



## Shriram Transport Finance Company Limited

Shriram Transport Finance Company Limited (our "Company"), a public limited company was incorporated under the Companies Act, 1956 pursuant to a certificate of incorporation dated June 30, 1979, issued by the Registrar of Companies, Chennai, Tamil Nadu (Registered as a deposit taking Non-Banking Financial Company within the meaning of the Reserve Bank of India Act, 1934 (2 of 1934)). Our Company has obtained a certificate of registration dated September 4, 2000 bearing registration no. A-07-00459 issued by the RBI to carry on the activities of a NBFC under section 45 IA of the RBI Act, 1934, which has been renewed on April 17, 2007, (bearing registration no. 07-00459). Our Company is a Deposit taking Non-Banking Financial Company. For further details, please see "General Information" and "History, Main Objects and Key Agreements" on pages 42 and 123 respectively of the Shelf Prospectus.

**Corporate Identification Number:** L65191TN1979PLC007874 **Registered Office:** Mookambika Complex, 3<sup>rd</sup> Floor, No. 4, Lady Desika Road, Mylapore, Chennai, Tamil Nadu- 600 004  
**Tel No:** +91 44 2499 0356 **Fax:** +91 44 2499 3272 **Corporate Office:** Wockhardt Towers, West Wing, Level-3, C-2, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051  
**Tel No:** +91 22 4095 9595 **Fax:** +91 22 4095 9596/97 **Website:** www.stfc.in **Compliance Officer and Contact Person:** Mr. Vivek Madhukar Achwal; **E-mail:** stfcncd9t1comp@stfc.in

**PUBLIC ISSUE BY SHRIRAM TRANSPORT FINANCE COMPANY LIMITED, ("COMPANY" OR "ISSUER") OF 10,00,00,000 SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF RS. 1,000 EACH, ("NCDs"), FOR AN AMOUNT OF RS. 30,000 LACS ("BASE ISSUE SIZE") WITH AN OPTION TO RETAIN OVERSUBSCRIPTION AGGREGATING UP TO RS. 10,00,000 LACS ("THE SHELF LIMIT") AND IS BEING OFFERED BY WAY OF THIS TRANCHE 1 PROSPECTUS DATED JULY 12, 2019 CONTAINING, INTER ALIA, THE TERMS AND CONDITIONS OF THIS TRANCHE 1 ISSUE ("TRANCHE 1 PROSPECTUS"), WHICH SHOULD BE READ TOGETHER WITH THE SHELF PROSPECTUS DATED JULY 9, 2019 ("SHELF PROSPECTUS") FILED WITH THE REGISTRAR OF COMPANIES, CHENNAI, TAMIL NADU, DESIGNATED STOCK EXCHANGE AND SECURITIES AND EXCHANGE BOARD OF INDIA UNDER THE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 AS AMENDED (THE "DEBT REGULATIONS") AND THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER AS AMENDED. THE SHELF PROSPECTUS TOGETHER WITH THIS TRANCHE 1 PROSPECTUS CONSTITUTES THE PROSPECTUS ("PROSPECTUS").**

### OUR PROMOTER

Our Promoter is Shriram Capital Limited. For details of our Promoter, please see "Our Promoter" on page 140 of the Shelf Prospectus.

### GENERAL RISKS

For taking an investment decision, investors must rely on their own examination of the Issuer and this Tranche 1 Issue, including the risks involved. Specific attention of the Investors is invited to the chapter titled "Risk Factors" beginning on page 16 of the Shelf Prospectus and "Material Developments" on page 178 of the Shelf Prospectus and on page 37 of this Tranche 1 Prospectus before making an investment in this Tranche 1 Issue. This Tranche 1 Prospectus has not been and will not be approved by any regulatory authority in India, including the Securities and Exchange Board of India, the Reserve Bank of India, the Registrar of Companies or any stock exchange in India.

### ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Tranche 1 Prospectus read together with the Shelf Prospectus contains all information with regard to the Issuer, that the information contained in this Tranche 1 Prospectus together with the Shelf Prospectus is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Tranche 1 Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

### COUPON RATE, COUPON PAYMENT FREQUENCY, REDEMPTION DATE, REDEMPTION AMOUNT & ELIGIBLE INVESTORS

For details relating to Coupon Rate, Coupon Payment Frequency, Redemption Date, Redemption Amount and Eligible Investors of the NCDs, please see "Issue Structure" on page 38 of this Tranche 1 Prospectus.

### CREDIT RATING

The NCDs proposed to be issued under this Issue have been rated 'CARE AA+; Stable' by CARE Ratings Limited ("CARE") for an amount of up to Rs. 10,00,000 lacs vide its letter dated June 28, 2019, 'CRISIL AA+/Stable' by CRISIL Limited ("CRISIL") for an amount of up to Rs. 10,00,000 lacs vide its letter dated June 26, 2019 and 'IND AA+; Outlook Stable' by India Ratings and Research Private Limited ("India Ratings") for an amount of up to Rs. 10,00,000 lacs vide its letter dated June 25, 2019. The rating of the NCDs by CARE, CRISIL and India Ratings indicate that instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations and carry very low credit risk. The ratings provided by CARE and/or CRISIL and/or India Ratings may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions. Please refer to Annexures A, B and C of this Tranche 1 Prospectus for the rationale for the above ratings.

### LISTING

The NCDs offered through this Tranche 1 Issue are proposed to be listed on the National Stock Exchange of India Limited ("NSE") and the BSE Limited ("BSE"). Our Company has obtained an 'in-principle' approval for the Issue from the NSE vide their letter dated July 8, 2019 and from the BSE vide their letter dated July 8, 2019. For the purposes of the Issue, NSE shall be the Designated Stock Exchange.


### PUBLIC COMMENTS

The Draft Shelf Prospectus dated June 29, 2019 has been filed with the NSE and BSE, pursuant to the provisions of the Debt Regulations and was open for public comments for a period of seven Working Days from the date of filing of the Draft Shelf Prospectus with the NSE and BSE.

### LEAD MANAGERS TO THE ISSUE

 <p><b>JM Financial Limited</b> 7<sup>th</sup> Floor, Chergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400025  <b>Tel:</b> +91 22 6630 3030  <b>Fax:</b> 91 22 6630 3330  <b>Email:</b> stfc.bondissue2019@jmf.com  <b>Investor Grievance Email:</b> grievance.ibd@jmf.com  <b>Website:</b> www.jmf.com  <b>Contact Person:</b> Ms. Prachee Dhuri  <b>Compliance Officer:</b> Mr. Sunny Shah  <b>SEBI Regn. No.:</b> INM000010361</p>	 <p><b>A. K. Capital Services Limited</b> 30-38, 3<sup>rd</sup> Floor, Free Press House, Free Press Journal Marg, 215, Nariman Point, Mumbai - 400 021, India  <b>Tel:</b> +91 22 6754 6500/ 6634 9300  <b>Fax:</b> +91 22 6610 0594  <b>Email:</b> stfc.ncd2019@akgroup.co.in  <b>Investor Grievance Email:</b> investor.grievance@akgroup.co.in  <b>Website:</b> www.akgroup.co.in  <b>Contact Person:</b> Mr. Krish Singhvi/ Mr. Malay Shah  <b>Compliance Officer:</b> Mr. Tejas Davda  <b>SEBI Registration No.:</b> INM000010411</p>	 <p><b>SMC Capitals Limited</b> A-401/402, Lotus Corporate Park, Jai Coach Junction, Off Western Express Highway, Goregaon (East), Mumbai 400063  <b>Tel:</b> +91 22 66481818  <b>Fax:</b> +91 22 67341697  <b>Email:</b> stfc.ncd2019@smccapitals.com  <b>Investor Grievance Email:</b> investor.grievance@smccapitals.com  <b>Website:</b> www.smccapitals.com  <b>Contact Person:</b> Mr. Satish Mangutkar/Mr. Bhavin Shah  <b>Compliance Officer:</b> Ms. Vaishali Gupta  <b>SEBI Registration Number:</b> INM000011427</p>
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### DEBENTURE TRUSTEE

 <p><b>Catalyst Trusteeship Limited**</b> 'GDA House', Plot No 85, Bhusari Colony (Right), Kothrud, Pune - 411038  <b>Tel:</b> 022 4922 0543  <b>Fax:</b> 022 4922 0505  <b>Email:</b> ComplianceCTL-Mumbai@ctltrustee.com  <b>Investor Grievance Email:</b> grievance@ctltrustee.com  <b>Website:</b> www.catalysttrustee.com  <b>Contact Person:</b> Umesh Salvi  <b>SEBI Registration No.:</b> IND000000034</p>
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### REGISTRAR TO THE ISSUE

 <p><b>Integrated Registry Management Services Private Limited</b> 2<sup>nd</sup> Floor, "Kences Towers", No. 1, Ramakrishna Street, North Usman Road, T. Nagar, Chennai - 600 017  <b>Tel:</b> + 91 44 2814 0801 to 803  <b>Fax:</b> +91 44 28142479  <b>Email:</b> stfcipo@integratedindia.in  <b>Investor Grievance Email:</b> sureshbabu@integratedindia.in  <b>Website:</b> www.integratedindia.in  <b>Contact Person:</b> Ms. Anusha N / Mr. Sriram S  <b>SEBI Registration No:</b> INR000000544</p>
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### TRANCHE 1 ISSUE SCHEDULE\*

**TRANCHE 1 ISSUE OPENS ON WEDNESDAY, JULY 17, 2019**

**TRANCHE 1 ISSUE CLOSES ON FRIDAY, AUGUST 16, 2019**

\* This Tranche 1 Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. (Indian Standard Time) during the period indicated above, except that this Tranche 1 Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company or duly constituted Debt Issuance Committee - Public NCDs thereof, subject to necessary approvals. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors in all those newspapers in which an advertisement for opening or closure of this Tranche 1 Issue have been given on or before such earlier or initial date of Tranche 1 Issue closure. On the Tranche 1 Issue Closing Date, the Application Forms for Tranche 1 Issue will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the Stock Exchanges. For further details, please refer to the section titled "General Information" on page 15 of this Tranche 1 Prospectus.

\*\*Catalyst Trusteeship Limited has by its letter dated June 20, 2019 given its consent for its appointment as Debenture Trustee to the Issue pursuant to regulation 4(4) of the Debt Regulations and for its name to be included in this Tranche 1 Prospectus and in all the subsequent periodical communications sent to the holders of the NCDs issued pursuant to this Tranche 1 Issue. A copy of the Shelf Prospectus has been filed with the Registrar of Companies, Chennai, Tamil Nadu and a copy of this Tranche 1 Prospectus shall be filed with the Registrar of Companies, Chennai, Tamil Nadu, in terms of section 26 and 31 of the Companies Act, 2013, along with the endorsed/certified copies of all requisite documents. For further details, please see "Material Contracts and Documents for Inspection" beginning on page 98 of this Tranche 1 Prospectus.

## TABLE OF CONTENTS

<b>SECTION I GENERAL .....</b>	<b>1</b>
DEFINITIONS / ABBREVIATIONS .....	1
FORWARD LOOKING STATEMENTS .....	11
PRESENTATION OF FINANCIAL AND OTHER INFORMATION .....	13
<b>SECTION II INTRODUCTION .....</b>	<b>15</b>
GENERAL INFORMATION .....	15
OBJECTS OF THE TRANCHE 1 ISSUE .....	26
STATEMENT OF TAX BENEFITS .....	29
MATERIAL DEVELOPMENTS.....	37
<b>SECTION III ISSUE RELATED INFORMATION .....</b>	<b>38</b>
ISSUE STRUCTURE .....	38
TERMS OF THE ISSUE.....	44
ISSUE PROCEDURE .....	61
<b>SECTION III LEGAL AND OTHER INFORMATION .....</b>	<b>86</b>
OTHER REGULATORY AND STATUTORY DISCLOSURES.....	86
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION .....	98
DECLARATION .....	100
<b>ANNEXURE A – CRISIL RATING AND RATIONALE .....</b>	<b>107</b>
<b>ANNEXURE B – INDIA RATINGS RATING AND RATIONALE.....</b>	<b>108</b>
<b>ANNEXURE C – CARE RATING AND RATIONALE .....</b>	<b>109</b>
<b>ANNEXURE D – DEBENTURE TRUSTEE CONSENT .....</b>	<b>110</b>
<b>ANNEXURE E – CASH FLOWS FOR VARIOUS SERIES.....</b>	<b>111</b>

## SECTION I GENERAL

### DEFINITIONS / ABBREVIATIONS

Unless the context otherwise indicates, all references in this Tranche 1 Prospectus to “the Issuer”, “our Company”, “the Company” or “STFCL” are to Shriram Transport Finance Company Limited, a company incorporated under the Companies Act, 1956, registered as a Non-Banking Financial Company with the Reserve Bank of India under Section 45-IA of the Reserve Bank of India Act, 1934, and having its Registered Office at Mookambika Complex, 3rd Floor, No. 4, Lady Desika Road, Mylapore, Chennai, Tamil Nadu – 600 004. Unless the context otherwise indicates, all references in this Tranche 1 Prospectus to “we” or “us” or “our” are to our Company.

This Tranche 1 Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meanings ascribed to such terms in this Tranche 1 Prospectus, and references to any legislation, act, regulation, rules, guidelines, policies, circular, notification, charter documents or clarification will include any amendments or re-enactments thereto, from time to time.

#### Company related terms

Term	Description
“We”, “us”, “our”, “STFCL”, “Issuer”, “the Company” and “our Company”	Shriram Transport Finance Company Limited, a company incorporated under the Companies Act, 1956, registered as a Non-Banking Financial Company with the Reserve Bank of India under Section 45-IA of the Reserve Bank of India Act, 1934, and having its Registered Office at Mookambika Complex, 3rd Floor, No. 4, Lady Desika Road, Mylapore, Chennai, Tamil Nadu – 600 004
AOA/Articles/Articles of Association	Articles of Association of our Company
Assets Under Management as per IGAAP	Total Loan Assets and loan assets securitised and assigned, which continue to be serviced by the transferor
Assets Under Management as per Ind AS	Total Loan Assets and loan assets assigned, which continue to be serviced by the transferor
Associate Company	Shriram Automall India Limited
Audited Ind AS Consolidated Financial Statements	The audited Ind AS consolidated financial statement comprising of balance sheet as at March 31, 2019 and the statement of profit and loss for the Fiscal 2019, the statement of cash flows for the Fiscal 2019 and the statement of changes in equity for the Fiscal 2019 and a summary of the significant accounting policies and other explanatory information for the Fiscal 2019, prepared in accordance with Ind AS, as jointly audited by our Company’s Joint Statutory Auditors
Audited Ind AS Standalone Financial Statements	The audited Ind AS standalone financial statement comprising of balance sheet as at March 31, 2019 and the statement of profit and loss for the Fiscal 2019, the statement of cash flows for the Fiscal 2019 and the statement of changes in equity for the Fiscal 2019 and a summary of the significant accounting policies and other explanatory information for the Fiscal 2019, prepared in accordance with Ind AS, as jointly audited by our Company’s Joint Statutory Auditors
Audited Ind AS Financial Statements	Audited Ind AS Consolidated Financial Statements and Audited Ind AS Standalone Financial Statements
Board / Board of Directors	The Board of Directors of our Company and includes any committee thereof from time to time
Debt Issuance Committee	The Debt Issuance Committee - Public NCDs constituted by our Board of Directors vide board resolution dated January 28, 2019
Equity Shares	Equity shares of face value of Rs. 10 each of our Company
Gross NPA	Loans outstanding including future principal and excluding unrealised interest accrued and due under NPA accounts
Gross NPA %	Percentage of Gross NPA to Total Loan Assets as per IGAAP
Group Companies	The following are the Group Companies of our Company: <ul style="list-style-type: none"> <li>• Shriram Value Services Limited</li> <li>• Shriram Automall India Limited</li> <li>• Shriram Life Insurance Company Limited</li> <li>• Shriram General Insurance Company Limited</li> </ul>

