIL to any governmental or regulatory authority, or under any requirement of law, any information regarding the Client (to the extent made available to CFIL by the Debenture Holder) and the investment in the Debenture, as required of CFIL under applicable regulations and/or as requested by any governmental or regulatory authority or under a provision of law,
- (ix) the Debenture Holder further agrees to provide to CFIL such additional information that CFIL deems necessary or appropriate in order for CFIL to comply with any such regulations and/or requests or requirements,
- (x) the Debenture Holder also further agrees (including on the basis of any request made by CFIL in this regard), to provide to any governmental or regulatory authority any information regarding the Client, the investment in the Debenture as required under regulations and/or as requested by any governmental or regulatory or other authority, and
- (xi) the Debenture Holder further confirms and undertakes that it is appropriately investing in these Debentures on behalf of its clients and that any of its activities have not violated and will not violate applicable laws as regards private placements. Accordingly, the Debenture

Holder confirms and undertakes that it has not acted and shall not act in a manner that would render this private placement of Debentures, an offer to the public;

- (m) where the Debenture Holder is investing as and on behalf of an **AOP**, also confirms that:
- (i) its investing in the Debentures on its terms is within the scope of the investment policy of the AOP and is not in conflict with the provisions of the agreement/deed constituting the AOP currently in force,
 - (ii) the investment in Debentures is being made by and on behalf of all the individuals forming the AOP (and binds all such individuals jointly and severally), and that the AOP is in force and existing, and the investment has been agreed to and/or has been ratified by all such individuals, jointly and severally,
 - (iii) the investment in Debentures has been duly authorised by all the individuals forming the AOP, and does not contravene any provisions of the agreement/deed constituting the AOP, or any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the AOP or its assets or any of the individuals forming the AOP or their respective assets,
 - (iv) for any minor as may be a constituent of the AOP, the legal guardian of the minor has confirmed that the above applies equally to the minor and has taken all appropriate steps for the benefit of the minor, and
 - (v) for any HUF that may be a constituent of the AOP, the *Karta* declares that the above equally binds each of the co-parcenors and beneficiaries of the HUF;
- (n) where the Debenture Holder is a **Mutual Fund** it also confirms that:
- (i) investing in the Debentures on the terms and conditions stated herein is within the scope of the mutual fund's investment policy and does not conflict with the provisions of the Trust Deed, the scheme and the respective offer document as currently in force,
 - (ii) the investment in Debentures is being made by and on behalf of the fund and that the fund is in force and existing, and if required, the investment has been ratified by appropriate resolutions, and
 - (iii) the investment in Debentures has been duly authorised and does not contravene any provisions of the Trust Deed, the scheme and the respective offer document as currently in force, or any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the fund or its asset;
- (o) where the Debenture Holder is investing as and on behalf of a **Private Trust**, it also confirms that:
- the trustees have the power to invest in Debentures and such investment does not contravene any provisions of the Trust Deed as currently in force, or any law or contractual restriction or obligation or undertaking binding on or affecting the trust or its assets.
- (p) where the Debenture Holder is a **Foreign Portfolio Investor** it also confirms that:
- (i) investing in the Debentures on the terms and conditions stated herein is within the scope of the limits prescribed by Applicable Law including the provisions of all applicable rules, regulations, circulars and guidelines prescribed by the Securities and Exchange Board of India and the Reserve Bank of India,
 - (ii) the investment in Debentures is being made by and on behalf of the FPI and the FPI is authorized invest in the Debentures, and

- (iii) the investment in Debentures has been duly authorised and does not contravene any provisions of the of its constitutional documents, or any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the FPI or its asset.

XXIX. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY ALSO READ THESE RISKS ASSOCIATED WITH THE DEBENTURES

Prior to investing in the Debentures, a prospective investor should ensure that such prospective investor understands the nature of all the risks associated with the investment in order to determine whether the investment is suitable for such prospective investor in light of such prospective investor's experience, objectives, financial position and other relevant circumstances. Prospective investors should independently consult with their legal, regulatory, tax, financial and/or accounting advisors to the extent the prospective investor considers necessary in order to make their own investment decisions.

