

Frequently Asked Questions (“FAQs”) with respect to continuation of the Secured Redeemable Non-Convertible Debentures (“NCD”) issued to the Public

1) Why is the Company proposing the continuation of NCDs?

The Company has proposed the continuation of NCDs so as to provide the NCD holders with the option to continue their investments at the existing coupon/interest rates and avoid the rigidity of the processes of liquidation and/or re-investment of the current investment, since the NCDs would be continued from the date of maturity and hence, the resultant loss of interest in the intervening period would be avoided.

2) Is it compulsory for me to continue to hold the NCDs for a further period of 5 years?

No, it is not compulsory to continue to hold the NCDs for a further period of 5 years. The NCD holder can opt for redemption of the NCDs on March 5, 2014. Moreover, in case the NCD holder fails to submit a positive consent to continue the NCDs on or before **Friday, February 21, 2014**, the NCDs would be redeemed.

3) Is there any other change in the terms and conditions of NCDs, including coupon/interest rate?

There is no change in the terms and conditions of the NCDs except that the tenure has been proposed to be extended for a further period of five years i.e. upto March 5, 2019, if approved by the NCD holders by way of a Special Resolution, through postal ballot. The coupon/interest rate will continue, as under:

Option	I	II	III	IV
Interest Payment	Monthly	Quarterly	Annual	Cumulative
Face Value (Rs.)	1,00,000	1,000	1,000	1,000
Coupon / Interest Rate	9.75% p.a.	9.75% p.a.	10.50% p.a.	10.50% p.a. (to be compounded annually)

4) Why is the Company not increasing the coupon/interest rate for the continuation of the NCDs?

The coupon/interest rate are competitive and are in line with other financial instruments in the market of similar tenure.

5) With the NCDs being continued at the same coupon/interest rate, what advantage does the NCD holder have in continuing with the investment?

The NCD holder would have the option to continue the investments at the existing competitive rates and avoid the rigidity of the processes of liquidation and/or re-investment

of the current investment, since the NCDs would be continued from the date of maturity and hence, the resultant loss of interest in the intervening period would be avoided.

6) What are the provisions in the Prospectus regarding continuation of NCDs? Is the continuation of the NCDs in line with the said provisions? Is continuation different from roll-over of NCDs?

The Prospectus provides that *“NCDs can be rolled over only with the consent of 75% of the NCD holders after providing atleast 21 days prior notice for such roll over and in accordance with the Debt Regulations.”*

The SEBI (Issue and Listing of Debt Securities) Regulations, 2008 (“Debt Regulations”) provides that the NCDs can be rolled-over only with the consent of 75% of the NCD holders **in value** by way of Postal Ballot. Further, the NCDs held by NCD holders would be redeemed if the said NCD holders do not give a positive consent to continue the NCDs.

Hence, the NCDs can be rolled-over only if the Company receives approval from not less than 75% of the NCD holders (in number and in value) **voting** through Postal Ballot, to continue the NCDs for a further period of 5 years.

From the above, it may be noted that the continuation of the NCDs is the same as the roll-over of the NCDs and the same is in accordance with the terms and conditions of the Prospectus.

7) What is the procedure for voting in favour of the Special Resolution through the Postal Ballot?

If the NCD holder is in favour of continuing the NCDs, then the NCD holder should assent to the Special Resolution for continuation of NCDs for a further period of five years in the Postal Ballot Form by putting a tick (√) mark, under the option **“FOR”** provided in the Postal Ballot Form. NCD holders will have to send the duly completed and signed Postal Ballot Form directly to the Scrutinizer appointed for this purpose, not later than the close of working hours (6:00 p.m.) on **Friday, February 14, 2014** in the self-addressed postage pre-paid Business Reply Envelope provided with the Postal Ballot Form. Envelopes containing the Forms, if sent by courier or by Registered /Speed Post or any other means shall be at the expense of the Debenture Holder but the same will also be accepted.