<b>Term</b>	<b>Description</b>
	<ul style="list-style-type: none"> <li>• Shriram Fortune Solutions Limited</li> <li>• Shriram Financial Products Solutions (Chennai) Private Limited</li> <li>• Shriram Insight Share Brokers Limited</li> <li>• Shriram Asset Management Company Limited</li> <li>• Adroit Inspection Service Private Limited</li> </ul>
KMP/ Key Managerial Personnel	<p>Key Managerial Personnel, as defined under Section 2 (51) of the Companies Act, 2013, as on the date of this Tranche 1 Prospectus:</p> <ul style="list-style-type: none"> <li>• Mr. Umesh Revankar, Managing Director and Chief Executive Officer</li> <li>• Mr. Parag Sharma, Chief Financial Officer</li> <li>• Mr. Vivek Achwal, Company Secretary and Compliance Officer</li> </ul>
Memorandum / MOA	Memorandum of Association of our Company
Net Loan Assets under IGAAP	Total Loan Assets as per IGAAP as adjusted for provisions for non-performing assets and provision for diminution in fair value of restructured loans
Net NPA	Net NPA means Gross NPA net off provision held for NPA accounts and provision for diminution in fair value of restructured loans
Net NPA %	Percentage of Net NPA to Net Loan assets as per IGAAP
Net worth	Net worth as defined in Section 2(57) of the Companies Act, 2013 means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.
Reformatted Consolidated Financial Statements	<p>The statement of reformatted consolidated assets and liabilities of the Company and its subsidiaries and Associate Company (current or otherwise as applicable) as at March 31, 2015, March 31, 2016, March 31, 2017 and March 31, 2018 and the related statement of reformatted consolidated statement of profit and loss and the related statement of reformatted consolidated cash flow for the financial years ended March 31, 2015, March 31, 2016, March 31, 2017 and March 31, 2018 as jointly examined by our Company's Joint Statutory Auditors.</p> <p>The audited consolidated financial statements of the Company as at and for the years ended March 31, 2015, March 31, 2016, March 31, 2017 and March 31, 2018 form the basis for such Reformatted Consolidated Financial Statements.</p>
Reformatted Standalone Financial Statements	<p>The statement of reformatted standalone assets and liabilities of our Company, and the related statement of reformatted standalone statement of profit and loss of our Company and the related statement of reformatted standalone cash flow of our Company as at and for the years ended March 31, 2015, March 31, 2016, March 31, 2017 and March 31, 2018, as jointly examined by our Company's Joint Statutory Auditors.</p> <p>The audited standalone financial statements of our Company as at and for the years ended March 31, 2015, March 31, 2016, March 31, 2017 and March 31, 2018 form the basis for such Reformatted Standalone Financial Statements.</p>
Reformatted Financial Statements	Reformatted Consolidated Financial Statements and Reformatted Standalone Financial Statements
Registrar of Companies / RoC	The Registrar of Companies, Tamil Nadu at Chennai
SCL/Promoter	The promoter of our Company, Shriram Capital Limited
Stage 3 Assets	Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under Ind AS
Statutory Auditors / Joint Statutory Auditors	Our joint statutory auditors being M/s Pijush Gupta & Co. and M/s Haribhakti & Co. LLP
Total Loan Assets as per IGAAP	Secured hypothecation loans, other secured loans, retained interest on securitisation, unsecured loans and unsecured advance for hypothecation loans

## Issue related terms

Term	Description
Abridged Prospectus	A memorandum containing the salient features of the Shelf Prospectus and this Tranche 1 Prospectus
Allotment / Allot / Allotted	Unless the context otherwise requires, the allotment of the NCDs pursuant to the Issue to the successful Allottees
Allotment Advice	The communication sent to the Allottees conveying the details of the NCDs Allotted to the Allottees in accordance with the Basis of Allotment
Allottee(s)	A successful Applicant to whom the NCDs are Allotted pursuant to the Issue
Applicant/Investor	A person who applies for the issuance and Allotment of NCDs through the ASBA Process pursuant to the terms of the Shelf Prospectus, this Tranche 1 Prospectus, the Abridged Prospectus and Application Form for this Tranche 1 Issue
Application	An application (whether physical or electronic) to subscribe to the NCDs offered pursuant to this Tranche 1 Issue by submission of a valid Application Form and authorising an SCSB to block the Application Amount in the ASBA Account which will be considered as the application for Allotment in terms of the Shelf Prospectus and this Tranche 1 Prospectus
Application Amount	The aggregate value of the NCDs applied for, as indicated in the Application Form
Application Form	The form used by an Applicant for applying for the NCDs under the Issue through the ASBA process, in terms of the Shelf Prospectus and this Tranche 1 Prospectus
ASBA	Application Supported by Blocked Amount
ASBA Account	An account maintained with an SCSB which will be blocked by such SCSB to the extent of the Application Amount of an Applicant
Banker(s) to the Issue	Collectively, the Public Issue Account Bank and the Refund Bank
Base Issue / Base Issue Size	Rs. 30,000 lacs
Basis of Allotment	The basis on which the NCDs will be allotted to Applicants under the Tranche 1 Issue and which is described in “ <i>Issue Procedure – Basis of Allotment</i> ” on page 79 of this Tranche 1 Prospectus
Bidding Centres/Collection Centres	Centres at which the Designated Intermediaries shall accept the Application Forms, being the Designated Branches for SCSBs, Specified Locations for Members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Broker Centres	Broker centres notified by the Stock Exchanges, where Applicants can submit the Application Forms to a Trading Member. The details of such Broker Centres, along with the names and contact details of the Trading Members are available on the respective websites of the Stock Exchanges
CARE	CARE Ratings Limited
Category I – Institutional Investors	<ul style="list-style-type: none"> <li>• Public financial institutions scheduled commercial banks, Indian multilateral and bilateral development financial institution which are authorized to invest in the NCDs;</li> <li>• Provident funds, pension funds with a minimum corpus of Rs.2,500 lacs, superannuation funds and gratuity funds, which are authorized to invest in the NCDs;</li> <li>• Mutual Funds registered with SEBI</li> <li>• Venture Capital Funds/ Alternative Investment Fund registered with SEBI;</li> <li>• Insurance Companies registered with IRDA;</li> <li>• State industrial development corporations;</li> <li>• Insurance funds set up and managed by the army, navy, or air force of the Union of India;</li> <li>• Insurance funds set up and managed by the Department of Posts, the Union of India;</li> <li>• Systemically Important Non-Banking Financial Company, a nonbanking financial company registered with the Reserve Bank of India and having a net worth of more than Rs. 50,000 lacs as per the last audited financial statements;</li> </ul>

<b>Term</b>	<b>Description</b>
	<ul style="list-style-type: none"> <li>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.</li> </ul>
Category II – Non-Institutional Investors	<ul style="list-style-type: none"> <li>Companies within the meaning of section 2(20) of the Companies Act, 2013;</li> <li>Statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs;</li> <li>Co-operative banks and regional rural banks;</li> <li>Public/private charitable/ religious trusts which are authorised to invest in the NCDs;</li> <li>Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;</li> <li>Partnership firms in the name of the partners;</li> <li>Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009);</li> <li>Association of Persons; and</li> <li>Any other incorporated and/ or unincorporated body of persons.</li> </ul>
Category III – High Net-Worth Individuals	Resident Indian individuals or Hindu Undivided Families through the Karta who apply for NCDs for an amount aggregating to a value more than Rs. 10 lacs, across all Series of NCDs
Category IV – Retail Individual Investors	Resident Indian individuals or Hindu Undivided Families through the Karta who apply for NCDs aggregating to a value upto and including Rs. 10 lacs, across all Series of NCDs
Collecting Depository Participants / CDPs	A depository participant, as defined under the Depositories Act, 1996 and registered under Section 12(1A) of the SEBI Act and who is eligible to procure Applications at the Designated CDP Locations in terms of the Debt ASBA Circular
Credit Rating Agency(ies)	The credit rating agencies in connection with this Issue, namely, CARE Ratings Limited, CRISIL Limited and India Ratings and Research Private Limited
CRISIL	CRISIL Limited
Debenture Holder(s) or NCD Holder(s)	Any person holding the NCDs and whose name appears on the beneficial owners list provided by the Depository (in case of NCDs in the dematerialized form) and/or whose name appears in the Register of NCD Holders maintained by our Company (in case of NCDs in physical form pursuant to re-materialisation)
Debentures / NCDs	Secured, Redeemable, Non-Convertible Debentures of face value of Rs. 1,000 each aggregating up to Rs. 10,00,000 lacs to be issued by our Company pursuant to the Shelf Prospectus and the Tranche Prospectus(es)
Debenture Trustee	Trustee for the Debenture Holders, in this case being Catalyst Trusteeship Limited
Debenture Trustee Agreement	Agreement dated June 26, 2019 entered into between our Company and the Debenture Trustee
Debenture Trust Deed	Deed and/or indenture of trust to be entered into between our Company and the Debenture Trustee which shall be executed within the time limit prescribed by applicable statutory and/or regulatory requirements, and which shall along with the Deed of Hypothecation create appropriate security, in favour of the Debenture Trustee for the NCD Holders on the assets adequate to ensure 100% asset cover for the NCDs and the interest due thereon
Debt Application Circular	Circular no. CIR/IMD/DF 1/20/ 2012 issued by SEBI on July 27, 2012
Debt ASBA Circular	Circular no. CIR/DDHS/P/121/2018 issued by SEBI on August 16, 2018
Debt Listing Agreement	The listing agreement entered into between our Company and the relevant stock exchange(s) in connection with the listing of the debt securities of our Company
Debt Regulations	Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended from time to time
Deed of Hypothecation	Deed to be entered into between our Company and the Debenture Trustee which shall be executed within the time limit prescribed by applicable statutory and/or regulatory requirements, for creating an exclusive first ranking charge over certain specified accounts receivable of the Company in favour of the Debenture Trustee for the NCD Holders

<b>Term</b>	<b>Description</b>
Deemed Date of Allotment	The date on which the Debt Issuance Committee constituted by resolution of the Board dated January 28, 2019 approves the Allotment of NCDs for the Tranche 1 Issue and or such other date as may be determined by the Board or the Debt Issuance Committee and notified to the Stock Exchanges. All benefits under the NCDs including payment of interest shall be available to the NCD Holders from the Deemed Date of Allotment. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment
Demographic Details	Details of an Applicant such as address, occupation, Category for printing on refund orders, Permanent Account Number (“PAN”) and bank account details, which are based on the details provided by the Applicant in the Application Form
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository(ies)	National Securities Depository Limited and /or Central Depository Services (India) Limited.
DP / Depository Participant	A depository participant as defined under the Depositories Act.
Designated Branches	Such branches of the SCSBs which shall collect the Applications and a list of which is available on <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> or at such other weblink as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the Application Forms, a list of which, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms, are available on the website of NSE at <a href="https://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm">https://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm</a> and as updated from time to time.
Designated Date	The date on which the Registrar to the Issue issues instruction to SCSBs for unblocking of funds from the ASBA Accounts to the Public Issue Account(s) or to the Refund Account, as appropriate, in terms of the Shelf Prospectus, this Tranche 1 Prospectus and the Public Issue Account Agreement
Designated Intermediaries	The Members of the Syndicate, SCSBs, Trading Members, RTAs and CDPs who are authorized to collect Application Forms from the Applicants, in relation to the Issue.
Designated RTA Locations	Such locations of the RTAs where Applicants can submit the Application Forms to RTAs, a list of which, along with names and contact details of the RTAs eligible to accept Application Forms are available on the website of the <a href="https://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm">https://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm</a> and as updated from time to time.
Designated Stock Exchange	National Stock Exchange of India Limited
Draft Shelf Prospectus	The draft shelf prospectus dated June 29, 2019 filed with SEBI and the Stock Exchanges for receiving public comments in accordance with the provisions of the Debt Regulations
HNI Portion	Applications received from HNI Investors grouped together across all Series
India Ratings	India Ratings and Research Private Limited
Individual Investors	All categories of persons who are individuals or natural persons (including Hindu Undivided Families acting through their Karta) including without limitation HNI Investors and Retail Individual Investors and other individuals who are eligible under applicable laws to hold the NCDs
Interest Payment Date	The dates on which interest / coupon on the NCDs shall fall due for payment as specified in this Tranche 1 Prospectus. Please see the section titled “ <i>Terms of the Issue – Interest/ Coupon/ Premium/ Tenor</i> ” on page 50 of this Tranche 1 Prospectus
Issue	Public Issue by our Company of NCDs pursuant to the Shelf Prospectus and the Tranche Prospectus(es) for an amount up to an aggregate amount of the Shelf Limit of Rs. 10,00,000 lacs. The NCDs will be issued in one or more tranches subject to the Shelf Limit.
Issue Agreement	The agreement dated June 29, 2019 between our Company and the Lead Managers

<b>Term</b>	<b>Description</b>
Lead Broker Agreement	Agreement dated July 10, 2019 entered into among our Company, the Lead Managers and the Lead Brokers
Lead Brokers	A.K. Stockmart Private Limited, SMC Global Securities Limited, Bajaj Capital Limited, Kotak Securities Limited, RR Equity Brokers Pvt. Ltd., Tipsons Stock Brokers Private Limited, Trust Securities Services Private Limited, Trust Financial Consultancy Private Limited, HDFC Securities Limited, ICICI Securities Limited, Edelweiss Securities Limited, IIFL Securities Limited, Karvy Stock Broking Limited, JM Financial Services Limited, and Integrated Enterprises (India) Private Limited
Lead Managers	JM Financial Limited, A. K. Capital Services Limited and SMC Capitals Limited
Limited Liability Partnership	A limited liability partnership registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009), as amended from time to time
Market Lot	1 (one) NCD
Non Individual Investors	All categories of entities, associations, organizations, societies, trusts, funds, partnership firms (including LLPs), bodies corporate, statutory and/or regulatory bodies and authorities and other forms of legal entities who are NOT individuals or natural persons and are eligible under applicable laws to hold the NCDs including without limitation Institutional Investors and Non Institutional Investors
Public Issue Account	A bank account opened in accordance with the provisions of the Companies Act, 2013, with the Public Issue Account Bank to receive money from the ASBA Accounts on the Designated Date
Public Issue Account Agreement	Agreement dated July 10, 2019 entered into amongst our Company, the Registrar to the Issue, the Public Issue Account Bank, the Refund Bank and the Lead Managers for collection of the Application Amounts from ASBA Accounts and where applicable, refunds of the amounts collected from the Applicants on the terms and conditions thereof
Public Issue Account Bank	ICICI Bank
Record Date	The record date for payment of interest in connection with the NCDs issued under this Tranche 1 Prospectus or repayment of principal in connection therewith shall be 15 (fifteen) days prior to the date on which interest is due and payable and/or the date of redemption, or such other date as may be otherwise specified by the Stock Exchanges. In case of redemption of NCDs, the trading in the NCDs shall remain suspended between the Record Date and the date of redemption. In event the Record Date falls on a day when Stock Exchange are having a trading holiday, the immediate subsequent trading day will be deemed as the Record Date.
Registered Brokers / Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate and eligible to procure Applications from Applicants
Refund Account(s)	The account(s) opened with the Refund Bank, from which refunds, if any, of the whole or part of the Application Amount shall be made
Refund Bank	ICICI Bank
Register of NCD Holders	The statutory register in connection with any NCDs which are held in the physical form pursuant to re-materialisation, containing name and prescribed details of the relevant NCD Holders, which will be prepared and maintained by our Company/Registrar in terms of the applicable provisions of the Act
Registrar/ Registrar to the Issue	Integrated Registry Management Services Private Limited
Registrar and Share Transfer Agents / RTA	Registrar and share transfer agents to the Issue registered with SEBI
Registrar Agreement	The agreement dated June 28, 2019 between our Company and the Registrar in connection with the Issue
Redemption Amount	The amount payable by the Company to the relevant NCD Holder at the time of redemption of NCDs, including any amount of interest accrued as on the Redemption Date



<b>Term</b>	<b>Description</b>
Redemption Date	The date on which the Company is liable to redeem the NCDs in full as specified in the section titled “ <i>Terms of the Issue – Maturity and Redemption</i> ” on page 54 of this Tranche 1 Prospectus
SCSBs or Self Certified Syndicate Banks	The banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> updated from time to time and at such other websites as may be prescribed by SEBI from time to time.
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, as amended from time to time.
Specified Cities / Specified Locations	Bidding Centres where the Member of the Syndicate shall accept Application Forms from Applicants a list of which is available on the website of the SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.
Series	Collectively the series of NCDs being offered to the Applicants as stated in the section titled “ <i>Issue Related Information</i> ” beginning on page 38 of this Tranche 1 Prospectus
Shelf Limit	The aggregate limit of the Issue being Rs. 10,00,000 lacs to be issued under the Shelf Prospectus through one or more Tranche Issues
Shelf Prospectus	The Shelf Prospectus dated July 9, 2019 filed by our Company with the RoC, SEBI, NSE, BSE, in accordance with the Debt Regulations and provisions of the Companies Act, 2013 read with any addendum/ corrigendum thereto.  The Shelf Prospectus shall be valid for a period as prescribed under section 31 of the Companies Act, 2013.
Stock Exchange/s	NSE and BSE
Syndicate or Members of the Syndicate	Collectively, the Lead Managers and Lead Brokers appointed in relation to the Issue
Syndicate ASBA	An Application submitted by an Applicant through the Members of the Syndicate and Trading Members instead of the Designated Branches of the SCSBs
Syndicate ASBA Application Locations	Bidding centres where the Members of the Syndicate and Trading Members shall accept Application Forms from Applicants, a list of which is available on the website of the SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> and updated from time to time and at such other websites as may be prescribed by SEBI from time to time
Syndicate SCSB Branches	In relation to Applications submitted to a Member of the Syndicate or Trading Members, such branches of the SCSBs at the Syndicate ASBA Application Locations named by the SCSBs to receive deposits of the Application Forms from the Members of the Syndicate, and a list of which is available on <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> and updated from time to time and at such other website as may be prescribed by SEBI from time to time
Tenor	Tenor shall mean the tenor of the NCDs. Please see the section titled “ <i>Terms of the Issue – Interest/ Coupon/ Premium/ Tenor</i> ” on page 50 of this Tranche 1 Prospectus.
Tranche 1 Issue Opening Date	Wednesday, July 17, 2019
Tranche 1 Issue Closing Date	Friday, August 16, 2019* * <i>This Tranche 1 Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. (Indian Standard Time) during the period indicated above, except that this Tranche 1 Issue may close on such earlier date or extended date as may be decided by the Board or the Debt Issuance Committee, subject to necessary approvals. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors in all those newspapers in which an advertisement for opening or</i>

<b>Term</b>	<b>Description</b>
	<i>closure of this Tranche 1 Issue have been given on or before such earlier or initial date of Tranche 1 Issue closure. On the Tranche 1 Issue Closing Date, the Application Forms for Tranche 1 Issue will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the Stock Exchanges.</i>
Tranche 1 Issue Period	The period between the Tranche 1 Issue Opening Date and the Tranche 1 Issue Closing Date, inclusive of both days
Tranche 1 Issue	Issue of NCDs pursuant to this Tranche 1 Prospectus
Tranche Issue	Issue of NCDs as per the terms specified in each Tranche Prospectus
Tranche 1 Prospectus	This Tranche Prospectus dated July 12, 2019 containing the details of the NCDs issued pursuant to this Tranche 1 Issue
Tranche Prospectus	The tranche prospectus containing the details of NCDs including interest, other terms and conditions in respect of the relevant Tranche Issue
Trading Members	Intermediaries registered with a broker or a sub-broker under the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992 and/or with the Stock Exchanges under the applicable byelaws, rules, regulations, guidelines, circulars issued by Stock Exchanges from time to time and duly registered with the Stock Exchanges for collection and electronic upload of Application Forms on the electronic application platform provided by Stock Exchanges
Transaction Documents	Transaction Documents shall mean, the Issue Agreement, the Registrar Agreement, the Debenture Trustee Agreement, the agreed form of the Debenture Trust Deed and the Deed of Hypothecation to be executed between our Company and the Debenture Trustee, the Lead Broker Agreement, Public Issue Account Agreement and Tripartite Agreements, executed or to be executed by our Company, as the case may be. For further details, please refer to the section titled “ <i>Material Contracts and Documents for Inspection</i> ” beginning on page 98 of this Tranche 1 Prospectus.
Tripartite Agreement(s)	Tripartite agreement dated March 29, 2000 among our Company, the Registrar and CDSL and tripartite agreement dated April 30, 1999 among our Company, the Registrar and NSDL under the terms of which the Depositories have agreed to act as depositories for the securities issued by the Issuer.
TRS/ Transaction Registration Slip	The slip or document issued by the Lead Managers, Lead Brokers, Trading Members of the Stock Exchange or the designated branches of the SCSB (only on demand), as the case may be, to the Applicant as proof of registration of the Application.
Working Days	Working Day shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai, except with reference to Tranche 1 Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post issue period, i.e. period beginning from the Tranche 1 Issue Closing Date to listing of the NCDs, Working Days shall mean all trading days of Stock Exchange excluding Sundays and bank holidays in Mumbai. During the tenor of the NCDs, interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai.