Credit Risk

Prospective investors should be aware that receipt of any interest and principal amount at maturity on the Debentures is subject to the credit risk of the Issuer. Investors assume the risk that the Issuer will not be able to satisfy their obligations under the Debentures. The investors may not recover all or part of the principal amount in case of default by the Issuer. Any stated credit rating of the Issuer reflects the independent opinion of the referenced rating agency as to the creditworthiness of the rated entity but is not a guarantee of credit quality of the Issuer (where applicable). Any downgrading of the credit ratings of the Issuer or its parent or affiliates, by any rating agency could result in a reduction in the value of the Debentures. Although should the need arise, the Issuer without being obliged to do so may have the ability, subject to applicable laws and regulations and other factors, prevailing at the material time, to seek appropriate support from its parent entity to reduce, limit or mitigate the effect of ensuing disruptive factors, to the extent driven by liquidity. However such possibility cannot be considered a certainty and there is no representation being made that the Issuer will even endeavour to do so.

In the event that bankruptcy proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy are instituted by or against the Issuer, the payment of sums due on the Debentures may be substantially reduced or delayed.

C. OTHER INFORMATION ABOUT THE ISSUER

i. Name and address of the Registered Office of the Issuer.

Name: Citicorp Finance (India) Limited.

Registered Office: First International Financial Centre (FIFC), 8th Floor Plot Nos. C-54 & C-55, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 098.

Corporate Office: Same as above

Website: www.citicorpfinance.co.in

Contact Details: 022 – 6211 8166

Date of Incorporation: 01-May-1997

ii. Overview and Brief summary of the business/ activities of the Issuer and its line of business.

The Issuer is a Non-banking Financial Company (NBFC) engaged in the business of offering credit and financing. The Issuer is an NBFC, as defined under section 45IA of the Reserve Bank of India Act, 1934, in India, registered with the Reserve Bank of India under the provisions of Chapter III-B of the Reserve Bank of India Act, 1934. The Issuer is a systemically important non-depositing taking NBFC, as defined by RBI.

NBFCs are part of the institutionalised finance sector, and apart from those NBFCs that cater to the needs for financial assistance of those persons and individuals who do not have ready access to the banking system, there are also NBFCs who provide infrastructure and project-finance related financing, leasing, hire-purchase and commercial financing for business needs, not only to corporates but also to medium and small enterprises which include partnerships and sole proprietorships. The role of NBFCs as effective financial intermediaries has been well recognised as they have inherent ability to take quicker decisions, assume greater risks, and customise their services more according to the needs of the clients. NBFCs in India have become prominent in a wide range of activities like hire-purchase finance, equipment lease finance, loans, investments, etc. The importance of NBFCs in delivering credit to the unorganised sector and to small borrowers at the local level in response to local requirements is well recognised. NBFCs play a crucial role in providing easy access to financial resources, and thus play an active complementary role to the banking system by broadening access to financial services, enhancing competition and diversification of the financial sector, and are capable of absorbing shocks and risks at times of financial distress. NBFCs are under the regulation of Reserve Bank of India (RBI) and are permitted to carry on variety of financial services/ lines of credit facility. NBFCs are required to follow such norm and procedures, as may be specified by RBI in its guidelines from time to time. NBFCs have been effectively and successfully regulated and supervised by RBI for several years now. Following from the comprehensive domain provided by Chapter III-B of the Reserve Bank of India Act, 1934, Reserve Bank of India has, from time to time, and over time, prescribed various directions and guidelines for NBFCs including prudential norms to be followed by the NBFCs.

The company is engaged in a range of Financial Services including:

- a. Corporate loans
- b. Advances Against Financial Assets (AAFA)
- c. Asset Backed Finance (ABF)
- d. Treasury

Highlights of operations of each of these business segments are discussed below.

Corporate Loans

The corporate lending book of CFIL is essentially to corporate customers for meeting their capital expenditure or working capital requirements. The Corporate loans segment provides secured and unsecured

loans to corporates. Its revenue consists of interest on loans and service charges. The exposure is mostly to highly rated entities.