8) What is the procedure for giving my consent towards the Continuation of the NCDs?

Prior to exercising their Consent in the Consent Form, the NCD holders are requested to vote on the Resolution through Postal Ballot. The Company would be in a position to continue the NCDs for a further period of five years, only if the proposed Special Resolution for the same is duly passed by the NCD holders. Further, the NCD holder would also have to provide Positive Consent for continuation of the NCDs for a further period of 5 years in the Consent Form by putting a tick (√) mark, under the option **“Consent for Continuation”**. The NCD holder will have to send the duly completed and signed Consent Form to the Company’s Registrar and Transfer Agents i.e. Karvy Computershare Private Limited (“Karvy”) at Plot No.17-24, Vittal Rao Nagar, Madhapur, Hyderabad 500 081 not later than the close of working hours (6:00 p.m.) on **Friday,**

February 21, 2014, in the enclosed self-addressed postage pre-paid Business Reply Envelope. Envelopes containing the Consent Forms, if sent by courier or by Registered /Speed Post or any other means, shall be at the expense of the Debenture Holder but the same will also be accepted.

In the event the Company does not receive the approval for continuation of the NCDs from 75% of the NCD holders (in number and value), the NCDs would be redeemed on March 5, 2014. If the above approval is received, but the NCD holder does not exercise the option to continue to hold or to redeem the NCDs or the Company does not receive any response from the NCD holder, the NCDs held by that NCD holder would be redeemed, along with the accrued interest, on March 5, 2014.

9) Can NCD holder vote 'FOR' (In favour) of the Resolution in the Postal Ballot Form and yet seek redemption of the NCDs?

Yes, you may vote in favour of the Resolution in the Postal Ballot Form by placing a tick (√) mark in the 'FOR' column and yet seek redemption in the Consent Form by selecting the Redemption Option or by not sending the Consent Form. Voting by Postal Ballot is independent of the NCD holder desiring to continue or redeem the NCDs. A positive vote in favour of ("FOR") the Special Resolution will enable the Company to continue the NCDs and give the benefit to those NCD holders who wish to avail of the continuation. NCDs of NCD holders who do not indicate their Positive Consent to the Company in the Consent Form will be redeemed on March 5, 2014.

10) If I want to redeem my NCDs, why should I vote in favour ("FOR") of the Resolution through Postal Ballot?

The Continuation of the NCDs for a further period of 5 years, is subject to the approval of 75% of the NCD holders voting (in number and in value). Hence, to give the benefit to those NCD holders who wish to avail of this benefit, the NCD holders may consider voting in favour of ("FOR") the Resolution in the Postal Ballot Form by putting a tick (√) mark, under the option "FOR" provided in the Postal Ballot Form. Voting on above, will not result in denial of redemption of NCDs on March 5, 2014, if the NCD holder desires to redeem the NCDs.

11) What is the procedure to redeem the NCDs?

The NCD holder should select the option to redeem the NCDs in the Consent Form. The NCDs would also be redeemed if no Consent Form is received by the Company.

12) Can I vote 'FOR' the resolution even if I want to redeem my NCDs?

Yes, an NCD holder can vote in favour of ('FOR') the resolution under the Postal Ballot and yet exercise the option to redeem the NCDs under the Consent Form.

13) If I vote 'FOR' the resolution and do not send the Consent Form, would I be able to continue to hold the NCDs?

No, the NCD holder would necessarily have to select the option to Continue to hold the NCDs in the Consent Form and mere voting in favour of the Resolution would not be

construed as consent to continue to hold the NCDs. If no Consent Form is received, the NCDs would be redeemed.

14) Can I split the number of NCDs for part redemption and part continuation?

No, under each option, the NCD holder has to redeem or continue the NCDs held, in full. However, if an NCD holder is holding NCDs under different options, the NCD holder can exercise the option to continue to hold or redeem the NCDs, in full, under each option separately, as may be desired.