#### **Business / Industry related terms**

<b>Term</b>	<b>Description</b>
CV	Commercial Vehicle
DIN	Director Identification Number
HCV	Heavy Commercial Vehicle
ICRA	ICRA Limited
ICRA Report	Reports issued by ICRA and titled as (A) Retail – NBFC Credit Trends published in April 2019; (B) Indian Automobile Industry- Passenger Vehicles (“Inventory correction at dealerships continue to weigh on wholesale dispatches”) published in June 2019; (C) Indian Automobile Industry- Commercial Vehicles (“Weakness in CV industry worsens – Domestic sales decline by 10% in May

Term	Description
	led by subdued demand for Goods Carriers”) published in June 2019; and (D) Indian Tractor Industry published in May 2019
India Ratings Report	Reports issued by India Ratings and titled as Credit Outlook FY20 published in March 2019
KYC	Know Your Customer
KYC Norms	Customer identification procedure for opening of accounts and monitoring transactions of suspicious nature followed by NBFCs for the purpose of reporting it to appropriate authority
LCV(s)	Light Commercial Vehicles
LTV	Loan to value
MCVs	Medium Commercial Vehicles
M&HCV	Medium and Heavy Commercial Vehicle
NBFC-D	NBFC registered as a deposit accepting NBFC
PVs	Passenger Vehicles

### Conventional and general terms or abbreviations

Term	Description
AGM	Annual General Meeting
The Companies Act, 1956	The Companies Act, 1956, as amended from time to time and to the extent as applicable as on date of this Tranche 1 Prospectus
The Companies Act, 2013/ the Companies Act	The Companies Act, 2013 and the rules prescribed thereunder, as amended
BSE	BSE Limited
CDSL	Central Depository Services (India) Limited
DRR	Debenture Redemption Reserve
EGM	Extraordinary General Meeting
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time
FEMA 20	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, as amended from time to time
FII/ FIIs	Foreign Institutional Investor(s)
FPI	Foreign Portfolio Investor as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended
Financial Year / FY/ Fiscal	Financial Year ending March 31
GoI	Government of India
HUF	Hindu Undivided Family
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
Ind AS	Indian accounting standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended
Indian GAAP / IGAAP	Generally Accepted Accounting Principles in India or Accounting Standards (‘AS’) under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016
IRDA	Insurance Regulatory and Development Authority of India
I.T. Act	The Income Tax Act, 1961, as amended from time to time
LLP	Limited Liability Partnership as defined under the Limited Liability Partnership Act, 2008 and rules prescribed as amended from time to time
MCA	Ministry of Corporate Affairs, Government of India
MICR	Magnetic Ink Character Recognition
NACH	National Automated Clearing House
NBFC	Non-Banking Financial Company as defined under Section 45-IC and 45-IF of the RBI Act, 1934
NBFC - Investment and Credit Company / NBFC-ICC	Any company, which is a financial institution, carrying on as its principal business- asset finance, the providing of finance whether by making loans or advances or otherwise for any activity other than its own and the acquisition of

<b>Term</b>	<b>Description</b>
	securities; and is not any other category of NBFC as defined by the Reserve Bank of India in any of its master directions
NEFT	National Electronic Funds Transfer
NPA	Non – Performing Asset
NRIs	Persons resident outside India, who are citizens of India and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
PAN	Permanent Account Number
Rs./ INR/ Rupees/Indian Rupee	The lawful currency of the Republic of India
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	The Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SCSB	Self Certified Syndicate Banks
SEBI	Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992 as amended from time to time
TDS	Tax Deducted at Source
WDM	Wholesale Debt Market

Notwithstanding anything contained herein, capitalised terms that have been defined in the chapters titled “*Statement of Tax Benefits*”, “*Other Regulatory and Statutory Disclosures*” and “*Issue Procedure*” on pages 29, 86 and 61 of this Tranche 1 Prospectus, respectively will have the meanings ascribed to them in such chapters.

## FORWARD LOOKING STATEMENTS

Certain statements contained in this Tranche 1 Prospectus that are not statements of historical fact constitute “forward-looking statements”. Investors can generally identify forward-looking statements by terminology such as “aim”, “anticipate”, “believe”, “continue”, “could”, “estimate”, “expect”, “intend”, “may”, “objective”, “plan”, “potential”, “project”, “pursue”, “should”, “will”, “would”, or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All statements regarding our Company’s expected financial condition and results of operations and business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our Company’s business strategy, revenue and profitability, planned projects and other matters discussed in this Tranche 1 Prospectus that are not historical facts. These forward-looking statements and any other projections contained in this Tranche 1 Prospectus (whether made by our Company or any third party) are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause our Company’s actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results, including our financial conditions and results of operations, to differ from our Company’s expectations include, but are not limited to, the following:

- Any increase in the levels of NPA on our loan portfolio, for any reason whatsoever;
- Our Company’s ability to successfully recover the outstanding advances or proper management of NPA;
- Any volatility in interest rates;
- General economic and business conditions in India and globally;
- Our ability to manage credit quality of our portfolio;
- Our ability to successfully implement our strategy, our growth and expansion plans and technological changes;
- Our ability to compete effectively and access funds at competitive cost;
- Unanticipated turbulence in interest rates, equity prices or other rates or prices; the performance of the financial and capital markets in India and globally;
- Availability of funds and willingness of our lenders to lend;
- Changes in political conditions in India;
- The rate of growth of our loan assets;
- The outcome of any legal or regulatory proceedings we are or may become a party to;
- Changes in Indian and/or foreign laws and regulations, including tax, accounting, banking, securities, insurance and other regulations; changes in competition and the pricing environment in India; and regional or general changes in asset valuations;
- Any changes in connection with Government policies, statutory provisions, regulations and/or RBI directions in connection with NBFCs, including laws that impact our lending rates and our ability to enforce our collateral;
- We have incurred significant indebtedness and may incur substantial additional borrowings in connection with our business;
- Changes in government regulations;

- Emergence of new competitors;
- Growth of transportation services in India;
- Occurrence of natural calamities or natural disasters affecting the areas in which our Company has operations; and
- Other factors discussed in the Shelf Prospectus, including under the section titled “*Risk Factors*” beginning on page 16 of the Shelf Prospectus.

All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results and valuations to differ materially from those contemplated by the relevant statement. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under the sections titled “*Industry*”, “*Our Business*” and “*Outstanding Litigations and Defaults*” on page 90, 101 and 225, respectively, of the Shelf Prospectus. The forward-looking statements contained in this Tranche 1 Prospectus are based on the beliefs of management, as well as the assumptions made by and information currently available to management. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct or will hold good at all times. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialize, or if any of our Company’s underlying assumptions prove to be incorrect, our Company’s actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

Neither the Lead Managers, our Company, our Directors, our KMPs and officers nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the Debt Regulations, our Company and the Lead Managers will ensure that investors in India are informed of material developments between the date of filing the Shelf Prospectus and this Tranche 1 Prospectus with the RoC and the date of receipt of listing and trading approvals for the NCDs.

## PRESENTATION OF FINANCIAL AND OTHER INFORMATION

### *General*

In this Tranche 1 Prospectus, unless the context otherwise indicates or implies, references to “you,” “offeree,” “purchaser,” “subscriber,” “recipient,” “investors” and “potential investor” are to the prospective investors to this Issue, references to “our Company”, “the Company” or “the Issuer” are to Shriram Transport Finance Company Limited.

In this Tranche 1 Prospectus, references to “US\$” is to the legal currency of the United States and references to “Rs.” and “Rupees” are to the legal currency of India. All references herein to the “U.S.” or the “United States” are to the United States of America and its territories and possessions and all references to “India” are to the Republic of India and its territories and possessions, and the “Government”, the “Central Government” or the “State Government” are to the Government of India, central or state, as applicable.

In this Tranche 1 Prospectus, any discrepancy in any table between total and the sum of the amounts listed are due to rounding off.

Unless otherwise stated, all figures pertaining to the financial information in connection with our Company are on a standalone basis.

Unless stated otherwise, all references to page numbers in this Tranche 1 Prospectus are to the page numbers of this Tranche 1 Prospectus.

### *Presentation of Financial Information*

Our Company’s financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year, so all references to a particular financial year or Fiscal are to the 12-month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year. Unless the context requires otherwise, all references to a year in this Tranche 1 Prospectus are to a calendar year and references to a Fiscal/ financial year are to the year ended on March 31, of that calendar year. Our Company publishes its financial statements in Rupees, in lacs.

The Government of India has introduced Ind AS pursuant to the “Convergence of its existing standards with IFRS”. Our Company is required to: (i) prepare its financial statements in accordance with Ind AS for periods beginning on or after April 1, 2018, and (ii) for the purposes of disclosure in the Shelf Prospectus, prepare and present our financial statements for the latest Fiscals (in this case, for Fiscal 2019) under Ind AS, applicable standards and guidance notes specified by the Institute of Chartered Accountants of India and the Debt Regulations and present our financial statements for the earlier four Fiscals (in this case, Fiscals 2018, 2017, 2016 and 2015) in accordance with Indian GAAP, applicable standards and guidance notes specified by the Institute of Chartered Accountants of India and the Debt Regulations. Accordingly, our financial statements for Fiscals 2019 may not be comparable to our historical financial statements.

The Reformatted Financial Statements and Audited Ind AS Financial Statements, and the respective examination reports on the Reformatted Standalone Financial Statements and Reformatted Consolidated Financial Statements and the respective audit reports on the Audited Ind AS Standalone Financial Statements and Audited Ind AS Consolidated Financial Statements, as issued by our Company’s Joint Statutory Auditors, M/s Pijush Gupta & Co. and M/s Haribhakti & Co. LLP, are included in the Shelf Prospectus in the section titled “*Financial Information*” beginning at page 142 of the Shelf Prospectus.

### *Industry and Market Data*

Unless stated otherwise, macroeconomic and industry data used throughout the Shelf Prospectus and this Tranche 1 Prospectus have been obtained from industry publications and from publicly available data prepared by providers of industry information, government sources and multilateral institutions. Such publications generally state that the information contained therein has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Although the Issuer believes that the industry and market data used in the Shelf Prospectus and this Tranche 1 Prospectus is reliable, it has not been independently verified by us or any independent sources. Further, the extent to which the industry and market data presented in this Tranche 1 Prospectus is meaningful depends on the reader’s familiarity with and understanding of

the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different market and industry sources.



## SECTION II INTRODUCTION

### GENERAL INFORMATION

Our Company was incorporated as a public limited company under the provisions of the Companies Act, 1956, by a certificate of incorporation dated June 30, 1979, issued by the ROC, Chennai, Tamil Nadu. Our Company commenced its operations, pursuant to a certificate of commencement of business dated October 9, 1979. Subsequently, our Company has obtained a certificate of registration dated September 4, 2000 bearing registration no. A-07-00459 issued by the RBI to carry on the activities of an NBFC under section 45 IA of the RBI Act, 1934, which has been renewed on April 17, 2007, (bearing registration no. 07-00459). Our Company is a systemically important deposit taking NBFC. Our Promoter is Shriram Capital Limited (“SCL”). For further details regarding the Promoter, please refer to the section titled "*Our Promoter*" at page 140 of the Shelf Prospectus.

#### Registered Office

Mookambika Complex,  
3rd Floor, No. 4, Lady Desika Road,  
Mylapore, Chennai,  
Tamil Nadu – 600004.  
Tel: +91 44 2499 0356  
Fax: +91 44 2499 3272  
Website: www.stfc.in

For further details regarding changes to the registered office of our Company, please refer to the section titled "*History, Main Objects and Key Agreements*" on page 123 of the Shelf Prospectus.

#### Corporate Office

Wockhardt Towers,  
Level – 3, West Wing,  
C-2, G Block, Bandra-Kurla Complex,  
Bandra (East), Mumbai – 400 051  
Tel: +91 22 4095 9595  
Fax: +91 22 4095 9596/97  
Email: stfcncd9t1comp@stfc.in  
Website: www.stfc.in

#### Registration

Corporate Identification Number: L65191TN1979PLC007874 and Registration Number 7874 issued by the Registrar of Companies, Tamil Nadu.

Permanent Account Number: AAACS7018R

Legal Entity Identifier: 335800TM2YO24B76XL26

Our Company holds a certificate of registration dated September 4, 2000 bearing registration no. A-07-00459 issued by the RBI to carry on the activities of a NBFC under section 45 IA of the RBI Act, 1934, which has been renewed on April 17, 2007 (bearing registration no. 07-00459).

#### Chief Financial Officer

Mr. Parag Sharma  
Shriram Transport Finance Company Limited  
Wockhardt Towers, Level-3  
West Wing, C –2, G Block, Bandra-Kurla Complex,  
Bandra (East), Mumbai – 400 051  
Tel: +91 22 40959595  
Fax: +91 22 40959596/97  
Email: parag@stfc.in

## **Compliance Officer and Company Secretary**

The details of the person appointed to act as Compliance Officer for the purposes of this Issue are set out below:

Mr. Vivek Madhukar Achwal  
*Company Secretary*  
Shriram Transport Finance Company Limited  
Wockhardt Towers, Level-3  
West Wing, C -2, G Block  
Bandra-Kurla Complex  
Bandra (East), Mumbai – 400 051  
Tel.: +91 22 4095 9595  
Fax: +91 22 4095 9596/97  
Email: stfcncd9comp@stfc.in

Investors may contact the Registrar to the Issue or the Compliance Officer in case of any pre-issue or post issue related issues such as non-receipt of Allotment Advice, demat credit, refund orders, non-receipt of NCD certificates on account of rematerialization, transfers etc.

All grievances relating to the Tranche 1 Issue or any relevant Tranche Issue may be addressed to the Registrar to the Issue with a copy to the relevant SCSB, giving full details such as name, address of Applicant, Application Form number, number of NCDs applied for, amount blocked on Application and the Designated Branch of the SCSB or the Collection Centre of the Designated Intermediary where the Application Form was submitted by the Applicant.

All grievances arising out of Applications for the NCDs made through the online stock exchanges mechanism may be addressed directly to the respective Stock Exchanges.