Advances Against Financial Assets (AAFA)

CFIL extends loans to investors and companies, loans to finance their investment needs. These loans are secured by pledge of marketable securities or units of mutual funds. The loan against shares is positioned as a unique product to enable medium sized investors to unlock the value in their financial assets. The program targets business enterprises and high networth individuals who want to avail liquidity while remaining invested in the markets for the long term.

Target Market

1. High net worth individuals
2. Investment companies / NBFC's/ Stock brokers
3. Sole proprietorships
4. Partnerships
5. Companies and Corporate Entities

Asset Backed Finance (ABF)

CFIL provides finance for purchase of transport vehicles and construction equipment in the form of Loans, Lease, Hire Purchase and Trade Advance to dealers across the country through its various branches. Construction companies and road transport operators are the important customer segments serviced by the Issuer. The Issuer has also has presence in the used vehicle finance segment.

Marketing operations are through a Direct sourcing strategy. This strategy covers the financing extended in larger towns where our own offices are situated. Over the years, relationships have been established with most of the large fleet owners and construction players in the country. The Issuer appoints Distribution and Marketing Agents to source business from smaller size operators.

Reserve Bank of India, recognizing the growing importance of Priority Sector in our economy revisited the guidelines for PSL segments. Accordingly, loans given to Small road & water transport operators and advances to small enterprises are classified as Priority Sector Lending (PSL) that covers the retail segment of transportation and construction sectors. The issuer, with its reach and distribution network has a unique ability to generate these categories of PSL assets while maintaining favorable risk-return balance. Keeping in view the potential and ability to generate PSL assets, the issuer has focused upon PSL assets.

Target Market

Transporters	Vehicle Finance for Commercial usage
Construction Industry	Construction Equipment
Manufacturers	Captive customers requiring vehicle for their own business
Large Corporates	Fleet cars (Cars under leasing)
Vehicle Dealers	Trade Advance
Used vehicles	Small Truck Operators

The business has a strong early warning process, which helps in identifying proactively weakness signals which could affect the portfolio adversely. The early warning monitoring mechanism evaluates impact on portfolio due to:

- Truck sales movement;
- Collateral values of used vehicles to gauge remarketing ability;
- Freight rates and fuel prices and impact of their movement on freight rates, truck sales and delinquencies;
- Seasonality of freight and impact thereof;
- Region wise freight movement; and
- Impact of Industrial production on Truck sales and freight rates.

In addition, stress tests due to macro factors impacting the portfolio are conducted from time to time.

Treasury

The treasury unit within CFIL is responsible for :

- All funding activities of the Issuer. This covers all borrowings of the Issuer and the deployment of short term surpluses;
- Managing the investment portfolio;
- Balance sheet management;
- Ensuring that the Issuer has adequate liquidity at all points in time; and
- Compliance with the Citigroup global treasury risk management policies and limits.

iii. Details of Branches or units of the Issuer

CFIL has its registered office at Mumbai with 38 offices fully equipped with necessary technology and infrastructure facilities, located in important towns and cities in India, giving it a pan-India presence.

iv. Brief summary of business activities of the subsidiaries of the Issuer with details of branches or units of such subsidiaries

CFIL does not have any subsidiaries.

Details of branches 39

v. Brief particulars of the Management of the Issuer

A. BOARD OF DIRECTORS

The Company's day-to-day operations are conducted by the Board of Directors. For details of the individual directors please refer to "Details of the current directors of the Issuer".

B. COMMITTEES OF THE BOARD

- (i) **Asset Liability Committee:** The Committee comprises 2 or more members including Managing Director / Directors and the following persons (if designated as such): Head - Corporate Lending & Trade Loans, Head – Small and Medium Segment Lending, Head – Margin and Security Based Lending, Head Personal Loans, Head - Asset Backed Financing, Head - Advance Against Financial Assets, Head

Operations, Chief Financial Officer, Finance Controller, Treasurer, Company Secretary , Chief Risk Officer, Compliance Officer and special invitee from Citibank

ALCO is responsible to review and monitor the rational for and risk associated with lending and borrowing, resultant gaps in the funding positions of the Company manage interest rate risk and determine the pricing criteria of various assets and liabilities of the Company. Further to carry out functions and obligations prescribed by Reserve Bank from time to time. The Corporate Governance Code acts as a guiding principle to the Committee members.

