

Date : 29.09.2023

To,
**The Debenture Holders,
Tata Capital Financial Services Limited (“Issuer”)**

Subject : NOC for further issuance of proposed Secured Redeemable Non-Convertible Debentures (NCDs) of Rs. 3,000 crores on private placement basis and ceding of pari-passu charge for the above NCDs.

This is with reference to the Listed, Secured, Redeemable, Non-Convertible Debentures, (“NCDs”) issued by **Tata Capital Financial Services Limited (“Issuer”)** from time to time under various Debenture Trust Deeds (collectively referred to as “**Existing DTDs**”) wherein we would like to inform all Debenture holder/s (“**Existing Debenture Holder/s**”) as per the latest BENPOS for the respective NCD issuances.

In relation to the above, we have been informed that the Issuer has **proposed issue of Secured, Redeemable, Non-Convertible Debentures (“NCDs”) of Rs.3000 Crores on Private Placement basis**, over the ‘Security’(i.e. give description of security)which has been provided to the Existing Debenture Holders under the Existing DTDs.

We have been requested by the Issuer vide it’s email dated September 28, 2023 to issue NOC for ceding of pari passu charge over the Security. In this connection, we refer to relevant provision of Existing DTDs “Right to deal with charged assets” as reproduced below,

*“**Right to Deal with Charged Assets** - “Notwithstanding anything contained in this Deed, so long as Required Security Cover is maintained, the Company shall have all the rights to deal with the charged assets (including but not limited to creating encumbrance on and sale of pool of loan assets) in normal course of business or otherwise and appropriate proceeds thereof, without the consent of the Debenture Trustee/Debenture Holders.”*

Additionally the company has also submitted to us **security cover certificate (as attached)**, which indicates that stipulated security cover is available under the Existing DTD and **proposed issuance of Rs.3000 Crores.**

In light of the above, considering the stipulated Security Cover as stated under the Existing DTDs is maintained, there is no specific requirement for Vistra to obtain ‘consent’ from the Existing Debenture Holders under the Existing DTDs, prior to providing the NOC for ceding charge to the Issuer for **proposed issue of Secured, Redeemable, Non-Convertible Debentures (“NCDs”) of Rs.3000 Crores on private placement.** Accordingly as a prudent measure and as per the requirement under the applicable law, we would hereby inform you of receipt of the said request from the Issuer for proposed private placement issue.

Kindly note that this is for your information and records.

In case of any additional information required, please feel free to enquire us. We will assist you with the same and facilitate the response to your queries from the Issuer.

Thanks & Regards
Vistra ITCL (India) Limited | Trust Operations

To
The Board of Directors
Tata Capital Financial Services Limited
11th Floor, Tower A
Peninsula Business Park
Ganpatrao Kadam Marg
Lower Parel
Mumbai - 400 013

Walker Chandiook & Co LLP

11th Floor, Tower II,
One International Center,
S B Marg, Prabhadevi (W),
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Independent Auditor's Certificate on the Statement of book value of the assets offered as security against listed secured Non-Convertible debenture securities pursuant to Regulation 15(1)(t)(i)(a) of Securities and Exchange Board of India ('SEBI') (Debenture Trustees) Regulations, 1993 read with Clause 1.1 of Chapter V of SEBI operational circular dated 31 March 2023 and compliance with financial covenants pursuant to Regulation 15(1)(f) of SEBI (Debenture Trustees) Regulations, 1993 read with Clause 2.1 of Chapter VI of SEBI operational circular dated 31 March 2023