15) What is the process for execution of the Continuation/Redemption Option by Companies, Trusts, Societies, etc?

In case of NCDs held by companies, trusts, societies, etc., the forms should be signed by a person authorised in this behalf, accompanied by a certified true copy of the Board Resolution / Authority Letter.

16) What if I do not receive the Postal Ballot Form or Consent Form?

In case of non-receipt of Postal Ballot Form or Consent Form or for any query related to the same, the NCD holder may contact:

- (i) Company Secretary, Tata Capital Financial Services Limited at Peninsula Business Park, Tower A, 11th Floor, Ganpatrao Kadam Marg, Lower Parel (W), Mumbai 400 013 or on Tel: 022-6606 9027 / E-mail: compliance.ncd@tatacapital.com; or
- (ii) Karvy Computershare Private Limited, the Company's Registrar and Transfer Agents, at Plot No.17-24, Vittal Rao Nagar, Madhapur, Hyderabad 500 081 or Tel: 040-44655000 /Toll Free No.: 18003454001 E-mail: einward.ris@karvy.com.

The Postal Ballot Form and the Consent Form will also be available at the Registered Office of the Company and may be downloaded from the website of the Company: www.tatacapitalfinancialservices.com or that of Karvy: karisma.karvy.com.

The NCD holders will be able to download their Postal Ballot and Consent forms with their holding details printed in the said forms by logging in to karisma.karvy.com by using their DP ID/Client ID.

17) If I have not voted under the Postal Ballot can I still opt for Continuation of the NCDs in the Consent Form?

Yes, but we request you to also vote on the Special Resolution for continuation of the NCDs through Postal Ballot, as the Consent for continuation of the NCDs is subject to the Special Resolution being approved by the NCD holders.

18) I hold NCDs under more than one option. However, can I exercise my consent to continue under one option and exercise my redemption under the other?

Yes, each NCD holder will be provided with a separate Consent Form ("Form") for each of the Options held and the NCD holder can choose under each Option, as deemed fit.

However, part continuation/part redemption of NCDs, under the same Option, is not permitted.

19) If the NCD holder is travelling, who can sign the Consent Form on his/her/its behalf?

The NCD holder can authorize, any person who has attained the age of majority, to sign the Consent Form on his/her/its behalf under a duly notarized Power of Attorney ("POA") containing specific provisions in relation to the said matter and this POA, in original alongwith the Consent Form should reach Karvy Computershare (Private) Limited, the Company's Registrar and Transfer Agents, at Plot No.17-24, Vittal Rao Nagar, Madhapur, Hyderabad 500 081 or Tel: 040-44655000 / E-mail: einward.ris@karvy.com, not later than the close of working hours (6:00 p.m.) on Friday, February 21, 2014. The original Power of Attorney, once it is registered in the Company's record, will be returned to the NCD holder.

20) Can I submit the Consent Form at any local office of Karvy or at the Registered Office?

The Consent Form should be sent in the self-addressed postage pre-paid Business Reply Envelope to the Company's Registrar and Transfer Agents, Karvy Computershare Pvt. Limited at Plot no.17-24, Vittal Rao Nagar, Madhapur, Hyderabad 500 081. However, on a case to case basis, and in case of urgency, the same will be accepted at the Registered Office or Branch Offices of the Company and/or of Karvy.

21) What is the last date for submission of the Consent Form and the Postal Ballot Form?

The last date for submission of the Postal Ballot Form is Friday, February 14, 2014 and of the Consent Form is Friday, February 21, 2014, not later than the close of working hours (6:00 p.m.) on these dates.

22) Why have 2 forms (i.e. the Postal Ballot Form and the Consent Form) been sent to us?

Postal Ballot Form is sent to the NCD holder to vote on the Resolution to give their approval to the Company for continuing the NCDs for a further period of 5 years at the existing coupon/interest rate.