- (ii) **Audit Committee:** The Committee comprises of three members of the Board with independent directors forming a majority. The Committee is set up to oversee the Company's financial reporting process, disclosure of financial information, appointment / re-appointment of the statutory auditors; and approve any transaction or approve subsequent modifications to any transaction of the company with related parties. The Audit Committee Charter acts as a guiding principle to the Committee members and Board.
- (iii) **Nomination and Remuneration Committee:** The Committee comprises of 3 or more non-executive directors out of which one half is Independent Directors and such other members as may be decided by the Board from time to time.
The Committee is set up to ensure that the persons to be appointed as directors or on senior management position of the Company possess requisite qualifications, expertise, track record and integrity.
- (iv) **Debenture Issuance and Allotment Committee:** The Committee comprises of 2 or more members including Director / Managing Director, Chief Financial Officer, Treasurer Treasury Operations, if any and such other members as may be decided by the Board from time to time. The Committee has been set up to issue, allot and transfer the debentures and ensure that at the time of issuance of debentures, all requisite resolutions are passed and necessary documentation is maintained. The Corporate Governance Code acts as a guiding principle to the Committee members.
- (v) **Stakeholder Relationship Committee:** The Committee comprises of 3 or more Directors including Managing and such other members as decided by the Board from time to time. The Committee has been set up to handle all grievances related Security holders. The Corporate Governance Code acts as a guiding principle to the Committee members
- (vi) **Corporate Social Responsibility Committee (CSR):** The Committee comprises of 3 directors including one independent director. The Member of Corporate Affairs team as the permanent invitee and the Company Secretary as the Secretary of the meeting. The Committee has been set up to recommend to the Board, CSR projects/programs to be undertaken, expenditure to be incurred for each CSR project/program by the Company in relation to such project etc. The CSR Policy acts as a guiding principle to the Committee members.
- (vii) **Risk Management Committees:** The Committee comprises of 2 or more members including Managing Director / Directors, Chief Risk Officer, Finance Controller, Compliance Officer, Chief Risk Officer, Head - Margin and Securities Backed Finance, Head - Corporate Lending and Trade Loans, Head – Small and Medium Segment Lending, Head - Personal Loans, Head - Advances Against Financial Assets, Head - Asset Backed Financing, Principal Nodal Officer, Head: Operations, Head – Legal and Litigation, CFIL Internal Auditor and Company Secretary
and such other members as may be decided by the Board from time to time. The Committee is responsible to identify, evaluate and discuss any risks that the company may face. The Committee is also responsible to address remediation, either directly or through an appropriate forum and/or responsible individuals and teams within the Company. In addition to the range of agenda currently included for review and remediation, the scope of the Committee also include a review of the ageing exceptions to bank account reconciliations and related items.

- (viii) **IT Strategy Committee:** The Committee comprises of 3 or more members including an Independent Director, Managing Director, Chief Information Officer and such other members as may be decided by the Board from time to time.

The primary role of the Committee is to approve IT strategy and policy documents, ensure IT investments represent a balance of risks and benefits and that budget are acceptable and carry out review and amend the IT strategies in line with the corporate strategies, board policy reviews, cyber security arrangements and any other matter related to IT Governance etc. The Corporate Governance Code acts as a guiding principle to the Committee members and role.

Brief history of the Issuer since its incorporation giving details of its activities including any re-organisation, reconstruction or amalgamation, changes in capital structure, (authorized, issued and subscribed) and borrowings, if any.