## **Lead Managers**

### **JM Financial Limited**

7th Floor, Cnergy,  
Appasaheb Marathe Marg,  
Prabhadevi, Mumbai – 400 025  
Tel: +91 22 6630 3030  
Fax: 91 22 6630 3330  
Email: stfc.bondissue2019@jmfl.com  
Investor Grievance Email: grievance.ibd@jmfl.com  
Website: www.jmfl.com  
Contact Person: Ms. Prachee Dhuri  
Compliance Officer: Mr. Sunny Shah  
SEBI Registration No.: INM000010361

### **A. K. Capital Services Limited**

30-38, 3rd Floor, Free Press House, Free Press Journal Marg, 215, Nariman Point, Mumbai - 400 021, India  
Tel: +91 22 6754 6500/ 6634 9300  
Fax: +91 22 6610 0594  
Email: stfc.ncd2019@akgroup.co.in  
Investor Grievance Email: investor.grievance@akgroup.co.in  
Website: www.akgroup.co.in  
Contact Person: Mr. Krish Sanghvi/ Mr. Malay Shah  
Compliance Officer: Mr. Tejas Davda  
SEBI Registration No.: INM000010411

### **SMC Capitals Limited**

A-401/402, Lotus Corporate Park, Jai Coach Junction,  
Off Western Express Highway, Goregaon (East), Mumbai 400063  
Tel: +91 22 66481818  
Fax: +91 22 67341697  
Email: stfc.ncd2019@smccapitals.com  
Investor Grievance Email: investor.grievance@smccapitals.com

Website: [www.smccapitals.com](http://www.smccapitals.com)  
Contact Person: Mr. Satish Mangutkar/Mr. Bhavin Shah  
Compliance Officer: Ms. Vaishali Gupta  
SEBI Registration Number: INM000011427

### **Debenture Trustee**

#### **Catalyst Trusteeship Limited**

‘GDA House’, Plot No 85, Bhusari Colony (Right),  
Kothrud, Pune – 411038  
Tel: 022 4922 0543  
Fax: 022 4922 0505  
Email: [ComplianceCTL-Mumbai@ctltrustee.com](mailto:ComplianceCTL-Mumbai@ctltrustee.com)  
Investor Grievance Email: [grievance@ctltrustee.com](mailto:grievance@ctltrustee.com)  
Website: [www.catalysttrustee.com](http://www.catalysttrustee.com)  
Contact Person: Umesh Salvi  
SEBI Registration No.: IND000000034

Catalyst Trusteeship Limited has by its letter dated June 20, 2019 given its consent for its appointment as Debenture Trustee to the Issue pursuant to regulation 4(4) of the Debt Regulations and for its name to be included in this Tranche 1 Prospectus and in all the subsequent periodical communications sent to the Debenture Holders pursuant to this Issue.

All the rights and remedies of the Debenture Holders under this Tranche 1 Issue shall vest in and shall be exercised by the appointed Debenture Trustee for this Tranche 1 Issue without having it referred to the Debenture Holders. All Debenture Holders under this Tranche 1 Issue are deemed to have irrevocably given their authority and consent to the Debenture Trustee so appointed by our Company for this Tranche 1 Issue to act as their trustee and for doing such acts and signing such documents to carry out their duty in such capacity. Any payment by our Company to the Debenture Holders/Debenture Trustee, as the case may be, shall, from the time of making such payment, completely and irrevocably discharge our Company pro tanto from any liability to the Debenture Holders. For details on the terms of the Debenture Trust Deed, please refer to the section titled “*Issue Related Information*” on page 38 of this Tranche 1 Prospectus.

### **Registrar to the Issue**

#### **Integrated Registry Management Services Private Limited**

2nd Floor, Kences Towers  
No. 1, Ramakrishna Street  
North Usman Road, T. Nagar  
Chennai – 600 017  
Tel: +91 44 2814 0801-03  
Fax: +91 44 2814 2479  
Email: [stfcipo@integratedindia.in](mailto:stfcipo@integratedindia.in)  
Investor Grievance Email: [sureshbabu@integratedindia.in](mailto:sureshbabu@integratedindia.in)  
Website: [www.integratedindia.in](http://www.integratedindia.in)  
Contact Person: Ms. Anusha N/ Mr. Sriram S  
Compliance Officer: Mr. Sriram S  
SEBI Registration No: INR000000544

Integrated Registry Management Services Private Limited has by its letter dated June 25, 2019 given its consent for its appointment as Registrar to the Issue and for its name to be included in the Draft Shelf Prospectus or the Shelf Prospectus or this Tranche 1 Prospectus and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to this Issue.

## Joint Statutory Auditors

Our Joint Statutory Auditors being:

### Haribhakti & Co. LLP

*Chartered Accountants*

705, Leela Business Park, Andheri Kurla Road,

Andheri (E), Mumbai – 400 059

Tel: +91 22 6672 9999

Fax: +91 22 6672 9777

Email: sumant.sakhardande@haribhakti.co.in

Firm Registration No.: 103523W / W100048

Membership No.: 034828

Contact Person: Mr. Sumant Sakhardande

### Pijush Gupta & Co.

*Chartered Accountants*

GF – 17, Augusta Point,

Golf Course Road, Sector – 53

Gurugram – 122 002, Haryana

Tel: +91 124 456 9416

Email: sangeeta@pijushgupta.com

Firm Registration No.: 309015E

Membership No.: 064225

Contact Person: Ms. Sangeeta Gupta

**Date of appointment as Joint Statutory Auditors:** June 29, 2017

The Board, on April 27, 2017, appointed Haribhakti & Co. LLP and Pijush Gupta & Co. as the Joint Statutory Auditors of the Company for a period of five financial years. This was confirmed by the shareholders of the Company on June 29, 2017.

Haribhakti & Co. LLP has by its letter dated July 9, 2019 given its consent for its name to be included in the Shelf Prospectus and this Tranche 1 Prospectus and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to this Issue.

Pijush Gupta & Co. has by its letter dated July 9, 2019 given its consent for its name to be included in the Shelf Prospectus and this Tranche 1 Prospectus and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to this Issue.

## Credit Rating Agencies

### CRISIL Limited

CRISIL House, Central Avenue,

Hiranandani Business Park, Powai, Mumbai – 400 076

Tel: +91 22 3342 3000 (B)

Fax: +91 22 3342 3050

Email: crisilratingdesk@crisil.com

Contact Person: Krishnan Sitaraman

Email ID: krishnan.sitaraman@crisil.com

SEBI Registration No.: IN/CRA/001/1999

### India Ratings and Research Private Limited

Wockhardt Towers, 4th Floor, Bandra Kurla

Complex, Bandra East, Mumbai – 400 051

Tel: +91 22 4000 1700

Fax: +91 22 4000 1701

Email: shrikant.dev@indiaratings.co.in

Investor Grievance Email:

investor.services@indiaratings.co.in

Website: www.indiaratings.co.in

Contact Person: Shrikant Dev, Compliance Officer

SEBI Registration No.: IN/CRA/002/1999

### CARE Ratings Limited

4<sup>th</sup> Floor, Godrej Coliseum, Somaiya Hospital Road, Off

Eastern Express Highway, Sion (E), Mumbai – 400 022

Tel: +91 22 6754 3528

Fax: +91 22 6754 3457

Email: aditya.acharekar@careratings.com

Website: www.careratings.com

Contact Person: Aditya Acharekar

SEBI Registration No.: IN/CRA/004/1999

## Credit Rating and Rationale

The NCDs proposed to be issued under this Issue have been rated ‘CARE AA+; Stable’ by CARE for an amount of up to Rs. 10,00,000 lacs vide its letter dated June 28, 2019, ‘CRISIL AA+/Stable’ by CRISIL for an amount of up to Rs. 10,00,000 lacs vide its letter dated June 26, 2019 and ‘IND AA+; Outlook Stable’ by India Ratings for an amount of up to Rs. 10,00,000 lacs vide its letter dated June 25, 2019. The rating of the NCDs by CARE, CRISIL and India Ratings indicate that instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations and carry very low credit risk. The ratings provided by CARE

and/or CRISIL and/or India Ratings may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions.

For the rating letters and rationales for these ratings, please refer to Annexure A, Annexure B and Annexure C of this Tranche 1 Prospectus.

#### **Disclaimer clause of CRISIL Limited**

A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL. CRISIL ratings are based on information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy, sell, or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. All CRISIL ratings are under surveillance. CRISIL or its associates may have other commercial transactions with the company/entity. Ratings are revised as and when circumstances so warrant. CRISIL is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of this product. CRISIL Ratings rating criteria are available without charge to the public on the CRISIL web site, [www.crisil.com](http://www.crisil.com). For the latest rating information on any instrument of any company rated by CRISIL, please contact Customer Service Helpdesk at 1800-267-1301.

#### **Disclaimer clause of India Ratings and Research Private Limited**

All credit ratings assigned by India Ratings are subject to certain limitations and disclaimers. Please read these limitations and disclaimers by following this link: <https://www.indiaratings.co.in/ratings-definitions>. In addition, rating definitions and the terms of use of such ratings are available on the agency's public website [www.indiaratings.co.in](http://www.indiaratings.co.in). Published ratings, criteria, and methodologies are available from this site at all times. India ratings' code of conduct, confidentiality, conflicts of interest, affiliate firewall, compliance, and other relevant policies and procedures are also available from the code of conduct section of this site.

#### **Disclaimer clause of CARE Ratings Limited**

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

#### **Legal Advisor to the Issue**

##### **Wadia Ghandy & Co**

NM Wadia Buildings,  
123, Mahatma Gandhi Road,  
Mumbai, Maharashtra 400001  
Tel: +91 22 22715600/ 22670669  
Fax: +91 22 22676784/ 22670226/ 22610249

#### **Banker(s) to the Issue**

##### **Public Issue Account Bank and Refund Bank**

##### **ICICI Bank Limited**

Capital Market Division, 1st Floor,  
122, Mistry Bhavan,  
Dinshaw Vachha Road,  
Backbay Reclamation, Churchgate,

Mumbai – 400020  
Tel: +91 22 66818911/23/24  
Fax: +91 22 22611138  
Email: kmr.saurabh@icicibank.com  
Website: www.icicibank.com  
Contact Person: Mr. Saurabh Kumar  
SEBI Registration No: INBI00000004  
CIN: L65190GJ1994PLC021012

#### **Lead Brokers to the Issue**

##### **A.K. STOCKMART PRIVATE LIMITED**

30-39, 3rd Floor, Free Press House, Free Press Journal Marg, 215, Nariman Point, Mumbai – 400021  
Tel: +91 22 6754 6500/ 6634 9300  
Fax: +91 22 6610 0594  
Email: ankit@akgroup.co.in,  
ranjit.dutta@akgroup.co.in  
Contact Person: Mr. Ankit Gupta/ Mr. Ranjit Dutta

##### **BAJAJ CAPITAL LIMITED**

Mezzanine Floor, Bajaj House, 97, Nehru Place, New Delhi – 110 019  
Tel: +91 11 4169 3000/ +91 11 6700 0000  
Fax: +91 11 2647 6638  
Email: sumitd@bajajcapital.com  
Contact Person: Sumit Kumar Dudani

##### **RR EQUITY BROKERS PVT. LTD.**

412-442, Indraprakash Building, 21, Barakhamba Road, New Delhi – 110 001  
Tel: +91 11 2335 4802  
Fax: +91 11 2332 0671  
Email: ipo@rrfcl.com  
Contact Person: Jeetesh Kumar

##### **TRUST SECURITIES SERVICES PRIVATE LIMITED**

1101, Naman Centre, “G” Block, C-31, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051  
Tel: +91 22 4084 5000  
Fax: +91 22 4084 5066  
Email: avani.dalal@trustgroup.in  
Contact Person: Mr. Avani Dalal

##### **HDFC SECURITIES LIMITED**

iThink Techno Campus Building-B, ‘Alpha’, 8th Floor, Opp. Crompton Greaves, Near Kanjurmarg Station, Kanjurmarg (East), Mumbai – 400 042  
Tel: +91 22 3075 3400  
Fax: +91 22 3075 3435  
Email: sharmila.kambli@hdfcsec.com  
Contact Person: Sharmila Kambli

##### **SMC GLOBAL SECURITIES LIMITED**

17, Netaji Subhash Marg, Daryaganj, Delhi – 110 002  
Tel: +91 11 6662 3300/ +91 9818620470/ +91 9810059041  
Fax: +91 11 3012 6061  
Email: mkg@smcindiaonline.com/  
neerajkhanna@smcindiaonline.com  
Contact Person: Mr. Mahesh Gupta/ Mr. Neeraj Khanna

##### **KOTAK SECURITIES LIMITED**

4th Floor, 12BKC, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051  
Tel: +91 22 6218 5470  
Email: umesh.gupta@kotak.com  
Contact Person: Umesh Gupta

##### **TIPSONS STOCK BROKERS PRIVATE LIMITED**

Sheraton House, 5th Floor, Opp. Ketav Petrol Pump, Polytechnic Road, Ambawadi, Ahmedabad GJ 380 015 IN  
Tel: +91 79 6682 8000/ +91 79 6682 8064/ +91 79 6682 8019/ +91 79 6682 8120  
Fax: +91 79 6682 8001  
Email: avinash.kothari@tipsons.com  
Contact Person: Avinash Kothari

##### **TRUST FINANCIAL CONSULTANCY PRIVATE LIMITED**

1101, Naman Centre, “G” Block, C-31, Bandra Kurla Complex Bandra (East), Mumbai - 400 051  
Tel: +91 22 4084 5000  
Fax: +91 22 4084 5066  
Email: pranav.inamdar@trustgroup.in  
Contact Person: Mr. Pranav Inamdar

##### **ICICI SECURITIES LIMITED**

ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai – 400 020  
Tel: +91 22 2277 7626  
Email: rajat.rawal@icicisecurities.com  
Contact Person: Mr. Rajat Rawal

**EDELWEISS SECURITIES LIMITED**

Registered Office at 2nd Floor, M.B. Towers, Plot No. 5, Road No. 2, Banjara Hills, Hyderabad - 500 034 and; Corporate Office at Edelweiss House, off. C.S.T. Road, Kalina, Mumbai – 400 098  
Tel: +91 22 4063 5411/ +91 22 4063 5569  
Email: Amit.dalvi@edelweissfin.com; Prakash.boricha@edelweissfin.com  
Contact Person: Mr. Amit Dalvi/ Mr. Prakash Boricha

**KARVY STOCK BROKING LIMITED**

Karvy House, 46, Avenue 4, Street No. 1, Banjara Hills, Hyderabad – 500 034  
Tel: +91 40 2331 2454  
Fax: +91 40 3321 8029  
Email: ksblldist@karvy.com  
Contact Person: Mr. P.B. Ramapriyan

**INTEGRATED ENTERPRISES (INDIA) PRIVATE LIMITED**

A-123, 12th Floor, Mittal Tower Nariman Point, Mumbai – 400 021  
Tel: +91 22 4066 1800  
Email: krishnan@integratedindia.in  
Contact Person: Mr. V Krishnan

**Bankers to the Company****ABU DHABI COMMERCIAL BANK**

Apeejay House, 3rd Floor, Dinshaw Vacha Road, Churchgate, Mumbai, India - 400 020  
Tel: +91 22 3953 4117  
Fax: +91 22 3953 4106  
Email: kunal.mota@in.adcb.com  
Website: www.adcbindia.com  
Contact Person: Mr. Kunal Mota

**BANK OF BARODA**

Corporate Financial Service Branch, 3rd Floor, 10/12, Mumbai Samachar Marg, Fort, Mumbai 400 001  
Tel: +91 22 4340 7316; +91 22 4340 7330  
Email: rm2.cfsbal@bankofbaroda.com  
Website: www.bankofbaroda.co.in  
Contact Person: Mr. Sumit Kumar Mishra

**CITICORP FINANCE INDIA LIMITED**

Treasury Operations Unit, First International Financial Centre (FIFC), 11th Floor, Plot Nos. C-54 & C-55 G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400098  
Tel: +91 22 6175 7242  
Email: manish.ratti@citi.com  
Website: www.citicorpfinance.co.in

**IIFL SECURITIES LIMITED**

6th & 7th Floor, Ackruti Centre Point, Central Road, MIDC, Andheri (E), Mumbai – 400 093  
Tel: +91 22 3929 4000/ +91 22 4103 5000  
Fax: +91 22 2580 6654  
Email: cs@iifl.com  
Contact Person: Mr. Prasad Umarale

**JM FINANCIAL SERVICES LIMITED**

2,3 & 4 Kamanwala Chambers, Ground Floor, Sir PM Road Fort, Mumbai – 400 001  
Tel: +91 22 6136 3400  
Fax: NIL  
Email: Surajit.misra@jmfl.com; deepak.vaidya@jmfl.com; tn.kumar@jmfl.com  
Contact Person: Mr. Surajit Misra

**AXIS BANK LIMITED**

Jeevan Prakash Building, Sir P M Road, Fort, Mumbai- 400001  
Tel: +91 22 4086 7336/ 7474  
Fax: +91 22 4086 7327/ 7378  
Email Id: fort.operationshead@axisbank.com  
Website: www.axisbank.com  
Contact Person: Mr. Sudhir Rajee

**BARCLAYS BANK PLC**

801/803 Ceejay House, Shivsagar Estate, Dr. Annie Besant Road, Worli, Mumbai- 400 018  
Tel: +91 22 67196473  
Fax: +91 22 6719 6767  
Email: shobhit.verma@barclays.com  
Contact Person: Mr. Shobhit Verma

**DOHA BANK QPSC**

Sakhar Bhavan, Ground Floor, Plot No. 230, Backbay Reclamation, Nariman Point, Mumbai – 400 021  
Tel: +91 22 3394 1103  
Email: sravindran@dohabank.co.in  
Website: www.dohabank.co.in  
Contact Person: S. Ravindra, Head-Corporate Banking

Contact Person: Mr. Manish Ratti

**FIRSTRAND BANK LIMITED**

5th floor, TCG Financial Centre, C-53 "G" Block  
Bandra-Kurla complex, Bandra (E), Mumbai - 400  
098

Tel: +91 22 6625 8624

Fax: +91 22 6625 8676

Email: ritesh.sharma@firstrand.co.in

Website: www.firstrand.co.in

Contact Person: Mr. Ritesh Sharma

**ICICI BANK**

N4W, ICICI Bank Towers, BKC, Mumbai - 400051

Tel: +91 22 4008 7425

Website: <https://www.icicibank.com/>

Contact Person: Amit Bijalwan / Vijay Bhambhani

**INDUSIND BANK LIMITED**

4th Floor, Unit no 401 & 404, Wing A, Peninsula  
Tower, Peninsula Corporate Park, Ganpatrao Kadam  
Marg, Off Senapati Bapat Marg, Lower Parel,  
Mumbai- 400 013

Tel: +91 9833821671

Email: [indrajoy.bhattacharya@indusind.com](mailto:indrajoy.bhattacharya@indusind.com)

**KEB HANA BANK**

4th Floor, Bannari Amman Tower, No. 29,  
Dr. Radhakrishnan Road, Mylapore, Chennai, Tamil  
Nadu, India 600 004.