The Consent Form is sent to enable the NCD holders to give their written consent to continue to hold their NCDs or to redeem their NCDs. Further, the continuation of the NCDs is subject to the 75% approval of the NCD holders (in number and in value).

It should be noted that the approval for the Resolution for continuation of the NCDs, as per the Postal Ballot process (i.e. as mentioned in the Postal Ballot form), would not be construed as approval to continue the NCDs. If the NCD holder wishes to continue to hold the NCDs, the NCD holder is also required to give a positive consent in the Consent Form by selecting the option to continue to hold the NCDs.

23) If I do not submit the Postal Ballot Form and Consent Form, what are the consequences of the same?

If the Postal Ballot Form is not submitted or submitted after the last date for submission, the vote of the NCD holder would not be considered for passing of the Resolution for continuation of the NCDs.

If the Consent Form indicating positive consent to continue the NCDs is not submitted or is submitted after the last date for submission, the related NCDs would be redeemed on March 5, 2014.

The Company shall not be responsible for non-receipt or delayed receipt of the Forms.

24) Would the approval provided by an NCD holder only in the Postal Ballot Form be sufficient for continuation of NCDs?

No, the approval for the Resolution for continuation of the NCDs alone in the Postal Ballot Form would not be construed as approval to continue the NCDs. The NCD holders are also required to exercise their positive consent for continuation to hold their NCDs, in the Consent Form sent.

25) Whether the extension of tenure will also be applicable for privately placed debentures also issued by the Company?

No. The continuation applies only to NCDs issued to the public under the Prospectus dated January 21, 2009 and there will be no change in the terms and conditions for debentures issued by the Company on the private placement basis.

26) Whether the Company will execute a Supplementary Debenture Trust Deed for the continuation of NCDs?

Yes, the Company will execute a Supplementary Trust Deed with IL&FS, the Debenture Trustees, to give effect to the proposed continuation of the NCDs.

27) Whether the NCDs after continuation will be separately identified on the Stock Exchanges, CDSL and NSDL?

Yes, NCDs will be separately identified on Stock Exchanges, CDSL and NSDL under new ISINs. The Company will make an application to CDSL and NSDL for the same, after receipt of all requisite approvals and on completion of the formalities for the continuation of the NCDs.

28) What is the Record Date?

The Record Date for giving an option to the NCD holder to continue to hold NCDs or redeem the NCDs, is **Friday, January 10, 2014** and to ascertain those NCD holders who would be entitled to receive the Postal Ballot Notice, the Postal Ballot Form and the Consent Form.

29) Will trading be suspended? For what period will the trading be suspended? Why is trading being suspended?

NCD holders may note that, as informed by the Stock Exchanges, trading of the NCDs will be suspended as per the Settlement Cycle of the Stock Exchanges from Thursday, January 9, 2014 upto such time as the:

- NCDs are listed (under new ISINs) in respect of those holders who have given their positive consent to continue to hold the NCDs; or
- NCDs are redeemed on March 5, 2014.

The ISINs will also be suspended for Off Market transactions w.e.f. close of business hours on Friday, January 10, 2014.

The ISINs are being suspended to enable the Company to complete the process of redemption/continuing to hold the NCDs by March 5, 2014.

30) When will the trading start again?

Trading will resume on the listing of the continued NCDs on the Stock Exchanges (under new ISINs) after the completion of the exercise of continuation/redemption of NCDs in March/April 2014.

31) What is the credit rating for this instrument as on date and what does this signify?

Rating of NCDs would continue at AA+. This rating has been assigned by ICRA Limited. It signifies: "High degree of safety regarding timely servicing of financial obligations and such instruments carry low credit risk. The outlook on long term rating is 'Stable'."

32) What are the existing ISINs (i.e. International Securities Identification Numbers) under each Option?

Option	ISIN
Option I	INE306N07260
Option II	INE306N07492
Option III	INE306N07286
Option IV	INE306N07294

33) What is the Face Value and current market price of NCDs under each option?