Citicorp Finance (India) Limited was originally incorporated on May 1, 1997 under the name “Avco Financial Services India Private Limited (AFSIPL)” – a joint venture between Avco Financial Services Inc. (a wholly owned subsidiary of Textron Inc) and Motor and General Finance. AFSIPL obtained its certificate of registration as an NBFC from Reserve Bank of India in September 1997. In January 1999, Textron sold AFSIPL to Associates First Capital Corporation (AFCC), one of the largest public traded finance companies in U.S.A at that time. On July 21, 1999, the name of was changed from AFSIPL to Associates India Financial Services Limited. (AIFSL). During Nov 2000, AFCC was acquired by Citigroup making AIFSL a wholly owned subsidiary of Citigroup. On March 15, 2004, the name of the entity was changed from AIFSL to CitiFinancial Consumer Finance India Limited.

By order dated December 15, 2009, of Hon’ble High court of Delhi, Associates India Holding Company Private Limited has been merged with CitiFinancial Consumer Finance India Limited (effective dated January 19, 2010)

Further, by order dated November 23, 2010 of Hon’ble High court of Delhi, CitiFinancial Home Finance India Limited has been merged with CitiFinancial Consumer Finance India Limited (effective dated January 24, 2011).

By order dated November 18, 2013, of Hon’ble High court of Delhi, Citicorp Finance (India) Limited has been merged with CitiFinancial Consumer Finance India Limited (effective dated January 10, 2014) and pursuant to which name of the company has been changed from CitiFinancial Consumer Finance India Limited to **Citicorp Finance (India) Limited** (effective dated February 17, 2014) and registered office has been shifted from Delhi to Mumbai (effective date March 7, 2014).

The erstwhile wholly owned subsidiaries of the company i.e. Citicorp Clearing Services India Limited (CCSIL) and Citicorp Capital Markets Limited (CCML) were amalgamated with the company by order of the Hon’ble High Court of Bombay dated October 31, 2014, under a scheme of amalgamation

The Issuer is a Non-banking Financial Company (NBFC) registered with the Reserve Bank of India under the provisions of Chapter III-B of the Reserve Bank of India Act, 1934. It is classified by RBI as a loan issuer. It is engaged in the business of offering credit and financing. Issuer is a systemically important non-depositing taking NBFC, as defined by RBI.

Offices

CFIL has its registered office at Mumbai with several other offices equipped with infrastructure, connectivity and other facilities, located in important towns and cities in India, giving it a pan-India presence.

The Issuer, subject to the Memorandum and Articles of Association of the Issuer, has passed a resolution under Section 180(1) (c) of the Companies Act, 2013 in the Extra Ordinary General Meeting held on [February 15, 2017 which prescribes the maximum monetary limit for the purpose of borrowing as Rs. 10,000 crores]¹.

Each tranche or series of debentures have been authorized by Shares/Debentures Allotment and Transfer Committee (constituted by the Board of Directors).

The Issuer does not have any profit sharing strategic and/or financial partners.

(a) Capital of the Issuer

1. Details of Share Capital of the Issuer as on quarter end i.e. June 30, 2020 is as follows:

Share Capital	Amount in Rs.
Authorized:	
5,269,333,333 equity shares of Rs. 7.50 each	39,520,000,000
Total	39,520,000,000
Issued, Subscribed & Paid-up:	
3,857,727,031 equity shares of Rs. 7.50 each	28,93,29,52,732
Total	28,93,29,52,732

52.94% of the share capital is held by Associates Financial Services (Mauritius) LLC and 47.06% of the share capital is held by Citibank Overseas Investment corporation.