Tel: +91 22 4905 6363

Fax: +91 22 4905 6300

Email: [kebchennai@hanafn.com](mailto:kebchennai@hanafn.com)

Website: [www.kebhana.com](http://www.kebhana.com)

Contact Person: Mr. Y. H. Lee

**MIZUHO BANK LIMITED**

Level 17, Tower – A, Peninsula Business Park,  
Senapati Bapat Marg, Lower Parel,  
Mumbai 400 013, India

Tel: +91 22 4911 2124

Fax: +91 22 2491 6911

Email: [ajit.shinde@mizuho-cb.com](mailto:ajit.shinde@mizuho-cb.com)

Website: [www.mizuhobank.com](http://www.mizuhobank.com)

Contact Person: Mr. Ajit Shinde, Director- Corporate  
& Institutional Banking (India) India Corporate  
Banking Department

**RBL BANK LIMITED**

One Indiabulls Centre, Tower 2B, 6<sup>th</sup> Floor, 841  
Senapati Bapat Marg, Lower Parel (West), Mumbai  
– 400 013

Tel: +91 22 43020600

Fax: +91 22-43200520

**HDFC BANK LIMITED**

Unit 401 and 402, 4<sup>th</sup> Floor, Tower B, Peninsula  
Business Park, Lower Parel, Mumbai 400 013

Tel: +91 22 33958116

Fax: +91 22 30788579

Email: [pallavi.joshi2@hdfcbank.com](mailto:pallavi.joshi2@hdfcbank.com)

Website: [www.hdfcbank.com](http://www.hdfcbank.com)

Contact Person: Ms. Pallavi Joshi

**IDBI BANK LIMITED**

Mittal Court, 224, 'A' Wing,

2<sup>nd</sup> Floor, Nariman Point

Mumbai – 400 021

Tel: +91 22 6658 8201

Fax: +91 22 6658 8130

Email: [salim.saudagar@idbi.co.in](mailto:salim.saudagar@idbi.co.in)

Website: [www.idbi.com](http://www.idbi.com)

Contact Person: Salim Saudagar

**J.P. MORGAN SECURITIES INDIA PRIVATE  
LIMITED**

J.P. Morgan Tower, Off CST Road, Kalina,  
Santacruz East, Mumbai 400098

Tel: +91 22 6157 3341

Fax: +91 22 2654 1083; +91 22 6646 6909

Email: [madhumita.duggirala@jpmorgan.com](mailto:madhumita.duggirala@jpmorgan.com)

Website: [www.jpmorgan.com](http://www.jpmorgan.com)

Contact Person: Ms. Madhumita Duggirala

**KOTAK MAHINDRA BANK LIMITED**

27BKC, G block, Bandra Kurla Commercial  
Complex, Bandra (East) Mumbai – 400 051

Tel: +91 22 6166 0363

Fax: +91 22 6713 2416

Email: [vikash.chandak@kotak.com](mailto:vikash.chandak@kotak.com)

Website: [www.kotak.com](http://www.kotak.com)

Contact Person: Mr. Vikash Chandak

**NATIONAL BANK FOR AGRICULTURE &  
RURAL DEVELOPMENT**

Maharashtra Regional Office

54, Wellesley Road, Shivaji Nagar, Pune -411 001,  
Maharashtra

Tel: + 91 20 2550 0100

Fax: +91 20 2554 2250

Email: [pune@nabard.org](mailto:pune@nabard.org) & [dor.pune@nabard.org](mailto:dor.pune@nabard.org)

Website: [www.nabard.org](http://www.nabard.org)

Contact Person: R. B. D'Souza, Deputy General  
Manager

**SHINHAN BANK**

Unit no 001, Ground Floor, Peninsula Tower 1,  
Peninsula Corporate Park, Ganpatrao Kadam Marg,  
Lower Parel, Mumbai 400 013

Tel: 022 6199 2000

Fax: 022 6199 2010



Email: sumant.paul@rblbank.com  
Website: www.rblbank.com  
Contact Person: Mr. Sumant Paul

Email: credit.mum@shinhan.com  
Website: http://in.shinhanglobal.com  
Contact Person: Mr. Sandeep Aswale

**SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA LIMITED**

Swavalamban Bhavan, Plot No. C-11,  
'G' Block, Bandra Kurla Complex,  
Bandra (East), Mumbai- 400 051  
Tel: +91 22 67221582  
Email: insti\_marketing@sidbi.in  
Website: www.sidbi.in  
Contact Person: Shri Rajesh Kumar Mishra

**STANDARD CHARTERED BANK**

Crescenzo, 5th Floor, C-38/39, G-Block,  
Bandra Kurla Complex, Bandra (East),  
Mumbai- 400 051  
Tel: +91 (0) 22 4265 8218,  
Email: vivek.ramakrishnan@sc.com  
Website: www.sc.com/in/

**THE ZOROASTRIAN CO-OPERATIVE BANK LIMITED**

Nirlon House, 5<sup>th</sup> Floor, Dr. Annie Besant Road,  
Worli, Mumbai- 400 030  
Tel: + 91 22 61727600  
Fax: + 91 22 66661810  
Email: customercare@zcbi.in  
Website: www.zoroastrianbank.com

**UCO BANK**

10, B.T.M Sarani, Kolkata- 700 001  
Tel.:+91 22 40549101  
Fax: +91 22 40549122  
Email: hosgr.calcutta@ucobank.co.in  
Website: www.ucobank.com  
Contact Person: Mr. B. Mondal (DGM)

**UNITED OVERSEAS BANK LIMITED**

Mumbai branch, 3 North Avenue,  
Maker Maxity, Unit 31 & 37, 3<sup>rd</sup> Floor, Bandra-  
Kurla Complex, Bandra (East), Mumbai - 400051  
Tel: +91 22 42472828/ 42472829  
Fax: +91 22 26591022  
Email: suken.shah@uobgroup.com  
Website: www.uobgroup.com/in  
Contact Person: Mr. Suken Shah

**YES BANK LIMITED**

24<sup>th</sup> Floor, Indiabulls Finance Centre, Tower 2,  
Elphinstone (W), Mumbai – 400021  
Tel: + 91 22 7100 9701  
Fax: + 91 22 2421 4513  
Email: avinash.dubey@yesbank.in  
Website: www.yesbank.in  
Contact Person: Mr. Avinash Dubey

**Self Certified Syndicate Banks**

The banks which are registered with SEBI under Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 as amended and offer services in relation to ASBA, including blocking of an ASBA Account, a list of which is available on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> as updated from time to time or at such other website as may be prescribed by SEBI from time to time. A list of the Designated Branches of the SCSBs, with which an Applicant, not applying through the Syndicate, may submit the Application Forms, is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35> and as updated from time to time or at such other website as may be prescribed by SEBI from time to time.

**Syndicate SCSB Branches**

In relation to Applications submitted to the Members of the Syndicates or the Trading Members of the Stock Exchanges only in the Specified Cities (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat), the list of branches of the SCSBs at the Specified Cities named by the respective SCSBs to receive deposits of Applications from such Members of the Syndicate or the Trading Members of the Stock Exchanges is provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and as updated from time to time or at such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Applications from Members of the Syndicate or the Trading Members of the Stock Exchanges only in the Specified Cities, see the above-mentioned web-link.

**Broker Centres/ Designated CDP Locations/ Designated RTA Locations**

In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 4, 2012 and CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the Debt ASBA Circular, Applicants can submit the Application Forms with the Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the websites of NSE at

[https://www.nseindia.com/products/content/equities/ipos/asba\\_procedures.htm](https://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm) and as updated from time to time. The list of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Application Forms from the Registered Brokers will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time.

### **RTAs / CDPs**

The list of the RTAs and CDPs, eligible to accept Applications in the Issue, including details such as postal address, telephone number and email address, are provided on the website of the BSE for RTAs and CDPs, as updated from time to time.

### **Impersonation**

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

*“Any person who- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447 of the Companies Act, 2013”*

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least Rs. 10 lacs or 1.00% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than Rs. 10 lacs or 1.00% of the turnover of the Company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to Rs. 50 lacs or with both.

### **Underwriting**

This Tranche 1 Issue has not been underwritten.

### **Minimum Subscription**

In terms of the Debt Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size (i.e. Rs. 22,500 lacs). If our Company does not receive the minimum subscription of 75% of Base Issue Size, prior to the Tranche 1 Issue Closing Date the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 6 (six) Working Days from the Tranche 1 Issue Closing Date.

Under Section 39(3) of the Companies Act, 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with the Company and/or Registrar, refunds will be made to the account prescribed. However, where the Company and/or Registrar does not have the necessary information for making such refunds, the Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard including its circular (bearing CIR/IMD/DF-1/20/2012) dated July 27, 2012.

### **Utilisation of Tranche 1 Issue proceeds**

For details on utilization of Tranche 1 Issue proceeds please refer to the chapter titled “*Objects of the Tranche 1 Issue*” on page 26 of this Tranche 1 Prospectus.

## Tranche 1 Issue Programme

Tranche 1 Issue Programme*	
Tranche 1 Issue Opens	Wednesday, July 17, 2019
Tranche 1 Issue Closes	Friday, August 16, 2019

*\* This Tranche 1 Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. (Indian Standard Time) during the period indicated above, except that this Tranche 1 Issue may close on such earlier date or extended date as may be decided by the Board or the Debt Issuance Committee, subject to necessary approvals. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors in all those newspapers in which an advertisement for opening or closure of this Tranche 1 Issue have been given on or before such earlier or initial date of Tranche 1 Issue closure. On the Tranche 1 Issue Closing Date, the Application Forms for Tranche 1 Issue will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the Stock Exchanges.*

Applications Forms for this Tranche 1 Issue will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchanges, during the Tranche 1 Issue Period as mentioned above on all days between Monday and Friday (both inclusive barring public holiday), (i) by the Designated Intermediaries at the Bidding Centres, or, (ii) by the Designated Branches of the SCSBs. On the Tranche 1 Issue Closing Date, Application Forms will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. or such extended time as may be permitted by the Stock Exchanges.

Due to limitation of time available for uploading the Applications on the Tranche 1 Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Tranche 1 Issue Closing Date and, no later than 3.00 p.m. (Indian Standard Time) on the Tranche 1 Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Tranche 1 Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under this Tranche 1 Issue.

Application Forms will only be accepted on Working Days during the Tranche 1 Issue Period. Neither our Company, nor the Lead Managers, nor any Member of the Syndicate, Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations or the Designated Branches of SCSBs are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. Please note that the Basis of Allotment under this Tranche 1 Issue will be on a date priority basis except on the day of oversubscription, if any, where the Allotment will be proportionate.

## OBJECTS OF THE TRANCHE 1 ISSUE

Our Company proposes to utilise the funds which are being raised through the Tranche 1 Issue, after deducting the Tranche 1 Issue related expenses to the extent payable by our Company (“*Net Proceeds*”), towards funding the following objects (collectively, referred to herein as the “**Objects**”):

1. For the purpose of onward lending, financing, and for repayment/ prepayment of interest and principal of existing borrowings of the Company; and
2. General corporate purposes.

The main objects clause of the Memorandum of Association of our Company permits our Company to undertake the activities for which the funds are being raised through the present Tranche 1 Issue and also the activities which our Company has been carrying on till date.

The details of the proceeds of the Tranche 1 Issue are set forth in the following table:

*(Rs. in lacs)*

Description	Amount
Gross Proceeds of the Tranche 1 Issue*	10,00,000
Less: Tranche 1 Issue Related Expenses**	23,570
Net Proceeds of the Tranche 1 Issue	9,76,430

\*Assuming this Tranche 1 Issue is fully subscribed, and our Company retains oversubscription up to the Tranche 1 Issue Limit.

\*\* The above expenses are indicative and are subject to change depending on the actual level of subscription to the Tranche 1 Issue and the number of Allotees, market conditions and other relevant factors.

### Requirement of funds and Utilisation of Net Proceeds

The following table details the objects of the Tranche 1 Issue and the amount proposed to be financed from the Net Proceeds:

Sr. No.	Objects of the Tranche 1 Issue	Percentage of amount proposed to be financed from Net Proceeds
1.	For the purpose of onward lending, financing, and for repayment/ prepayment of interest and principal of existing borrowings of the Company <sup>#</sup>	At least 75%
2.	General Corporate Purposes*	Maximum of up to 25%
<b>Total</b>		<b>100%</b>

<sup>#</sup> Our Company shall not utilise the proceeds of the Tranche 1 Issue towards payment of prepayment penalty, if any

\*The Net Proceeds will be first utilized towards the Objects mentioned above. The balance is proposed to be utilized for general corporate purposes, subject to such utilization not exceeding 25% of the amount raised in the Tranche 1 Issue, in compliance with the Debt Regulations.

### Tranche 1 Issue expenses

A portion of Tranche 1 Issue proceeds will be used to meet Issue expenses. The following are the estimated Issue expenses, for the Tranche 1 Issue:

Particulars	Amounts (Rs. in lacs)	As percentage of the Tranche 1 Issue proceeds (in per cent.)	As percentage of total expenses of the Tranche 1 Issue (in per cent.)
Lead Managers Fee, Selling and Brokerage Commission, SCSB Processing Fee etc.	20,820	2.08	88.33
Registrar to the Issue	20	0.00	0.08
Debenture Trustee	10	0.00	0.04
Advertising and Marketing	2,000	0.20	8.49

Printing and Stationery Costs	15	0.00	0.06
Other Miscellaneous Expenses	705	0.07	2.99
<b>Total</b>	<b>23,570</b>	<b>2.36</b>	<b>100.00</b>

*The above expenses and percentages are indicative and are subject to change depending on the actual level of subscription to the Tranche 1 Issue and the number of Allottees, market conditions and other relevant factors.*

Our Company shall pay processing fees to the SCSBs for Application Forms procured by Members of the Syndicate/ Trading Members and submitted to the SCSBs for blocking the Application Amount of the applicant, at the rate of Rs. 15 per Application Form procured (plus service tax and other applicable taxes). However, it is clarified that in case of Application Forms procured directly by the SCSBs, the relevant SCSBs shall not be entitled to any processing fee. Further, RTAs and CDPs shall be paid Rs. 15 per each valid Application Form procured.

#### **Funding plan**

NA

#### **Summary of the project appraisal report**

NA

#### **Schedule of implementation of the project**

NA

#### **Interim Use of Proceeds**

The management of our Company, in accordance with the policies formulated by it from time to time, will have flexibility in deploying the proceeds received from the Tranche 1 Issue. Pending utilization of the proceeds out of the Tranche 1 Issue for the purposes described above, our Company intends to temporarily invest funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks or temporarily deploy the funds in investment grade interest bearing securities as may be approved by the Board or any committee thereof from time to time. Such investment would be in accordance with the investment policies approved by the Board or any committee thereof from time to time.

#### **Monitoring of Utilization of Funds**

There is no requirement for appointment of a monitoring agency in terms of the Debt Regulations. The Board shall monitor the utilization of the proceeds of the Issue. For the relevant Financial Years commencing from Financial Year 2019-20, our Company will disclose in our financial statements, the utilization of the net proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Tranche 1 Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Tranche 1 Issue.

#### **Variation in terms of contract or objects**

The Company shall not, in terms of Section 27 of the Companies Act, 2013, at any time, vary the terms of the objects for which this Tranche 1 Prospectus is issued, except as may be prescribed under the applicable laws and under Section 27 of the Companies Act, 2013.

#### **Other confirmations**

All monies received pursuant to this Tranche 1 Issue of NCDs to public shall be transferred to a separate bank account maintained with the Public Issue Account Bank, as referred to in Section 40(3) of the Companies Act.

In accordance with the Debt Regulations, our Company will not utilize the proceeds of the Tranche 1 Issue for providing loans to or for acquisitions of shares of any person or entity who is a part of the same group as our Company or who is under the same management of our Company.

No part of the proceeds from this Tranche 1 Issue will be paid by us as consideration to our Promoters, our Directors, Key Managerial Personnel, or companies promoted by our Promoters. Neither the Promoter nor the Directors of our Company are interested in the objects of this Tranche 1 Issue.

The Tranche 1 Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any immovable property. The Tranche 1 Issue proceeds shall not be used for buying, trading or otherwise dealing in equity shares of any other listed company.

Our Company confirms that it will not use the proceeds of the Tranche 1 Issue for the purchase of any business or in the purchase of any interest in any business whereby our Company shall become entitled to the capital or profit or losses or both in such business exceeding 50% thereof, directly or indirectly in the acquisition of any immovable property or acquisition of securities of any other body corporate.

The allotment letter shall be issued or application money shall be refunded in accordance with the applicable law.

Details of all monies unutilised out of the monies to be raised through this Tranche 1 Issue, shall be disclosed and continued to be disclosed under an appropriate separate head in our balance sheet till the time any part of the proceeds of the Tranche 1 Issue remains unutilized indicating the securities or other forms of financial assets in which such unutilized monies have been invested.