1. This certificate is issued in accordance with the terms of our engagement letter dated 19 July 2023 with **Tata Capital Financial Services Limited** ('the Company').
2. The accompanying statement containing details of book value of assets, offered as security against listed secured Non-convertible Debt Securities of the Company outstanding as at 30 June 2023 (as mentioned in Section I of the accompanying statement) and the Company's compliance with the financial covenants as per the terms of Debenture Trust Deeds ("DTD") (as mentioned in Section II of the accompanying Statement) (collectively referred to as 'the Statement') has been prepared by the Company's management pursuant to the requirements of Regulation 15(1)(t)(i)(a) of SEBI (Debenture Trustees) Regulations, 1993 read with Clause 1.1 of Chapter V of SEBI operational circular SEBI/HO/DDHS/P/CIR/2023/50 dated 31 March 2023 and Regulation 15(1)(f) of SEBI (Debenture Trustees) Regulations, 1993 read with Clause 2.1 of Chapter VI of SEBI operational circular SEBI/HO/DDHS/P/CIR/2023/50 dated 31 March 2023 (collectively referred to as 'the Regulations'), for the purpose of submission of the Statement along with this certificate to Vistra ITCL (India) Limited ('the Debenture Trustees'). We have attached the Statement for identification purposes only.

Management's Responsibility for the Statement

3. The preparation of the Statement, including the preparation and maintenance of all accounting and other relevant supporting records and documents, is solely the responsibility of the management of the Company. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Management is also responsible for ensuring the compliance with the requirements of the Regulations and the Debenture trust deed for the purpose of furnishing this Statement and for providing all relevant information to the Debenture Trustees.

Tata Capital Financial Services Limited

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Auditor's Responsibility

5. Pursuant to requirements as referred to in paragraph 2 above, it is our responsibility to provide limited assurance in the form of a conclusion as to whether anything has come to our attention that cause us to believe that the details included in the Section I of the accompanying Statement regarding book value of assets offered as security against listed secured Non-Convertible Debentures outstanding as at 30 June 2023, are in all material respects, not in agreement with the unaudited condensed standalone interim financial statements of the Company, underlying books of account and other relevant records and documents maintained by the Company for the quarter ended 30 June 2023.

Further, it is our responsibility to provide limited assurance in the form of a conclusion as to whether anything has come to our attention that cause us to believe that the declaration given by the management as included in Section II of the accompanying Statement regarding compliance with the financial covenants as stated in the DTDs, in respect of listed secured Non-Convertible Debentures of the Company outstanding as at 30 June 2023, is in all material respects, not fairly stated.

6. The unaudited condensed standalone interim financial statements for the quarter ended 30 June 2023 referred to in paragraph 5 above, have been jointly reviewed by Walker Chandiook & Co LLP and M/s M M Nissim & Co LLP in accordance with the Standard on Review Engagements (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India on which we issued an unmodified conclusion vide our report dated 25 July 2023. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
7. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) ('the Guidance Note') issued by the ICAI. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements, issued by the ICAI.
9. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement; and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. The procedures selected depend on the auditor's judgment, including the assessment of the areas where a material misstatement of the subject matter information is likely to arise.
- I. We have performed the following procedures in relation to the book values as mentioned in Section I of the statement:
- a. Obtained the list and value of assets offered as security against listed secured debt securities of the Company outstanding as at 30 June 2023;

Tata Capital Financial Services Limited

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- b. Traced the book value of assets offered as security against secured Non-Convertible Debentures from the unaudited condensed standalone interim financial statements, underlying books of account and other relevant records and documents maintained by the Company for the quarter ended 30 June 2023; and
 - c. Obtained necessary representations from the management.
- II. Further, we have performed the following procedures in relation to the compliance of financial covenants as mentioned in the Section II of the annexure:
- a. Read the Offer Document/Shelf Placement Memorandum and DTDs in relation the listed secured Non-Convertible Debentures issued by the Company to assess the nature of the debentures i.e. secured;
 - b. Obtained and verified the Board resolution, Offer Document / Shelf Placement Memorandum and DTDs for the listed secured Non-Convertible Debentures issued by the Company;
 - c. Verified the ISIN number from the NSE / BSE Approval Letter;
 - d. Obtained a detailed listing of the financial covenants stated in DTDs in respect of listed secured Non-Convertible Debentures of the Company outstanding as at 30 June 2023;
 - e. Enquired and understood management's assessment of compliance with all the financial covenants obtained and corroborated the responses from the understanding obtained by us during the review of the unaudited condensed standalone interim financial statements referred to in paragraph 6 above, and such further inspection of supporting documents (on test check basis) as deemed necessary;
 - f. Obtained quarterly compliance report shared by the Company to its debenture trustees to identify any instances of non-compliance with the relevant financial covenants included in the respective debenture trust deeds of Secured Non-Convertible Debentures;
 - g. Based on the procedures Performed in (e) and (f) above, evaluated the appropriateness of the declaration made by the management in Section II of the Statement; and
 - h. Obtained necessary representations from the management.