2. Capital Structure along with additional information as required under the Rules

Authorized Share Capital	Please see 1. above
Issued, Subscribed & Paid-up share capital	Please see 1. above
Size of the Issue	INR 200,00,00,000/-
Paid-up Capital after the Issue	This being an issuance of Debentures, the paid-up capital does not change.
Paid-up Capital after conversion of Convertible Instruments (if applicable)	NA
Share Premium Account before the Issue	NA
Share Premium Account after the Issue	NA

3. Details of existing share capital of the Issuer (other than allotments made in the last one year from the date of this Offer Document)

Date of Allotment	Number of Shares Allotted	Face Value of Shares Allotted	Price of Shares Allotted	Form of Consideration
01-Dec-00	1	10*	10*	Cash
27-Jun-02	1	10*	10*	Cash
27-Jun-02	1	10*	10*	Cash
27-Jun-02	1	10*	10*	Cash
27-Jun-02	1	10*	10*	Cash
27-Jun-02	1	10*	10*	Cash
28-Dec-04	216,018,775	10*	10*	Cash
29-Mar-06	444,128,970	10*	10*	Cash
09-Jul-07	408,674,420	10*	10*	Cash
31-Dec-08	387,318,500	10*	10*	Cash
19-Mar-09	155,746,992	10*	10*	Cash
25-Jun-09	141,912,501	10*	10*	Cash

Date of Allotment	Number of Shares Allotted	Face Value of Shares Allotted	Price of Shares Allotted	Form of Consideration
27-Nov-09	288,537,906	10*	10*	Cash
24-Jan-2014	1,815,388,961	7.50	NA**	NA**
Total	3,857,727,031			

* The above table of Share Capital Build up does not include shares issued by erstwhile CCFIL to AIHCPL which have been extinguished w.e.f. January 19, 2010 subsequent to filing of Delhi High Court's order sanctioning the scheme of merger of AIHCPL into CCFIL with ROC, NCT of Delhi & Haryana. The face value and the paid up value of the shares now is Rs 7.50 post reduction of capital.

** Shares have been allotted to the shareholders of CFIL as part of the scheme of amalgamation as approved by Hon'ble High Court of Delhi vide its order dated 18th November 2013 (Effective date January 10, 2014). The scheme also included reduction of face value of each equity share from Rs. 10/- to Rs. 7.50/-.

4. Details of allotments made in the last one year (from the date of this Offer Document)

Date of Allotment	Number of Shares Allotted	Face Value of Shares Allotted	Price of Shares Allotted	Form of Consideration	Allotments made for consideration other than cash	Details of consideration
NA	NA	NA	NA	NA	NA	NA

5. Allotments made for consideration other than cash: None

Following details regarding the directors of the Issuer:-

- Details of the current directors of the Issuer

Name, Designation and DIN	Age	Address	Director of the Issuer since	Occupation	Details of Other directorship
Mr. Rohit Ranjan*, Director- DIN 00003480	59	404/B, 4 th Floor, Lotus, Hiranandani Gardens, A.S Marg, Powai, Mumbai-400076	25/01/2015	Service	Citi Investment Advisory Services Private Limited (Earlier known as Orbitech Private Limited)
Ms. Priti Goel, Director- DIN 07649929	43	A-3, Vasundhara Enclave, MOD Appartment, Delhi - 110096	21/12/2016	Service	None
Ms. Nina Nagpal**, ,	55	1613 Samartha Angan B3,	01/06/2018	Service	1. Citicorp Services India Private Limited

Managing Director-DIN '00138918		Indradarshan Complex, Andheri – West, Mumbai - 400053			
Mr. Neeraj Kumar**, Director, DIN-08389469	43	B-1902, Eldora, Hiranandani Gardens Powai, Mumbai, Powai Lit Mumbai 400076 Mh IN	26/03/2019	Service	None
Mr. Deepak Keshav Ghaisas*, Independent Director-DIN 00001811	62	B-61/62, Swapnashilpa, Mahant Road, Ville Parle (E), Mumbai 400 057	28/01/2015	Service	1. Usv Pvt. Limited 2.Shoppers Stop Limited 3.Gencoval Strategic 4.Services Private Limited 5.GCV Life Private Limited 6.Stemade Biotech Private Limited 7.Healthbridge Advisors Private Limited 8.Chitpavan Foundation 9.Bhogale Automotive Private Limited 10.Sarvatra Technologies Private Limited 11.Hariom Infrafacilities Services Private Limited 12.Cogencis Information Services Limited 1. 13.Mindspace REIT (Governing Board)
Mr. Saurabh Surendra Shah****, Independent	54	35 Prabhat, 76 B.Desai Road, Mumbai-400 026	28/01/2015	Service	1. AUM Asset Advisors Private Limited 2. GRP Limited

Director-DIN 02094645					
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* Mr. Rohit Ranjan has been re-designated as Joint Managing Director for the balance period of his tenure i.e. from Nov 11, 2016 till Jan 24, 2020. Further, effective Jun 01, 2018 designation of Mr. Rohit Ranjan and Ms. Priti Goel has been changed from Jt. Managing Director to Director.

