

Public Issue of Secured & Unsecured Subordinated Redeemable Non-Convertible Debentures

Tata Capital Financial Services Limited

Allotment on First Come First Serve Basis

Issue Opens on: 13th Aug 2019

Issue Closes on: 23rd Aug 2019

Brief Introduction of the Company:

- » TATA CAPITAL FINANCIAL SERVICES LIMITED is a Systemically Important Non – Deposit taking Non – Banking Financial Company (“ND - SI - NBFC”) focused on providing a broad suite of financing products customized to cater the needs of various segments.
- » The company financing products include:
 - » **Corporate Finance:** *The Corporate Finance Division (“CFD”) offers commercial finance which offers vanilla term loans, working capital term loans, channel finance, bill discounting, construction equipment finance, leasing solutions, lease rental discounting, promoter finance and structured products. In addition, the Special Assets Management Group (“SAMG”) was formed to manage the project finance portfolio of the erstwhile infrastructure finance division;*
 - » **Consumer Finance:** *The Consumer Finance and Advisory Business Division (“CFABD”) offers a wide range of consumer loans such as car and two wheeler loans, commercial vehicle loans, tractor loans, business loans, loans against property, personal loans, consumer durable loans and loans against securities;*
- » Additionally, it has launched Tata cards, which are white label credit cards that enable customers to earn and redeem points across Tata group partners and offer convenient payment options in the form of EMI.
- » It is promoted by and is a wholly owned subsidiary of TCL, which is a diversified financial services company providing services through its subsidiaries to retail, corporate and institutional clients. TCL is the financial services arm of the Tata group, which is a diversified global business group serving a wide range of customers across varied sectors such as steel, motors, power, chemicals, telecommunications and hospitality.
- » It has a robust marketing and distribution network which provides customers a diversified financial services Platform with presence in 23 states through 134 offices as on June 30, 2018.
- » Its total income as of March 31, 2019 and March 31, 2018 stood at Rs. 558,566 lakh and Rs. 434,812 lakh, respectively.
- » Its profit after tax as of March 31, 2019, March 31, 2018 stood at Rs. 43,281 lakh and Rs. 40,293 lakh respectively.

Key Strengths:

- » Integrated financial services platform
- » Diversified and balanced mix of businesses
- » Robust internal processes and risk management framework
- » Synergy and parentage of Tata group
- » Widespread operational network
- » Strong and experienced management team

Key Strategies:

- » Consolidate its existing lines of business
- » Explore new business opportunities
- » Leverage its technology advantage
- » Expand client base and geographical presence
- » Attain and retain talented professionals

Issue Details:

Issuer/ Borrower	Tata Capital Financial Services Limited				
Nature of Issue	Secured Redeemable Non-Convertible Debentures and Unsecured Subordinated Redeemable Non-Convertible Debentures eligible for inclusion as Tier II capital				
Issue Period	13 Aug 2019 - 23 Aug 2019				
Issue Size	Public issue by the Issuer of Secured NCDs up to Rs. 2,99,790 lakh and Unsecured NCDs up to Rs. 1,12,810 lakh, aggregating up to Rs. 4,12,600 lakh.				
Face value	Rs. 1,000 per NCD				
Minimum Application	10 NCDs (Rs. 10,000) and in the multiple of One NCD thereafter				
Credit Rating	AAA/Stable by Crisil and AAA/Stable by CARE				
Listing	BSE & NSE				
Mode of Allotment & Trading	Compulsorily in dematerialised form.				
Lead Managers	Edelweiss Financial Services Limited, A.K. Capital Services Limited and Axis Bank Limited				
Registrar	Karvy Fintech Private Limited				
Debenture Trustee	Vistra ITCL (India) Limited				
Allocation Ratio	Category	Allocation	Amount in Crs.		Total Issue
			Secured	Unsecured	In Crs
	QIB	15%	450	169	619
	Corporate	15%	450	169	619
	HNI	35%	1,049	395	1,444
Retail	35%	1,049	395	1,444	
Depositories	NSDL and CDSL				
Mode of Application	ASBA Mandatory				

Investment Details:

Series	I	II	III	IV
Nature	Secured	Secured	Secured	Unsecured Subordinated
Frequency of Interest Payment	Annual	Annual	Annual	Annual
Tenor	3 years	5 years	8 years	10 years
Face Value /Issue Price of NCDs (Rs.NCDs)	Rs. 1,000/-			
In Multiples of thereafter (In Rs.)	Rs. 1,000/- (1 NCD)			
Coupon (% per annum) for NCD Holders in Category I & II	8.35%	8.40%	8.55%	8.75%
Coupon (% per annum) for NCD Holders in Category III & IV	8.45%	8.50%	8.65%	8.85%
Effective Yield (% per annum) for NCD Holders in Category I & II	8.34%	8.39%	8.54%	8.74%
Effective Yield (% per annum) for NCD Holders in Category III & IV	8.44%	8.49%	8.64%	8.84%
Redemption Amount (Rs. / NCD)	Rs. 1,000	Rs. 1,000	Rs. 1,000	Rs. 1,000
Maturity Date (From Deemed Date of Allotment)	3 years	5 years	8 years	10 years
Mode of Interest Payment	Through various modes available			

*The Company would allot the Option I NCDs, as specified in this Tranche II Prospectus to all valid Applications, wherein the Applicants have not indicated their choice of the relevant Option of NCDs.

Who Can Apply?

Category I (QIB Portion) 15%	<ul style="list-style-type: none"> * Public financial institutions, scheduled commercial banks, and Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs; * Provident funds and pension funds with a minimum corpus of Rs.2,500 lakh, superannuation funds and gratuity funds, which are authorised to invest in the NCDs; * Mutual funds registered with SEBI; * Resident Venture Capital Funds/Alternative Investment Funds registered with SEBI; * Insurance companies registered with the IRDAI; * State industrial development corporations; * Insurance funds set up and managed by the army, navy, or air force of the Union of India; * Insurance funds set up and managed by the Department of Posts, the Union of India; * Systemically Important Non-Banking Financial Company registered with the RBI and having a networth of more than Rs.50,000 lakh as per the last audited financial statements; and * National Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India.
Category II (Corporate Portion) 15%	<ul style="list-style-type: none"> * Companies within the meaning of Section 2(20) of the Companies Act, 2013; statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs; * Co-operative banks and regional rural banks; * Trusts including public/private charitable/religious trusts which are authorised to invest in the NCDs; * Scientific and/or industrial research organisations, which are authorised to invest in the NCDs; * Partnership firms in the name of the partners; and * Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009). * Association of persons; and * Any other incorporated and/or unincorporated body of persons.
Category III (HNI Portion) 35%	<ul style="list-style-type: none"> * High Net-worth Individual Investors (“HNIs”) - Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating to above Rs.10,00,000 across all options of NCDs in the Tranche II Issue.
Category IV (Retail Individual Portion) 35%	<ul style="list-style-type: none"> * Retail Individual Investors - Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating up to and including Rs.10,00,000 across all options of NCDs in the Tranche II Issue.

Contact:

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Important Note

The Applications are to be submitted to the Members of the Syndicate and Trading Members on a timely manner so that the details can be uploaded by the closure of banking hours (5 PM) on to the Stock Exchange platform.

Kindly note that uploading the bids into Electronic files of Stock Exchanges is Mandatory and application is liable to be rejected otherwise.

Please read the Prospectus of this issue carefully before investing in the same.

Application forms will be available on
www.karvyvalue.com

Research Team

PF/NCD/06082019/21

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