Conclusion on Section I of the Statement

10. Based on the procedures performed in para 9 above, evidences obtained, and the information and explanations given to us, along with the representations provided by the management, nothing has come to our attention that cause us to believe that the details mentioned in Section I of the accompanying Statement regarding book value of assets offered as security against listed secured Non-Convertible Debentures outstanding as at 30 June 2023, is not in agreement, in all material aspects, with the unaudited condensed standalone interim financial statements of the Company, underlying books of account and other relevant records and documents maintained by the Company for the quarter ended 30 June 2023.

Tata Capital Financial Services Limited

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Conclusion on Section II of the Statement

11. Based on the procedures performed in para 9 above, evidences obtained, and the information and explanations given to us, along with the representations provided by the management, nothing has come to our attention that cause us to believe that Company, for the quarter ended 30 June 2023, has not complied, in all material respects, with the financial covenants mentioned in Section II of the accompanying statement, in respect of Secured Non-Convertible Debentures of the Company outstanding as at 30 June 2023.

Restriction on distribution or use

12. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Regulations. Our obligations in respect of this certificate are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have as the statutory auditors of the Company or otherwise. Nothing in this certificate, nor anything said or done in the course of or in connection with the services that are the subject of this certificate, will extend any duty of care we may have in our capacity as statutory auditors of the Company.
13. The certificate is addressed to and provided to the Board of Directors of the Company solely for the purpose of enabling it to comply with the requirements of the Regulations, which inter alia, require it to submit this certificate along with the Statement to the Debenture Trustees of the Company, and therefore, this certificate should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No:001076N/N500013

Khushroo B. Panthaky

Partner

Membership No:042423

UDIN:23042423BGWIVI2797

Place: Mumbai

Date: 25 July 2023



Statement containing details of book value of assets considered for security cover maintained against listed secured Non-convertible Debt Securities ('NCDs') of the Company outstanding as at June 30, 2023:

Section I

		(Rs. in lakh)
Sr.No.	Particulars	Book Value
1	Assets	
	Property Plant & Equipment	17
	Investments	-
	Loans	37,46,946
	Trade Receivables	3,315
	Cash and Cash Equivalents	1,09,869
	Bank Balances other than Cash and Cash Equivalents	-
	Total (A)	38,60,147
2	Liabilities	
	Listed secured non-convertible debt securities	21,13,668
	Total (B)	21,13,668
3	Security Cover Ratio (times) (A/B)	1.83

For Tata Capital Financial Services Limited

Jaykumar Shah
(Chief Financial Officer)

Mumbai, July 25th, 2023

TATA CAPITAL FINANCIAL SERVICES LIMITED

Corporate Identity Number U67100MH2010PLC210201

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

Tel 91 22 6606 9000 Web www.tatacapital.com

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Annexure 1 - Security Cover as on June 30, 2023

(Rs. in lakh)