Face value and Current Market Price under each Option as on January 2, 2014 was, as under:

Option	Face Value (Amount in Rs.)	Market Value (Amount in Rs.) (Source: BSE)	Market Value (Amount in Rs.) (Source: NSE)
Option I (Monthly)	100,000.00	1,03,995.00	1,00,500.00
Option II (Quarterly)	1,000.00	1,003.99	996.50
Option III (Annual)	1,000.00	1,092.79	1,082.59

Option IV (Cumulative)	1,000.00	1,678.00	1,678.85
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34) When and how would I get my redemption amount along with interest?

The Debentures along with the interest amount would be redeemed on March 5, 2014 under all the four options, if the NCD holder has opted for redemption or failed to submit the positive consent for continuation of NCDs on or before **February 21, 2014**. On redemption of the NCDs, the holders thereof shall receive direct credit of the principal amount alongwith accrued interest thereon in their Bank account, as per ECS instructions furnished by the NCD holder. In absence of the same, a Redemption Warrant will be sent to the NCD holders at their address registered with Karvy.

35) Would new debentures also be issued in physical form?

NCD holders holding NCDs in physical form and who have consented to continue the NCDs will be sent new certificates, without calling for the exchange of the old certificate. The old certificate will stand cancelled on the issue of the new certificate. On the redemption of the NCDs, an NCD holder holding NCDs in physical form, is not required to surrender the certificate. The same will stand cancelled on the date of redemption of the NCDs.

36) How would the new (continued) debenture be issued if the debentures are held in Demat form?

New ISINs will be allotted for the continued NCDs held in electronic form. The new ISINs will be credited to the Demat Accounts of the NCD holders in cancellation of the existing NCDs, carrying old ISINs.

37) If we are holding NCDs in physical form, are we required to submit/surrender the debenture certificate for continuation /redemption of the NCDs?

NCD holders holding NCDs in physical form and who have consented to hold the NCDs for further period of five years, will be sent new certificates, without requiring exchange of the old certificate. The old certificate will stand cancelled on the issue of the new certificate. On the redemption of the NCDs, an NCD holder holding NCDs in physical form is not required to surrender the certificate. The same will stand cancelled on the date of redemption of the NCDs.

38) When will the result of the Postal Ballot be declared?

The result of the Postal Ballot will be announced by the Managing Director & CEO or by any Director or by the Company Secretary on Monday, February 17, 2014 at 3:00 p.m. at the Registered Office of the Company. The result of the Postal Ballot will be hosted on the Company's website www.tatacapitalfinancialservices.com and thereafter will also be published in newspapers.

39) Is E-voting option available?

No, E- voting is not mandatory for the Company since the Company's Equity Shares are not listed on any Stock Exchange.

40) Is there any Put and Call option under the continuation of NCDs?

No.

41) Is SEBI approval required?

No, SEBI approval for continuation of the NCDs is not required. However, the Company has informed SEBI of the same.

42) Can the NCD holder add more funds to the existing investments in the NCDs if he/she/it opts to continue the NCDs?

No.

43) Is continuation of NCDs mandatory for the NCD holders?

No, the continuation of the NCDs is not mandatory. The Company will redeem the NCDs and pay the principal amount of the NCDs along with accrued interest on March 5, 2014, for the NCD holders who do not give their consent for the continuation of the NCDs.

44) What is the maximum amount of NCDs that can be continued?

The total principal amount of the NCDs outstanding is Rs 605.02 crore. The maximum principal amount of NCDs that can be continued will be Rs 605.02 crore. An NCD holder can continue NCDs only to the extent of NCDs held. The NCD holder cannot apply for any additional NCDs. It may be noted that only the Principal amount would be continued and the NCD holder would not be able to continue the investment alongwith the accrued interest. The accrued interest would be paid to the NCD holders as on March 5, 2014.