** Ms. Nina Nagpal re-appointed as Managing Director of the Company effective June 01, 2019.

*** Designation of Mr. Neeraj Kumar has changed from Additional Director to Director w.e.f Sep 27, 2019

**** Mr. Deepak Ghaisas and Mr. Saurabh Shah further appointed as Independent Directors of the Company for a further period of 5 years w.e.f January 28, 2020.

Details of remuneration of directors (during the current year and last three financial years)

INR		FY 19-20	FY 18-19	FY17-18	FY16-17
Whole Time Directors		1,62,18,523	1,93,01,801	3,10,74,559	2,64,91,452

While further particulars of remuneration of directors are already disclosed in the Annual Returns filed with the Registrar of Companies, the same will also be provided to Investors upon request to the Company Secretary in this regard

The Issuer confirms that no directors are appearing in the RBI defaulter list and/or ECGC default list. Note- *Details are available with the Company Secretary. Any member interested in obtaining the details may write to the Company Secretary at the Registered Office

** The Independent Directors are paid *sitting fee*

Issue Size

Please refer to the **PARTICULARS OF THE OFFER** on Page 8 of this Offer Document.

- vi. **Details of all default/s, if any, including therein the amount involved, duration of default and present status in repayment statutory dues, debenture and interest thereon, deposits and interest thereon, loans from any bank or financial institution and interest therein.**

NIL in FY 19-20

- vii. **Any Default in Annual filing of the Issuer under the Companies Act, 2013 or the rules made thereunder**

NIL

- viii. **Profits of the company, before and after making provision for tax, for the three financial years immediately preceding the date of circulation of this Offer Document:**

Please refer to Annexure I

- ix. **Dividends declared by the company in respect of the said three financial years; interest coverage ratio for last three years (Cash profit after tax plus interest paid/interest paid)**

Amount in Crores)

Particulars	2019-20	2018-19	2017-18

Dividend Declared\$	131.16	NIL	NIL
Interest Coverage Ratio (Cash profit after tax plus interest paid/interest paid)	1.30	1.49	1.43

\$ Amounts are excluding Dividend Distribution Tax

A summary of the financial position of the Issuer for the previous three audited balance sheets immediately preceding the date of the Offer Document

Please refer to Annexure I.

- x. Audited Cash Flow Statement for the three years immediately preceding the date of circulation of the Offer Document.**

Please refer to Annexure I.

- xi. Profits of the Issuer, before and after making provision for tax, for the three financial years immediately preceding the date of issue of private placement offer. cum application letter;**

Please refer to Annexure I.

- xii. Any change in accounting policies during the last three years (from the date of this Offer Document) and their effect on the profits and reserves of the Issuer.**

There has been no significant change in accounting policies.

- xiii. Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the Issuer during the last three years immediately preceding the year of the circulation of the Offer Document and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action**

Please refer to the risk factors in relation to “The Outstanding Litigation of CFIL” and “Significant Pending Court proceedings”.

- xiv. Related party transactions entered during the last three financial years immediately preceding the year of circulation of the Offer Document including with regard to loans made, or guarantee given or securities provided**

None

- xv. Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of the Offer Document and of their impact on the financial statements and financial position of the Issuer and the corrective steps taken and proposed to be taken by the Issuer for each of the said reservations or qualifications or adverse remark.**

No reservations, qualifications or adverse remarks have been made by the auditors.