Details of all monies utilised out of the monies to be raised through this Tranche 1 Issue, shall be disclosed and continued to be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies have been utilized.

We shall utilize the Tranche 1 Issue proceeds only upon: (a) receipt of minimum subscription, i.e. 75% of the Base Issue (i.e. Rs. 22,500 lacs) pertaining to the Tranche 1 Issue; (b) completion of Allotment and refund process in compliance with Section 40 of the Companies Act, 2013; (c) execution of Debenture Trust Deed and Deed of Hypothecation by the Company in favour of the Debenture Trustee for creation of security; and (d) obtaining listing and trading approval as stated in this Tranche 1 Prospectus in the section titled "*Issue Structure*" beginning on page 38 of this Tranche 1 Prospectus.

## STATEMENT OF TAX BENEFITS

July 09, 2019

To,

**The Board of Directors**  
**Shriram Transport Finance Company Limited**  
Wockhardt Towers, 3<sup>rd</sup> Floor, West Wing  
G Block, Bandra-Kurla Complex  
Bandra (East), Mumbai 400051  
Maharashtra, India

(the “**Company**”)

Dear Sirs,

**Sub: Statement of tax benefits in relation to proposed public issue (“Issue”) of secured, redeemable, non-convertible debentures (“NCDs”) by Shriram Transport Finance Company Limited**

1. We, Haribhakti & Co. LLP, Chartered Accountants, and Pijush Gupta & Co., Chartered Accountants, the joint statutory auditors of the Company have performed the procedures agreed with you, *vide* the engagement letter dated June 04, 2019, and enumerated in paragraph 2 below with respect to the possible tax benefits available to the Debenture Holder(s), under the Income Tax Act, 1961, as amended (the “**I.T. Act**”) and Income tax Rules, 1962 including amendments made by Finance Act 2019 as proposed to be amended by the Finance ( No.2 ) Bill, 2019 applicable for the financial year 2019-20, presently in force in India, in the enclosed Annexure I. Our engagement was performed in accordance with the Standard on Related Services (SRS) 4400, “Engagements to Perform Agreed-upon Procedures regarding Financial Information”, issued by the Institute of Chartered Accountants of India.
2. We have performed the following procedures:
  - i. Read the statement of tax benefits as given in Annexure I, and
  - ii. Evaluated with reference to the provisions of the I.T. Act to confirm that the same is in accordance with our interpretation of the existing tax laws and provisions.
3. Because the above procedures do not constitute either an audit or a review made in accordance with the generally accepted auditing standards in India, we do not express any assurance on the subject.
4. Had we performed additional procedures, or had we performed an audit or review of the financial information in accordance with generally accepted auditing standards of India, other matters might have come to our attention that would have been reported to you.
5. We confirm that the Statement of Tax Benefits as set out in Annexure I materially covers all the provisions of the I.T. Act as amended, with respect to Debenture Holder(s).
6. The amendments made by the Finance Act, 2019 as proposed to be amended by the Finance (No. 2) Bill, 2019 have been incorporated to the extent relevant in the enclosed Annexure I.
7. Several of these benefits are dependent on the Debenture Holder(s) fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Debenture Holder(s) to derive the tax benefits is dependent upon fulfilling such conditions, which are based on business imperatives the Debenture Holder(s) would face in the future. The Debenture Holder(s) may or may not choose to fulfill such conditions.
8. The benefits discussed in the enclosed annexure are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue particularly in view of the fact that certain recently enacted legislation may not have a

direct legal precedent or may have a different interpretation on the benefits, which a debenture holder can avail. Neither are we suggesting nor are we advising the debenture holders to invest money based on this statement.

9. Our views are based on the existing provisions of the I.T. Act and its interpretations, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. Any such change, which could also be retroactive, could have an effect on the validity of our views stated herein. We assume no obligation to update this statement on any events subsequent to its issue, which may have a material effect on the discussions herein.
10. We do not express any opinion or provide any assurance as to whether:
  - The Company or its debenture holders will continue to obtain these benefits in future; or
  - The conditions prescribed for availing the benefits, where applicable have been or would be met with;
  - The revenue authorities/courts will concur with views expressed herein.
11. The preparation of the contents stated is the responsibility of Company's management. We accept no responsibility to debenture holders or any third party and this should be stated in the Draft Shelf Prospectus, Shelf Prospectus and/or Prospectus and/or Tranche Prospectus(es). The contents of the enclosed annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.
12. No assurance is given that the revenue authorities/ Courts will concur with the views expressed herein. Our views are based on existing provisions of law and its interpretation which could vary from others, and which are subject to change from time to time. We do not assume any responsibility to update the views consequent to such changes.
13. This statement has been issued at the request of the Company in connection with the proposed issue of secured, redeemable NCDs for inclusion in the offer documents to be filed with the Securities and Exchange Board of India, the National Stock Exchange of India Limited and the BSE Limited or any other regulatory authorities, as required.

For **Haribhakti & Co. LLP**  
Chartered Accountants  
Firm Registration Number: 103523W / W100048

For **Pijush Gupta & Co.**  
Chartered Accountants  
Firm Registration Number: 309015E

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**Sumant Sakhardande**  
Partner  
Membership No: 034828  
UDIN:  
Mumbai  
July 09, 2019

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**Sangeeta Gupta**  
Partner  
Membership No: 064225  
UDIN:  
Mumbai  
July 09, 2019

Encl.: Annexure I



## ANNEXURE I

Under the existing provisions of law, the following tax benefits, inter-alia, will be available to the Debenture Holder(s). The tax benefits are given as per the prevailing tax laws and may vary from time to time in accordance with amendments to the law or enactments thereto. The information given below lists out the possible benefits available to the Debenture Holder(s) of an Indian company in which public are substantially interested as defined in Section 2(18)(b)(B) of the Income Tax Act, 1961, in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of the debenture.

The Debenture Holder is advised to consider in its own case, the tax implications in respect of subscription to the Debentures after consulting his tax advisor as alternate views are possible. We are not liable to the Debenture Holder in any manner for placing reliance upon the contents of this statement of tax benefits.

This statement has been prepared solely in connection with the Issue under the Regulations as amended.

### STATEMENT OF POSSIBLE DIRECT TAX BENEFITS AVAILABLE TO THE DEBENTURE HOLDERS

#### A. Under the Income-Tax Act, 1961 ("I.T. Act")

##### I. Tax benefits available to the Resident Debenture Holders

1. Interest on debentures received by resident debenture holders would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act. Income tax is deductible at source at the rate of 10% at the time of credit/ payment as per the provisions of section 193 of the I.T. Act. However, no income tax is deductible at source in respect of the following:
  - a) Any security issued by a Company in a dematerialised form and is listed on recognised stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 and the rules made thereunder.
  - b) In case the payment of interest on debentures to a resident individual or a Hindu Undivided Family ('HUF'), Debenture Holder does not or is not likely to exceed ₹ 5,000 in the aggregate during the Financial Year and the interest is paid by an account payee cheque.
  - c) When the Assessing Officer issues a certificate on an application by a Debenture Holder on satisfaction that the total income of the Debenture Holder justifies no/lower deduction of tax at source as per the provisions of Section 197(1) of the I.T. Act; and that certificate is filed with the Company before the prescribed date of closure of books for payment of debenture interest.
  - d) (i) When the resident Debenture Holder with Permanent Account Number ('PAN') (not being a company or a firm) submits a declaration as per the provisions of section 197A(1A) of the I.T. Act in the prescribed Form 15G verified in the prescribed manner to the effect that the tax on his estimated total income of the financial year in which such income is to be included in computing his total income will be NIL. However under section 197A(1B) of the I.T. Act, "Form 15G cannot be submitted nor considered for exemption from tax deduction at source if the dividend income referred to in section 194, interest on securities, interest, withdrawal from NSS and income from units of mutual fund or of Unit Trust of India as the case may be or the aggregate of the amounts of such incomes credited or paid or likely to be credited or paid during the previous year in which such income is to be included exceeds the maximum amount which is not chargeable to income tax".
    - (ii) Senior citizens, who are 60 or more years of age at any time during the financial year, enjoy the special privilege to submit a self-declaration in the prescribed Form 15H for non-deduction of tax at source in accordance with the provisions of section 197A(1C) of the I.T. Act even if the aggregate income credited or paid or likely to be credited or paid exceeds the maximum amount not chargeable to tax, provided that the tax due on total income of the person is NIL.
    - (iii) In all other situations, tax would be deducted at source as per prevailing provisions of the I.T. Act. Form No.15G with PAN / Form No.15H with PAN / Certificate issued u/s 197(1) has to be filed with the Company before the prescribed date of closure of books for payment of debenture interest without any tax withholding.

2. In case where tax has to be deducted at source while paying debenture interest, the Company is not required to deduct surcharge, education cess and secondary and higher education cess.
3. As per section 2(29A) read with section 2(42A) of the I.T. Act, a listed debenture is treated as a long term capital asset if the same is held for more than 12 months immediately preceding the date of its transfer, else same is treated as short term capital asset.
4. As per section 112 of the I.T. Act, capital gains arising on the transfer of long term capital assets being listed securities are subject to tax at the rate of 20% of capital gains calculated after reducing indexed cost of acquisition or 10% of capital gains without indexation of the cost of acquisition.

As per the fourth proviso to section 48 of I.T. Act, benefit of indexation of cost of acquisition under second proviso of section 48 of I.T. Act, is not available in case of bonds and debenture, except capital indexed bonds. Accordingly, long term capital gains arising to the Debenture Holder(s), would be subject to tax at the rate of 10%, computed without indexation, as the benefit of indexation of cost of acquisition is not available in case of debentures.

In case of an individual or HUF, being a resident, where the total income as reduced by such long-term capital gains is below the maximum amount which is not chargeable to income-tax, then, such long term capital gains shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income-tax and the tax on the balance of such long-term capital gains shall be computed at the rate mentioned above.

5. Short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months would be taxed at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act. The provisions relating to maximum amount not chargeable to tax described at para 2 above would also apply to such short term capital gains.
6. In case debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the I.T. Act.
7. As per Section 74 of the I.T. Act, short-term capital loss on debentures suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any could be carried forward for eight years for claiming set-off against subsequent years' short-term as well as long term capital gains. Long-term capital loss on debentures suffered during the year is allowed to be set-off only against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent year's long-term capital gains.
8. Interest on application money and interest on refund application would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act and such tax would need to be withheld at the time of credit/payment as per the provisions of Section 194A of the I.T. Act

## **II Tax benefits available to the Non-Resident Debenture Holders**

1. A non-resident Indian has an option to be governed by Chapter XII-A of the I.T. Act, subject to the provisions contained therein which are given in brief as under:

### Meaning

- (a) As per section 115C(e) of the I.T. Act, the term "non-resident Indian" means an individual, being a citizen of India or a person of Indian origin who is not a "resident". A person shall be deemed to be of Indian origin if he, or either of his parents or any of his grand-parents, was born in undivided India.

### Interest and capital gains on transfer

- (a) As per section 115E of the I.T. Act, interest income from debentures acquired or purchased with or subscribed to in convertible foreign exchange will be taxable at 20%, whereas, long term capital gains on transfer of such debentures will be taxable at 10% of such capital gains without indexation of cost of acquisition.

Short-term capital gains will be taxable at the normal rates of tax in accordance with and subject to the provisions contained therein.

- (b) As per section 115F of the I.T. Act, long term capital gains arising to a non-resident Indian from transfer of debentures acquired or purchased with or subscribed to in convertible foreign exchange will be exempt from capital gain tax if the net consideration is invested within six months after the date of transfer of the debentures in any specified asset or in any saving certificates referred to in section 10(4B) of the I.T. Act in accordance with and subject to the provisions contained therein. However, if the new assets are transferred or converted into money within a period of three years from their date of acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the new assets are transferred or converted into money.

#### Other relaxations

- (a) As per section 115G of the I.T. Act, it shall not be necessary for a non-resident Indian to file a return of income under section 139(1) of the I.T. Act, if his total income consists only of investment income as defined under section 115C and/or long term capital gains earned on transfer of such investment acquired out of convertible foreign exchange, and the tax has been deducted at source from such income under the provisions of Chapter XVII-B of the I.T. Act in accordance with and subject to the provisions contained therein.
  - (b) As per section 115H of the I.T. Act, where a non-resident Indian becomes assessable as resident in India in any subsequent year, he may furnish to the Assessing Officer a declaration in writing along with return of income under section 139 for the assessment year for which he is assessable as a resident, to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to the investment income (other than on shares in an Indian Company) derived from any foreign exchange assets in accordance with and subject to the provisions contained therein. On doing so, the provisions of Chapter XII-A shall continue to apply to him in relation to such income for that assessment year and for every subsequent assessment year until the transfer or conversion (otherwise than by transfer) into money of such assets.
2. In accordance with and subject to the provisions of section 115-I of the I.T. Act, a non-resident Indian may opt not to be governed by the provisions of Chapter XII-A of the I.T. Act. In that case,
    - (a) Long term capital gains on transfer of listed debentures would be subject to tax at the rate of 10% computed without indexation.
    - (b) Investment income and Short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months preceding the date of transfer, would be taxed at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act
    - (c) Where debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the I.T. Act.
  3. Under Section 195 of the I.T. Act, the applicable rate of tax deduction at source is 20% on investment income and 10% on any long-term capital gains as per section 115E of the I.T. Act, and at the normal rates for Short Term Capital Gains if the payee debenture holder is a non-resident Indian.
  4. The income tax deducted shall be increased by surcharge as under:
    - (a) In the case of non-resident Indian, surcharge at the rate of 10% of such tax liability (if net income exceeds Rs. 50,00,000 and does not exceed Rs. 1,00,00,000), 15% of such tax liability (if net income exceeds Rs. 1,00,00,000 and does not exceed Rs. 2,00,00,000), 25% of such tax liability (if net income exceeds Rs. 2,00,00,000 and does not exceed Rs. 5,00,00,000) and 37% of such tax liability (if net income exceeds Rs. 5,00,00,000).
    - (b) In the case of foreign companies, surcharge at the rate of 2% of such tax liability where the income or the aggregate of such income paid or likely to be paid and subject to deduction exceeds Rs. 1,00,00,000 but does not exceed Rs. 10,00,00,000, surcharge at the rate of 5% of such income tax where the income or the aggregate of such income paid or likely to be paid and subject to the deduction exceeds Rs. 10,00,00,000.
    - (c) Further health and education cess on the total income tax (including surcharge) is also deductible.
  5. As per Section 74 of the I.T. Act, short-term capital loss suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any could be carried forward for eight years for claiming set-off against subsequent years' short-term as well as long-term capital gains. Long-term capital loss suffered (other than the long-term capital assets whose gains are exempt under Section 10(38))

of the I.T. Act) during the year is allowed to be set-off only against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent year's long-term capital gains.

6. Interest on application money and interest on refund application would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act and such tax would need to be withheld at the time of credit/payment as per the provisions of Section 195 of the I.T. Act.
7. As per section 90(2) of the I.T. Act read with the Circular no. 728 dated October 30, 1995 issued by the Central Board of Direct Taxes, in the case of a remittance to a country with which a Double Tax Avoidance Agreement (DTAA) is in force, the tax should be deducted at the rate provided in the Finance Act of the relevant year or at the rate provided in the DTAA, whichever is more beneficial to the assessee. However, submission of tax residency certificate ("TRC"), is a mandatory condition for availing benefits under any DTAA. If the TRC does not contain the information prescribed by the CBDT vide its Notification No. 57/2013 dated 1 August 2013, a self-declaration in Form 10F would need to be provided by the assessee along with TRC.
8. Alternatively, to ensure non-deduction or lower deduction of tax at source, as the case may be, the Debenture Holder should furnish a certificate under section 195(2) & 195(3) of the I.T. Act, from the Assessing Officer before the prescribed date of closure of books for payment of debenture interest. However, an application for the issuance of such certificate would not be entertained in the absence of PAN as per the provisions of section 206AA.

### **III Tax benefits available to the Foreign Portfolio Investors ("FPIs")**

1. As per Section 2(14) of the I.T. Act, any securities held by FPIs which has invested in such securities in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992, shall be treated as capital assets. Accordingly, any gains arising from transfer of such securities shall be chargeable to tax in the hands of FPIs as capital gains.
2. In accordance with and subject to the provisions of section 115AD of the I.T. Act, long term capital gains on transfer of debentures by FPIs are taxable at 10% (plus applicable surcharge and cess) and short-term capital gains are taxable at 30% (plus applicable surcharge and cess). The benefit of cost indexation will not be available. Further, benefit of provisions of the first proviso of section 48 of the I.T. Act will not apply.
3. Income other than capital gains arising out of debentures is taxable at 5% (in cases where section 194LD is applicable) / 20% (in other cases) (plus applicable surcharge and cess) in accordance with and subject to the provisions of Section 115AD of the I.T. Act.
4. Section 194LD in the I.T. Act provides for lower rate of withholding tax at the rate of 5% (plus applicable surcharge and cess) on payment by way of interest paid by an Indian company to FPIs and Qualified Foreign Investor in respect of rupee denominated bond of an Indian company between June 1, 2013 and July 1, 2020 provided such rate does not exceed the rate as may be notified by the Government.
5. In accordance with and subject to the provisions of section 196D(2) of the I.T. Act, no deduction of tax at source is applicable in respect of capital gains arising on the transfer of debentures by FPIs.
6. The CBDT has issued a Notification No. 9 dated 22 January 2014 which provides that Foreign Portfolio Investors (FPI) registered under SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be treated as FII for the purpose of Section 115AD of the I.T. Act.