45) Can I opt for partial continuation of NCDs and redeem my balance holdings?

Part consent to the continuation or part redemption of NCDs, under a same option, is not permitted.

46) Can the accumulated / accrued interest amount be considered for the continuation of NCDs?

No, only the face value of the NCDs is eligible for continuation. The NCD holders, who give their consent to the continuation, will be paid the accumulated/ accrued interest upto March 5, 2014 and only the face value of the NCDs will be continued for a further tenor of 5 years. The NCD holders who do not give their consent to the continuation, will be paid the Face Value plus accumulated/ accrued interest as on March 5, 2014 and their NCDs would be redeemed on March 5, 2014.

47) Can I switch my holding from one Option to another for the continuation of NCDs?

No.

48) I am interested in continuation of the NCD. Is it possible to continue the NCDs by transferring the same to any of my family member?

No, the NCDs cannot be transferred to any other person after the Record Date and till such time as the ISINs remain suspended. The NCDs will have to be continued in the favor of the existing NCD holder only. After the completion of compliances relating to the continuation of NCDs, the NCD holder will be able to transfer the same to any other person based on the available modes of transfer.

49) If the date of continuation is other than the date of maturity of the NCDs, will there be loss of interest?

The effective date of continuation of the NCDs will be the date immediately following the date of maturity/redemption of the NCDs. Hence, there will be no intervening loss of interest to the NCD holders, if the option to continue with the NCDs, is chosen.

50) Would the Principal and the Accumulated Interest amount under Option IV be continued for a further period of 5 years?

No, only the Principal amount will be continued for a further period of 5 years. The accumulated interest under Option IV will be paid to the NCD holder as of March 5, 2014.

51) Can the NCD holder who has pledged his/her/its NCDs opt for continuation or redemption?

An NCD holder whose NCDs are under pledge and who wishes to continue the NCDs would be continued but the NCDs would be credited under the New ISIN only after the NCD holder has revoked the pledge on the said NCDs. If the NCD holder does not revoke the pledge, the NCD holder will not be able to get the credit of his NCDs in his Demat Account, under the new ISIN.

An NCD holder who wishes to redeem the NCDs has to first revoke the pledge in order to get the redemption amount. If the NCD holder does not revoke the pledge, the Company will be unable to credit the redemption amount (Principal amount + interest) to his Bank Account.

52) Will there be a separate Record Date for Redemption on the maturity date of March 5, 2014?

No, the Record Date for giving the option to the NCD holder has been fixed as January 10, 2014 for the purpose of giving the option to the NCD holder to continue for a further period of 5 years or to redeem the NCDs w.e.f. March 5, 2014. Hence, no separate Record Date will be fixed by the Company on the date of maturity (i.e. March 5, 2014) for the purpose of redemption of the NCDs, since the ISINs of the NCDs would be suspended with reference to the Record Date of January 10, 2014.

53) Will you have separate Record Dates for payment of interest under Options I, II and III before the redemption date of the NCDs on March 5, 2014?

No, since January 10, 2014 has been fixed as the Record Date for the NCD holder to exercise their option to continue to hold their NCDs or redeem their NCDs and the ISINs of

the NCDs will be suspended with reference to the Record Date till such time as the NCDs to be continued are listed and NCDs to be redeemed are paid out, there would be no separate Record Dates for payment of interest and the same Record Date of January 10, 2014 would be reckoned for the purpose of payment of interest under the aforesaid Options.

54) Why is a Meeting of the NCD holders not convened to seek the consent of the NCD holders for Continuation of the NCDs and approval is being sought by Postal Ballot?

As required under the Prospectus dated January 21, 2009 and in pursuance of the SEBI (Issue and Listing of Debt Securities) Regulations, 2008, the consent of the NCD holder is required to be sought by way of a Postal Ballot. It may be noted that, by doing so, a larger number of NCD holders would be able to participate in the decision of enabling the Company to continue its NCDs.