Column A Particulars	Column B Description of asset for which this certificate relate	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column O
		Exclusive Charge	Exclusive Charge	Pari-Passu Charge	Pari-Passu Charge	Pari-Passu Charge	Assets not offered as Security	Elimination (amount in negative)	(Total C to H)	Related to only those items covered by this certificate				
		Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with pari passu charge)	Other assets on which there is pari-Passu charge (excluding items covered in column F)		debt amount considered more than once (due to exclusive plus pari passu charge)	Market Value for Assets charged on Exclusive basis	Carrying /book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Market Value for Pari passu charge Assets viii	Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Total Value(=K+L+M+N)	
Book Value	Book Value	Yes/ No	Book Value	Book Value										
ASSETS														
Property, Plant and Equipment	Building (Refer note 1)			Yes	17		53,876		53,893			109		109
Capital Work-in-Progress							118		118					-
Right of Use Assets							17,838		17,838					-
Goodwill							-		-					-
Intangible Assets							2,181		2,181					-
Intangible Assets under Development							546		546					-
Investments	Mutual Funds			Yes	-		3,21,613		3,21,613					-
Loans	Receivables under financing activities (Refer note 2)			Yes	37,46,946	35,95,301	69,726		74,11,973				73,42,247	73,42,247
Inventories							-		-					-
Trade Receivables	Receivables (Refer note 3)			Yes	3,315		-		3,315				3,315	3,315
Cash and Cash Equivalents	Balances with banks in current accounts, deposit accounts, cheques in hand and cash in hand			Yes	1,09,869		-		1,09,869				1,09,869	1,09,869
Bank Balances other than Cash and Cash Equivalents	Fixed Deposits			Yes	-		24,183		24,183				-	-
Others							1,71,923		1,71,923				-	-
Total					38,60,147	35,95,301	6,62,004		81,17,452			109	74,55,431	74,55,440
LIABILITIES														
Debt securities to which this certificate pertains				Yes	21,13,668		93,203		22,06,871					-
Other debt sharing pari-passu charge with above debt							-		-					-
Other Debt							6,38,367		6,38,367					-
Subordinated debt							4,37,491		4,37,491					-
Borrowings				Yes		32,90,083	85,689		33,75,772					-
Bank							-		-					-
Debt Securities							-		-					-
Others							-		-					-
Trade payables							83,655		83,655					-
Lease Liabilities							17,282		17,282					-
Provisions							6,457		6,457					-
Others							2,31,835		2,31,835					-
Total					21,13,668	32,90,083	15,93,979		69,97,730					-
Cover on Book Value														
Cover on Market Value														
	Exclusive Security Cover Ratio			Pari-Passu Security Cover Ratio	1.83	1.09								

Notes:

1. The market value of Rs. 109 lakhs of the building is on the basis of valuation done for March 31, 2023.

2. Receivables under financing activities consist of loans which are carried at amortised cost. The business model for managing these loans is "hold to collect" cash flows that are solely principal and interest. Accordingly these loans are not fair valued and the book value of loans (after netting of impairment) are considered as the value of security for the purposes of this certificate.

3. The Company has not disclosed market values for trade receivables because their carrying amounts are a reasonable approximation of market value.

For Tata Capital Financial Services Limited

Jaykumar Shah
(Chief Financial Officer)

Mumbai, July 25th, 2023





Section II – Compliance with Financial Covenants

Statement of compliance with covenants in relation to listed NCD for the quarter ended June 30, 2023:

Sr. No.	Covenants	Management Response
1	<p><u>Payment of Principal and Interest</u></p> <p>(a) <u>Covenant to pay</u>: The Company covenants with the Debenture Trustee that the Company shall redeem the Debentures by paying to the Beneficial Owner(s)/ Debenture Holders the then outstanding Principal Amount of the Debentures, which are subject to redemption, on the Redemption Date(s).</p> <p>(b) <u>Interest</u>: The Company shall pay Interest to the Beneficial Owner(s)/ Debenture Holders in the manner as provided in the Disclosure Document and/or Pricing Supplement.</p> <p><u>Interest on Debentures</u></p> <p>The Company shall until the Debentures are fully redeemed or paid off pay to the Debenture holders interest on the principal amounts of the Debentures outstanding from time to time at the applicable coupon rate as set out in the Pricing Supplement for the respective Series of Debentures subject to deduction of income-tax (where applicable) at the rate prescribed from time to time under the Income-tax Act, 1961 or any statutory modification or re-enactment thereof for the time-being in force, and such interest shall be payable annually.</p>	<p>The Management confirms that for the period April 01, 2023 to June 30, 2023, Secured Non - Convertible Debentures ('NCD's') amounting to Rs. 1360 crores (Private placement – Rs. 1360 crores and Public Issue - Nil) has been redeemed and the redemption amount is paid to the beneficial owner/debenture holders on the respective due dates as specified in the disclosure document or pricing supplement. Refer Annexure 1.</p> <p>The Management also confirms that for the period April 01, 2023 to June 30, 2023 interest is paid to the beneficial owner/ Secured debenture holders on the respective due dates as specified in the disclosure document or pricing supplement. In the event of any technical error (i.e. change in bank account details of the investor etc.) the same is paid immediately on resolution of technical issue. Refer Annexure 2.</p> <p>The Company has paid the interest and principal on time and there were no instances of delay. As at the quarter ended June 30, 2023 there is Nil overdue interest and principal payment.</p>