### **IV Tax benefits available to Mutual Funds**

As per section 10(23D) of the I.T. Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made thereunder, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorised by the Reserve Bank of India will be exempt from income tax, subject to such conditions as the Central Government may, by notification in the Official Gazette, specify in this behalf. Further, as per the provisions of Section 196 of the I.T. Act, no deduction of tax shall be made by any person from any sums payable to mutual funds specified under Section 10(23D) of the I.T. Act, where such sum is payable to it by way of interest or dividend in respect of any securities or shares owned by it or in which it has full beneficial interest, or any other income accruing or arising to it.

## **V Exemption under Sections 54EE and 54F of the I.T. Act**

1. As per provisions of Section 54EE of the I.T. Act, long term capital gains arising to debenture holders on transfer of their debentures in the company shall not be chargeable to tax to the extent such capital gains are invested in certain notified units within six months after the date of transfer. If only part of the capital gain is so invested, the exemption shall be proportionately reduced. However, if the said notified units are transferred within three years from their date of acquisition, the amount of capital gain exempted earlier would become chargeable to tax as long term capital gains in the year in which units are transferred. Further, in case where loan or advance on the security of such notified units is availed, such notified units shall be deemed to have been transferred on the date on which such loan or advance is taken. However, the amount of exemption with respect to the investment made in the aforesaid notified units during the financial year in which such debentures are transferred and the subsequent financial year, should not exceed Rs. 50 lacs.
2. As per the provisions of section 54F of the I.T. Act, any long-term capital gains on transfer of a long term capital asset (not being residential house) arising to a debenture holder who is an individual or Hindu Undivided Family, is exempt from tax if the entire net sales consideration is utilized, within a period of one year before, or two years after the date of transfer, in purchase of a new residential house, or for construction of residential house within three years from the date of transfer. If part of such net sales consideration is invested within the prescribed period in a residential house, then such gains would be chargeable to tax on a proportionate basis.

This exemption is available, subject to the condition that the debenture holder does not own more than one residential house at the time of such transfer. If the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains tax exempted earlier would become chargeable to tax as long-term capital gains in the year in which such residential house is transferred. Similarly, if the debenture holder purchases within a period of two years or constructs within a period of three years after the date of transfer of capital asset, another residential house (other than the new residential house referred above), then the original exemption will be taxed as capital gains in the year in which the additional residential house is acquired.

## **VI Requirement to furnish PAN under the I.T. Act**

1. Section 139A(5A) of the I.T. Act requires every person receiving any sum or income or amount from which tax has been deducted under Chapter XVII-B of the I.T. Act to furnish his PAN to the person responsible for deducting such tax.
2. Section 206AA of the I.T. Act requires every person entitled to receive any sum or income or amount, on which tax is deductible under Chapter XVIIIB (“deductee”) to furnish his PAN to the deductor, failing which tax shall be deducted at the higher of the following rates:
  - (i) at the rate specified in the relevant provision of the I.T. Act; or
  - (ii) at the rate or rates in force; or
  - (iii) at the rate of twenty per cent.
3. As per Rule 37BC, the higher rate under section 206AA shall not apply to a non-resident, not being a company, or to a foreign company, in respect of payment of interest, if the non-resident deductee furnishes the prescribed details inter alia TRC and Tax Identification Number (TIN).
4. A declaration under Section 197A(1) or 197A(1A) or 197A(1C) shall not be valid unless the person furnishes his PAN in such declaration and the deductor is required to deduct tax as per Para (1) above in such a case.
5. Where a wrong PAN is provided, it will be regarded as non-furnishing of PAN and Para (1) above will apply apart from penal consequences.

## **VII Taxability of Gifts received for nil or inadequate consideration**

As per section 56(2)(x) of the I.T. Act, where any person receives debentures from any person on or after 1st April, 2017:

- (a) without consideration, aggregate fair market value of which exceeds fifty thousand rupees, then the whole of the aggregate fair market value of such debentures or;

- (b) for a consideration which is less than the aggregate fair market value of the debenture by an amount exceeding fifty thousand rupees, then the aggregate fair market value of such debentures as exceeds such consideration, shall be taxable as the income of the recipient at the normal rates of tax. The above is subject to few exceptions as stated in section 56(2)(x) of the I.T. Act.

### **VIII General Anti-Avoidance Rule ('GAAR)**

In terms of Chapter XA of the I.T. Act, General Anti-Avoidance Rule may be invoked notwithstanding anything contained in the I.T. Act. By this Rule, any arrangement entered into by an assessee may be declared to be impermissible avoidance arrangement as defined in that Chapter and the consequence would be inter alia denial of tax benefit, applicable w.e.f 1-04-2017. The GAAR provisions can be said to be not applicable in certain circumstances viz. the main purpose of arrangement is not to obtain a tax benefit etc. including circumstances enumerated in CBDT Notification No. 75/2013 dated 23 September 2013.

#### **NOTES:**

1. The statement of tax benefits enumerated above is as per the Income-tax Act, 1961, as amended by the Finance Act, 2019 as proposed to be amended by the Finance (No. 2) Bill, 2019.
2. The stated benefits will be available only to the sole/ first named holder in case the debenture is held by joint holders.
3. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant tax treaty, if any, between India and the country in which the nonresident has fiscal domicile.
4. In respect of non-residents, taxes paid in India could be claimed as a credit in accordance with the provisions of the relevant tax treaty.
5. Surcharge is levied on individuals, HUF, association of persons, body of individuals and artificial juridical person at the rate of 10% of such income-tax where the total income exceeds Rs. 50 lakh but does not exceed Rs. 1 crore, at the rate of 15% of such income-tax where the total income exceeds Rs. 1 crore but does not exceed Rs. 2 crores, at the rate of 25% of such income-tax where the total income exceeds Rs. 2 crores but does not exceed Rs. 5 crores and at the rate of 37% of such income-tax where the total income exceeds Rs. 5 crores.
6. Surcharge is levied on firm, co-operative society and local authority at the rate of 12% on tax where the total income exceeds Rs. 1 crore.
7. Surcharge is levied on domestic companies at the rate of 7% on tax where the income exceeds Rs 1 crore but does not exceed Rs. 10 crores and at the rate of 12% on tax where the income exceeds Rs. 10 crores.
8. Surcharge is levied on every company other than domestic companies at the rate of 2% on tax where the income exceeds Rs 1 crore but does not exceed Rs. 10 crores and at the rate of 5% on tax where the income exceeds Rs. 10 crores.
9. Health and Education Cess is to be applied at 4% on aggregate of base tax and surcharge.
10. Several of the above tax benefits are dependent on the debenture holders fulfilling the conditions prescribed under the relevant tax laws and subject to General Anti Avoidance Rules covered under Chapter X-A of the Act.
11. The above statement sets out the provisions of law in a summary manner only and is not complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of debentures/bonds.
12. The above statement covers only certain relevant benefits under the Income-tax Act, 1961 and does not cover benefits under any other law.
13. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

## MATERIAL DEVELOPMENTS

Other than as stated herein below and as stated in the section titled “*Financial Information*” beginning on page 142 of the Shelf Prospectus, there have been no material developments since March 31, 2019 and there have arisen no circumstances that materially or adversely affect the operations or financial condition or profitability or credit quality of our Company or the value of its assets or its ability to pay its liabilities with the next 12 months.

1. The Board of Directors in its meeting held on May 08, 2019, considered / approved / noted the following: (i) Resignation of Mr. Gerrit Lodewyk Van Heerde, Non-Executive Non-Independent Director of the Company from the directorship of the Company with effect from May 09, 2019; (ii) Appointment of Mr. Ignatius Michael Viljoen as a Non-Executive Non-Independent Director of the Company with effect from the date of allotment of DIN to him, subject to approval of members of the Company; (iii) Re-appointment of Mr. Umesh Revankar as a Managing Director & CEO of the Company for a further period of 5 years with effect from October 26, 2019 to October 25, 2024, subject to approval of members of the Company.
2. The Board of Directors of the Company at their meeting held on May 08, 2019, recommended a final dividend of Rs. 7/- per equity share of Rs. 10/- each for the financial year ended March 31, 2019. This is in addition to the interim dividend of Rs. 5/- per equity share of Rs. 10/- each already paid on November 16, 2018. With this, the total dividend for the financial year 2018-19 is Rs. 12/- per equity share. The final dividend was approved by the shareholders at the 40<sup>th</sup> AGM and was paid on July 04, 2019.
3. At the 40<sup>th</sup> AGM of the Company held on June 27, 2019 at Chennai, Tamil Nadu, the ordinary resolutions were passed by the shareholders for cancellation of 48,000 forfeited shares from issued and subscribed share capital of the Company, appointment of the Mr. Pradeep Kumar Panja as an independent director, appointment of Mr. Ignatius Michael Viljoen as non-executive non-independent director, re-appointment of Mr. Umesh Revankar as a Managing Director & CEO for a period of five years with effect from October 26, 2019. The special resolutions were passed at the 40<sup>th</sup> AGM for re-appointment of Mr. S. Sridhar and Mr. S. Lakshminarayanan as independent directors for a second term of 5 years with effect from October 19, 2019 and January 24, 2020 respectively. The above ordinary and special resolutions formed part of the Special Business of the 40<sup>th</sup> AGM of the Company.
4. On June 27, 2019 and on June 28, 2019, our Promoter acquired an aggregate number of 331,924 Equity Shares in the Company and Shriram Financial Ventures (Chennai) Private Limited, a company forming part of the promoter group, acquired an aggregate number of 50,037 Equity Shares in the Company. Post such acquisition, SCL holds 59,504,947 Equity Shares in the Company aggregating 26.23% of the paid-up capital and Shriram Financial Ventures (Chennai) Private Limited holds 50,037 Equity Shares in the Company aggregating 0.02% of the paid-up capital. For further details on our Promoter and promoter group, please refer to the section titled “*Our Promoter*” on page 140 of the Shelf Prospectus.
5. Our Company has initiated the process of drawing down USD 250,000,000 under the Global Medium Term Note Programme established in 2019 and proposes to issue 5.950 per cent. Senior Secured Notes due 2022. The pricing for the drawdown has been completed on July 11, 2019 and the bonds are expected to be issued on July 17, 2019.

## SECTION III ISSUE RELATED INFORMATION

### ISSUE STRUCTURE

The following are the details of the principal terms and conditions of this Tranche 1 Issue. This section should be read in conjunction with, and is qualified in its entirety by, the further details in the sections titled “*Terms of the Issue*” on page 44 of this Tranche 1 Prospectus and “*Issue Procedure*” on page 61 of this Tranche 1 Prospectus.

#### COMMON TERMS AND CONDITIONS OF THE NCDS

<b>Issuer</b>	Shriram Transport Finance Company Limited
<b>Issue</b>	Public Issue of secured, redeemable, non-convertible debentures of face value of Rs. 1000 each for an amount of Rs.10,00,000 lacs (“ <b>Shelf Limit</b> ”) in accordance with the terms and conditions set out in the Shelf Prospectus and separate Tranche Prospectus for each such tranche issue which should be read together with the Shelf Prospectus of the Issue.
<b>Tranche 1 Issue</b>	This Tranche 1 Issue is for NCDs with a Base Issue Size of an amount up to Rs. 30,000 lacs, with an option to retain oversubscription aggregating up to Rs. 10,00,000 lacs, which is the Shelf Limit.
<b>Tranche 1 Issue Size</b>	Base Issue Size of an amount up to Rs. 30,000 lacs, with an option to retain oversubscription aggregating up to the Shelf Limit
<b>Type of instrument/ Name of the security/ Seniority</b>	Secured Redeemable Non-Convertible Debentures
<b>Nature of the instrument</b>	Secured Redeemable Non-Convertible Debenture
<b>Mode of the issue</b>	Public issue
<b>Lead Managers</b>	JM Financial Limited, A. K. Capital Services Limited and SMC Capitals Limited
<b>Debenture Trustee</b>	Catalyst Trusteeship Limited
<b>Depositories</b>	NSDL and CDSL
<b>Registrar to the Issue</b>	Integrated Registry Management Services Private Limited.
<b>Base Issue</b>	Rs. 30,000 lacs. The minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size (i.e. Rs. 22,500 lacs)
<b>Option to retain Oversubscription Amount</b>	Up to Rs. 10,00,000 lacs
<b>Eligible investors</b>	Please refer to the chapter titled “ <i>Issue Procedure – Who can apply?</i> ” on page 62 of this Tranche 1 Prospectus.
<b>Objects of the Issue</b>	Please refer to the chapter titled “ <i>Objects of the Tranche 1 Issue</i> ” on page 26 of this Tranche 1 Prospectus.
<b>Details of utilization of the proceeds</b>	Please refer to the chapter titled “ <i>Objects of the Tranche 1 Issue</i> ” on page 26 of this Tranche 1 Prospectus.
<b>Coupon / Interest rate for each category of investors</b>	Please see the section titled “ <i>Terms of the Issue – Interest/ Coupon/ Premium/ Tenor</i> ” on page 50 of this Tranche 1 Prospectus.
<b>Step up/ Step down interest rates</b>	Not Applicable
<b>Interest type</b>	Fixed
<b>Interest reset process</b>	Not Applicable
<b>Issuance mode of the instrument</b>	In dematerialised form* only



<b>Frequency of interest payment</b>	Please see the section titled “ <i>Terms of the Issue – Interest/ Coupon/ Premium/ Tenor</i> ” on page 50 of this Tranche 1 Prospectus.
<b>Interest Payment Date</b>	Please see the section titled “ <i>Terms of the Issue – Interest/ Coupon/ Premium/ Tenor</i> ” on page 50 of this Tranche 1 Prospectus.
<b>Day count basis</b>	Actual/ Actual
<b>Interest on application money</b>	Not Applicable.
<b>Default interest rate</b>	Our Company shall pay interest in connection with any delay in allotment, refunds, listing, dematerialized credit, execution of Debenture Trust Deed, payment of interest, redemption of principal amount beyond the time limits prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated/ prescribed under applicable laws.
<b>Tenor</b>	Please see the section titled “ <i>Terms of the Issue – Interest/ Coupon/ Premium/ Tenor</i> ” on page 50 of this Tranche 1 Prospectus.
<b>Redemption Date/ Maturity Date</b>	Shall mean 30 months from the Deemed Date of Allotment for Series IV NCDs, 42 months from the Deemed Date of Allotment for Series I, V and VIII NCDs, 60 months from the Deemed Date of Allotment for Series II, VI and IX NCDs and 84 months from the Deemed Date of Allotment for Series III, VII and X NCDs.  If the Redemption Date/ Maturity Date of any Series of the NCDs falls on a day that is not a Working Day, the redemption/ maturity proceeds shall be paid on the immediately preceding Working Day along with interest accrued on the NCDs until but excluding the date of such payment.
<b>Redemption Amount</b>	The principal amount of the NCDs along with interest accrued on them, if any, as on the Redemption Date
<b>Redemption premium/ discount</b>	Not Applicable
<b>Face value</b>	Rs. 1,000 per NCD
<b>Issue Price (in Rs.)</b>	Rs. 1,000 per NCD
<b>Discount at which security is issued and the effective yield as a result of such discount</b>	Not Applicable
<b>Put date</b>	Not Applicable
<b>Put price</b>	Not Applicable
<b>Call date</b>	Not Applicable
<b>Call price</b>	Not Applicable
<b>Put notification time</b>	Not Applicable
<b>Call notification time</b>	Not Applicable
<b>Minimum Application size and in multiples of NCD thereafter</b>	Rs. 10,000 (10 NCDs) collectively across all Series and in multiple of Rs. 1,000 (1 NCD) thereafter across all Series
<b>Market Lot/ Trading Lot</b>	One NCD
<b>Pay-in date</b>	The date on which the Application is made. The entire application amount for the NCDs applied for, will be blocked in the relevant ASBA Account maintained with the SCSB on application itself. For further details, please refer to the chapter titled “ <i>Issue Procedure – Terms of Payment</i> ” on page

	54 of this Tranche 1 Prospectus.
<b>Credit ratings</b>	The NCDs proposed to be issued under this Issue have been rated ‘CARE AA+; Stable’ by CARE for an amount of up to Rs. 10,00,000 lacs vide its letter dated June 28, 2019, ‘CRISIL AA+/Stable’ by CRISIL for an amount of up to Rs. 10,00,000 lacs vide its letter dated June 26, 2019 and ‘IND AA+; Outlook Stable’ by India Ratings for an amount of up to Rs. 10,00,000 lacs vide its letter dated June 25, 2019. The rating of the NCDs by CARE, CRISIL and India Ratings indicate that instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations and carry very low credit risk.
<b>Listing</b>	The NCDs are proposed to be listed on the NSE and the BSE. The NCDs shall be listed within six Working Days from the Tranche 1 Issue Closing Date.
<b>Modes of payment</b>	Please refer to the chapter titled “ <i>Issue Procedure – Terms of Payment</i> ” on page 54 of this Tranche 1 Prospectus.
<b>Trading mode of the instrument</b>	In dematerialised* form only
<b>Tranche 1 Issue Opening Date</b>	July 17, 2019
<b>Tranche 1 Issue Closing Date**</b>	August 16, 2019
<b>Application Money</b>	The application amount for the NCDs applied for, will be blocked in the relevant ASBA Account maintained with the SCSB on application itself.
<b>Record date</b>	The record date for payment of interest in connection with the NCDs issued under this Tranche 1 Prospectus or repayment of principal in connection therewith shall be 15 (fifteen) days prior to the date on which interest is due and payable and/or the date of redemption, or such other date as may be otherwise specified by the Stock Exchanges. In case of redemption of NCDs, the trading in the NCDs shall remain suspended between the Record Date and the date of redemption. In event the Record Date falls on a day when Stock Exchange are having a trading holiday, the immediate subsequent trading day will be deemed as the Record Date.
<b>Security and Asset Cover</b>	The outstanding NCDs, to be issued in the Tranche 1 Issue, together with all interest due on the outstanding NCDs in respect thereof shall be secured by way of first ranking pari passu charge on the Company’s identified immovable property and an exclusive first ranking charge over certain specified accounts receivable of the Company, for the purposes of maintaining 100% asset cover for the NCDs (along with the interest due thereon). For further details please refer to the section titled “ <i>Terms of the Issue – Security</i> ” on page 45 of this Tranche 1 Prospectus.
<b>Transaction/ Issue documents</b>	The Draft Shelf Prospectus, the Shelf Prospectus, this Tranche 1 Prospectus read with any notices, corrigenda, addenda thereto, and various other documents/ agreements/undertakings, entered or to be entered by our Company with Lead Managers and/or other intermediaries for the purpose of this Issue including but not limited to the Issue Agreement, Debenture Trust Deed, Deed of Hypothecation, the Debenture Trustee Agreement, the Tripartite Agreements, the Registrar Agreement, the Public Issue Account Agreement and the Lead Broker Agreement. For further details, please refer to “ <i>Material Contracts and Documents for Inspection</i> ” on page 98 of this Tranche 1 Prospectus.
<b>Conditions precedent to disbursement</b>	Other than the conditions specified in the Debt Regulations, there are no conditions precedents to disbursement.