- xvi. Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous company law in the last three years immediately preceding the year of circulation of the Offer Document in the case of the Issuer and all of its subsidiaries. Also if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three**

years immediately preceding the year of the Offer Document and if so, section-wise details thereof for the Issuer and all of its subsidiaries

No enquiry, inspections or investigations have been initiated or conducted against the Issuer or its subsidiaries in the previous three years.

xvii. Details of acts of material frauds committed against the Issuer in the last three years (from the date of this Offer Document), if any, and if so, the action taken by the Issuer

No material fraud has been committed against the Issuer in the previous three years.

xviii. Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons.

None

CERTAIN IMPORTANT DISCLAIMERS

- A.** This Offer Document in relation to the Debentures is made available by the Issuer to the applicant on the further strict understanding that (i) the applicant is a “Person Resident in India” as defined under the Foreign Exchange Management Act, 1999 or a Foreign Portfolio Investor duly registered with the SEBI, (ii) in providing this Offer Document to the applicant, there will be no violation of rules, regulations and byelaws issued by any applicable authority including those issued by the Securities And Exchange Board Of India; (iii) the applicant has sufficient knowledge, experience, and professional advice to make its own evaluation of the merits and risks of a transaction of the type under this Offer Document and (iv) the applicant is not relying on the Issuer nor on any of the affiliates of the Issuer for information, advice or recommendations of any sort except for the accuracy of specific factual information about the possible terms of the transaction.

The Issuer is not acting as the advisor or agent of the applicant. This Offer Document does not purport to identify for the applicant, the risks (direct or indirect) or other material considerations, which may be associated with the applicant entering into the proposed transaction. Prior to entering into any proposed transaction, the applicant should independently determine, without reliance upon the Issuer or the affiliates of the Issuer, the economic risks and merits, as well as the legal, tax, and accounting characterizations and consequences of the transaction and including that the applicant is able to assume these risks. The Issuer, and/or the affiliates of the Issuer, may act as principal or agent in similar transactions and/or in transactions with respect to instruments underlying a proposed transaction. The Issuer, and/or the affiliates of the Issuer may, from time to time, have a long or short proprietary position/s and/or actively trade, by making markets to its clients, in financial products identical to or economically related to those financial products described in this Offer Document. The Issuer may also undertake hedging transactions related to the initiation or termination of a transaction, that may adversely affect the market price, rate, index or other market factors(s) underlying the financial product and consequently its value. The Issuer may have a commercial relationship with and access to information of reference securities, financial products, or other interests underlying a transaction.

This Offer Document and its contents are the Issuer’s property, and are to be considered proprietary information and may not be reproduced or otherwise disseminated in whole or in part without the Issuer’s written consent unless required to by judicial or administrative proceeding, and then with prior notice to the Issuer.

No liability whatsoever is accepted for any loss arising (whether direct or consequential) from any use of the information contained in this communication. The Issuer undertakes no obligation to effect any updates on information. Any prices used herein, other than in relation to final term sheets, are indicative. Any opinions attributed to the Issuer, and/or the affiliates of the Issuer constitute the Issuer’s judgment as of the date of the material and are subject to change without notice. Provision of information may cease at any time without reason or notice being given. Commissions and other transaction costs may not have been taken into consideration.

A DECLARATION BY THE DIRECTORS THAT:

- 1.1** the company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;
- 1.2** the compliance with the Companies Act, 2013 and the rules does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government;
- 1.3** the monies received under the offer shall be used only for the purposes and objects indicated in the Offer Document;

I am authorized by the Board of Directors of the Company vide resolution number dated June 29, 2020 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

SIGNED AND DELIVERED

(Authorized Representative of the Issuer)

Place: Mumbai

Date: October 15, 2020

Attachments:

- (i) Annexure I – Audited balance sheets and cash flow statements for 3 financial years preceding the date of the Offer Document.**
 - (ii) Annexure II – Copy of board resolution and shareholders’ resolution**
 - (iii) Annexure III – Debenture trustee consent letter**
 - (iv) Annexure IV – Rating letter**
 - (v) Annexure V – Application Form**
 - (vi) Optional attachments, if any**
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