For Tata Capital Financial Services Limited

Jaykumar Shah
Chief Financial Officer

TATA CAPITAL FINANCIAL SERVICES LIMITED

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Annexure 1

Details of redemption of debentures from April 01 to June 30, 2023

(Rs in crore)

ISIN	NCD Series Name	Date of redemption	No of NCDs	Face Value	Amount of redemption	Interest Amount	Remarks
INE306N07MG5	TCFSL NCD "A" FY 2021-22	13-Apr-23	3600	10,00,000	360.00	19.51	Redemption done on 13th Apr'23 due to Bank holiday. But due date of Redemption is 14th April 2023
INE306N07LU8	TCFSL NCD "B" FY 2020-21-Opt-I	28-Apr-23	750	10,00,000	75.00	5.61	
INE306N07LT0	TCFSL NCD "A" FY 2020-21	19-May-23	9250	10,00,000	925.00	5.54	

Annexure 2

Details of interest payment on Debentures for the period April 01 to June 30, 2023

(Rs in crore)

NCD	ISIN	Product	Interest Payment Date	Interest Amount	Remarks
TCFSL NCD "M" FY 2022-23	INE306N07NH1	Secured NCD	17-Apr-23	9.85	
TCFSL NCD "A" FY 2020-21	INE306N07LT0	Secured NCD	21-Apr-23	72.15	
TCFSL NCD "A" FY 2022-23-Opt-I	INE306N07MP6	Secured NCD	29-Apr-23	11.04	
TCFSL NCD "A" FY 2022-23-Opt-II	INE306N07MQ4	Secured NCD	29-Apr-23	13.85	
TCFSL NCD "B" FY 2020-21-Opt-II	INE306N07LV6	Secured NCD	29-Apr-23	3.06	
TCFSL NCD "B" FY 2022-23	INE306N07MR2	Secured NCD	10-May-23	29.48	
TCFSL NCD "B" FY 2021-22	INE306N07MH3	Secured NCD	10-May-23	38.13	
TCFSL NCD "O" FY 2022-23-Opt-I	INE306N07NK5	Secured NCD	22-May-23	6.20	
TCFSL NCD "D" FY 2019-20	INE306N07LB8	Secured NCD	29-May-23	19.23	
TCFSL NCD "C" FY 2022-23-Opt-I	INE306N07MS0	Secured NCD	01-Jun-23	20.00	
TCFSL NCD "C" FY 2022-23-Opt-II	INE306N07MT8	Secured NCD	01-Jun-23	31.03	

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TCFSL NCD "E" FY 2019-20-Opt-I	INE306N07LC6	Secured NCD	05-Jun-23	5.64	
TCFSL NCD "F" FY 2019-20-Opt-I	INE306N07LF9	Secured NCD	20-Jun-23	32.45	
TCFSL NCD "F" FY 2019-20-Opt-II	INE306N07LE2	Secured NCD	20-Jun-23	16.31	
TCFSL NCD "D" FY 2022-23-Opt-II	INE306N07MV4	Secured NCD	30-Jun-23	62.00	

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