<b>Conditions subsequent to disbursement</b>	Other than the conditions specified in the Debt Regulations, there are no conditions subsequent to disbursement.
<b>Events of default / cross default</b>	Please refer to the chapter titled “ <i>Terms of the Issue – Events of Default</i> ” on page 45 of this Tranche 1 Prospectus.
<b>Deemed date of Allotment</b>	The date on which the Board of Directors /the Debt Issuance Committee approves the Allotment of the NCDs for the Tranche 1 Issue or such date as may be determined by the Board of Directors / the Debt Issuance Committee thereof and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs shall be available to the Debenture Holders from the Deemed Date of Allotment.
<b>Roles and responsibilities of the Debenture Trustee</b>	Please refer to the chapter titled “ <i>Terms of the Issue – Trustees for the NCD Holders</i> ” on page 45 of this Tranche 1 Prospectus.
<b>Governing law and jurisdiction</b>	The governing law and jurisdiction for the purpose of the Issue shall be Indian law, and the competent courts of jurisdiction in Mumbai, India, respectively.
<b>Working day convention</b>	If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day, however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. In case the Redemption Date (also being the last Interest Payment Date) does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment. The interest / redemption payments shall be made only on the days when the money market is functioning in Mumbai, India.

*\* In terms of Regulation 4(2)(d) of the Debt Regulations, our Company will undertake this public issue of the NCDs in dematerialised form. However, in terms of section 8(1) of the Depositories Act, our Company, at the request of the Investors who wish to hold the NCDs in physical form will re-materialise the NCDs. However, any trading of the NCDs shall be compulsorily in dematerialized form only.*

*\*\* The subscription list shall remain open for subscription on Working Days from 10:00 a.m. to 5.00 p.m. (Indian Standard Time) with an option for early closure or extension by such period, as may be decided by the Board or the Debt Issuance Committee. In the event of such early closure or extension of subscription list of the Tranche 1 Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in all those newspapers in which pre-issue advertisement and advertisement for opening or closure of the Tranche 1 Issue have been given on or before such earlier date or extended date of closure. Applications Forms for the Tranche 1 Issue will be accepted only from 10:00 a.m. till 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchanges, on Working Days during the Tranche 1 Issue Period. On the Tranche 1 Issue Closing Date, Application Forms will be accepted only from 10:00 a.m. till 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchanges.*

**SPECIFIC TERMS AND CONDITIONS IN CONNECTION WITH EACH SERIES/TRANCHE OF NCDs**

<b>Series*</b>	<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>	<b>V</b>	<b>VI</b>	<b>VII</b>	<b>VIII</b>	<b>IX</b>	<b>X</b>
<b>Interest type</b>	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed
<b>Interest reset process</b>	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>Frequency of Interest Payment</b>	Monthly	Monthly	Monthly	Annual	Annual	Annual	Annual	Cumulative	Cumulative	Cumulative
<b>Tenor</b>	42 months	60 months	84 months	30 months	42 months	60 months	84 months	42 months	60 months	84 months
<b>Coupon (per cent.) for all categories of investors</b>	9.12%	9.22%	9.31%	9.30%	9.50%	9.60%	9.70%	NA	NA	NA
<b>Effective Yield (per cent. per annum) (Approx) for all Investor categories**</b>	9.50%	9.61%	9.71%	9.33%	9.52%	9.59%	9.69%	9.50%	9.60%	9.70%
<b>Redemption amount (Rs. per NCD)</b>	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,374.75	1,582.25	1,912.80
<b>Put and call option</b>	NA									
<b>Redemption Date (Months from the Deemed Date of Allotment)</b>	42 months	60 months	84 months	30 months	42 months	60 months	84 months	42 months	60 months	84 months
<b>Minimum Application</b>	Rs. 10,000 (10 NCDs) across all Series collectively									
<b>In multiples of thereafter</b>	Rs. 1,000 (1 NCD)									
<b>Face Value / Issue Price (Rs. / NCD)</b>	Rs. 1,000 (1 NCD)									
<b>Mode of Interest Payment</b>	Through various options available									

\* Our Company shall allocate and allot Series VII NCDs wherein the Applicants have not indicated their choice of the relevant NCD Series. Therefore, instructions will be given to the Designated Intermediaries to indicate Series VII as the Applicant's choice of the relevant NCD Series wherein the Applicants have not indicated their choice. If the Deemed Date of Allotment undergoes a change, the coupon payment dates, Redemption Dates, Redemption Amounts and other cash flow workings shall be changed accordingly.

\*\* The initial allottees under Category III and Category IV in the proposed Tranche 1 Issue who are Senior Citizens on the Deemed Date of Allotment shall be eligible for an additional incentive of 0.25% p.a. provided the NCDs issued under the proposed Tranche 1 Issue are continued to be held by such investors under Category III and Category IV on the relevant Record Date for the relevant Interest Payment Date for Series I, Series II, Series III, Series IV, Series V, Series VI and/or Series VII. Accordingly, the amount payable on redemption to such Senior Citizens for NCDs under Series VIII, Series IX and Series X is Rs. 1,385.80, Rs. 1,600.40 and Rs. 1,943.55 per NCD respectively provided the NCDs issued under the proposed Tranche 1 Issue are continued to be held by such investors under Category III and Category IV on the relevant Record Date for the relevant Redemption Date for the Series VIII, Series IX and Series X.

*On any relevant Record Date, the Registrar and/or our Company shall determine the list of the holder(s) of this Tranche 1 Issue and identify such Investors/ NCD Holders (based on their DP identification and /or PAN and/or entries in the Register of NCD Holders) and make the requisite payment of additional incentive.*

*Senior Citizen Applicants making online applications through electronic mode should provide the copy of their PAN card by quoting their Application number, Demat Account number to the Registrar either through email / post / courier, for availing additional incentive applicable for Senior Citizens.*

*Other Senior Citizen Applicants, applying by submitting the application form physically through the Designated Intermediaries at the respective Collection Centres/ SCSBs, should enclose the copy of PAN Card along with their application, for availing additional incentive applicable for Senior Citizens.*

## **TERMS OF PAYMENT**

The entire amount of face value of NCDs applied for will be blocked in the relevant ASBA Account maintained with the SCSB on application itself. In case of Allotment of lesser number of NCDs than the number of NCDs applied for, our Company shall instruct the SCSBs to unblock the excess amount blocked on application in accordance with the terms of the Shelf Prospectus and this Tranche 1 Prospectus.

**Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to this Tranche 1 Issue. Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/or regulatory provisions.**

Applications may be made in single or joint names (not exceeding three). Applications should be made by Karta in case the Applicant is an HUF. If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account (in case of Applicants applying for Allotment of the NCDs in dematerialized form) held in joint names. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form. Please ensure that such Applications contain the PAN of the HUF and not of the Karta.

In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein.

For further details, please refer to the chapter titled “*Issue Procedure*” on page 61 of this Tranche 1 Prospectus.

## **ILLUSTRATION FOR GUIDANCE IN RESPECT OF THE DAY COUNT CONVENTION AND EFFECT OF HOLIDAYS ON PAYMENTS**

Please refer to Annexure E for the illustration for guidance in respect of the day count convention and effect of holidays on payments, as required by the SEBI circulars bearing numbers CIR/IMD/DF/18/2013 dated October 29, 2013 and CIR/IMD/DF-1/122/2016 dated November 11, 2016.

## TERMS OF THE ISSUE

### GENERAL TERMS OF THE ISSUE

#### Authority for the Issue

This Issue has been authorized by the Board of Directors of our Company pursuant to a resolution passed at their meeting held on January 28, 2019. Further, the present borrowing is within the borrowing limits under Section 180(1)(c) of the Companies Act, 2013 duly approved by the shareholders *vide* their resolution passed by postal ballot on June 13, 2019. Further, the Board of Directors has approved the Draft Shelf Prospectus by way of resolution dated June 27, 2019 and the Debt Issuance Committee has approved the Shelf Prospectus by way of resolution dated July 9, 2019 and the Tranche 1 Prospectus by way of resolution dated July 12, 2019.

#### Principal Terms & Conditions of this Tranche 1 Issue

The NCDs being offered as part of this Tranche 1 Issue are subject to the provisions of the Debt Regulations, the Companies Act, the Memorandum and Articles of Association of our Company, the terms of the Shelf Prospectus, this Tranche 1 Prospectus, the Application Forms, the Abridged Prospectus, the terms and conditions of the Debenture Trustee Agreement and the Debenture Trust Deed, other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI, the Government of India, the Stock Exchanges, RBI, and/or other statutory/regulatory authorities relating to the offer, issue and listing of securities and any other documents that may be executed in connection with the NCDs.

#### Ranking of NCDs

The NCDs would constitute direct and secured obligations of ours and shall rank *pari passu inter se*, and subject to any obligations under applicable statutory and/or regulatory requirements, shall also, with regard to the amount invested, be secured by way of first ranking *pari passu* charge on the identified immovable property and an exclusive first ranking charge over certain specified accounts receivable of the Company. The claims of the NCD Holders shall be superior to the claims of any unsecured creditors, subject to applicable statutory and/or regulatory requirements.

The Company is required to obtain permissions / consents from the existing creditors for the *pari passu* charge being created for this Issue and the Company has obtained such permissions / consents as on the date of this Tranche 1 Prospectus.

#### Debenture Redemption Reserve

Pursuant to Regulation 16 of the Debt Regulations and Section 71 (4) of the Companies Act, 2013 which require that when debentures are issued by any company, the company shall create a debenture redemption reserve out of the profits of the company available for payment of dividend. Rule 18 (7) of the Companies (Share Capital and Debentures) Rules, 2014 states that for companies such as our Company, the adequacy of DRR shall be 25% of the value of outstanding debentures issued through a public issue as per the Debt Regulations.

Rule 18 (7) (c) of the Companies (Share Capital and Debentures) Rules, 2014 further mandate that every company required to maintain DRR shall deposit or invest, as the case may be, before the 30th day of April of each year a sum which shall not be less than 15% of the amount of its debentures maturing during the year ending on the 31st day of March of the next year in any one or more following methods: (a) in deposits with any scheduled bank, free from charge or lien; (b) in unencumbered securities of the Central Government or of any State Government; (c) in unencumbered securities mentioned in clauses (a) to (d) and (ee) of Section 20 of the Indian Trusts Act, 1882; (d) in unencumbered bonds issued by any other company which is notified under clause (f) of Section 20 of the Indian Trusts Act, 1882. The abovementioned amount deposited or invested, must not be utilized for any purpose other than for the repayment of debentures maturing during the year provided that the amount remaining deposited or invested must not at any time fall below 15% of the amount of debentures maturing during year ending on the 31st day of March of that year.

Accordingly, our Company is required to create a DRR of 25% of the value of the outstanding NCDs issued through the Issue. In addition, the amounts invested pursuant to the requirements of Rule 18 (7) (c) of the Companies (Share Capital and Debentures) Rules, 2014, shall not be utilised by our Company except for the redemption of the NCDs.

In the Union Budget for Financial Year 2019-20, it has been announced that, in order to allow NBFCs to raise funds through public issues of debentures, the requirement of creating a DRR, which is currently applicable only for public issues, will be done away with.

### **Face Value**

The face value of each NCD shall be Rs.1,000.

### **Security**

The outstanding NCDs, together with all interest due on the outstanding NCDs in respect thereof shall be secured by way of first ranking charge on identified unencumbered immovable property and an exclusive first ranking charge over certain specified accounts receivable of the Company, for the purposes of maintaining 100% asset cover for the NCDs (along with the interest due thereon). Security for the purpose of this Tranche 1 Issue will be created in accordance with the terms of the Debenture Trust Deed and the Deed of Hypothecation.

Our Company intends to enter into an indenture/deed with the Debenture Trustee ('**Debenture Trust Deed**'), the terms of which will govern the powers, authorities and obligations of the Debenture Trustee. Our Company proposes to complete the execution of the Debenture Trust Deed on or prior to the Deemed Date of Allotment and shall utilize the funds only after the stipulated security has been created. Without prejudice to the aforesaid, in the event our Company fails to execute the Debenture Trust Deed within the period specified in Regulation 15(1) of the Debt Regulations, our Company shall also pay interest of at least 2% (two per cent.) per annum to the NCD Holders, over and above the interest rate on the NCDs specified in this Tranche 1 Prospectus, till the execution of the Debenture Trust Deed.

Under the terms of the Debenture Trust Deed, our Company will covenant with the Debenture Trustee that it will pay the NCD Holders the principal amount on the NCDs on the relevant redemption date and also that it will pay the interest due on NCDs on the rate specified in this Tranche 1 Prospectus and in the Debenture Trust Deed. The Debenture Trust Deed and the Deed of Hypothecation will also provide that our Company may withdraw any portion of the security and replace with another asset of the same or of a higher value. However, in case of Debenture Trust Deed, the Issuer reserves the right to create pari passu charge on the said immovable property without seeking any no-objection consent from the NCD Holders and the Debenture Trustee is empowered to issue no-objection consent to create pari passu charge on the said immovable property for future issuances without seeking any no-objection consent from the NCD Holders.

### **Trustees for the NCD Holders**

We have appointed Catalyst Trusteeship Limited to act as the Debenture Trustee for the NCD Holders in terms of Regulation 4(4) of the Debt Regulations and Section 71 (5) of the Companies Act, 2013 and the rules prescribed thereunder.

We and the Debenture Trustee will execute a Debenture Trust Deed, inter alia, specifying the powers, authorities and obligations of the Debenture Trustee and us. The NCD Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the NCD Holder(s). Any payment made by us to the Debenture Trustee on behalf of the NCD Holder(s) shall discharge us pro tanto to the NCD Holder(s).

The Debenture Trustee will protect the interest of the NCD Holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost.

### **Events of Default**

Subject to the terms of the Debenture Trust Deed, the Debenture Trustee at its discretion may, or if so requested in writing by the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution, passed at a meeting of the NCD Holders, (subject to being indemnified and/or secured by the NCD Holders to its satisfaction), give notice to our Company specifying that the NCDs and/or any particular Series of NCDs, in whole but not in part are and have become due and repayable on such date as may be specified in such notice inter alia if any of the events listed below occurs. The description below is indicative and a complete list of events of default and its consequences will be specified in the Debenture Trust Deed:

1. Default is committed in payment of the principal amount of the NCDs on the due date(s); and
2. Default is committed in payment of any interest on the NCDs on the due date(s).

### **NCD Holder not a Shareholder**

The NCD Holders will not be entitled to any of the rights and privileges available to the equity and/or preference shareholders of our Company, except to the extent of the right to receive the annual reports of our Company and such other rights as may be prescribed under the Companies Act, 2013 and the rules prescribed thereunder and the Debt Listing Agreement and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **Rights of NCD Holders**

Some of the significant rights available to the NCD Holders are as follows:

1. The NCDs shall not, except as provided in the Companies Act, our Memorandum and Articles of Association and/or the Debenture Trust Deed, confer upon the holders thereof any rights or privileges available to our Company's members/shareholders including, without limitation, the right to attend and/or vote at any general meeting of our Company's members/shareholders. However, if any resolution affecting the rights attached to the NCDs is to be placed before the members/shareholders of our Company, the said resolution will be placed before the concerned registered NCD Holders for their consideration. The opinion of the Debenture Trustee as to whether such resolution is affecting the right attached to the NCDs is final and binding on NCD Holders. In terms of Section 136 (1) of the Companies Act, 2013, holders of NCDs shall be entitled to a copy of the balance sheet on a specific request made to our Company. In terms of Rule 18 (8) of the Companies (Share Capital and Debentures) Rules, 2014, the holders of NCDs shall be entitled to a copy of the Debenture Trust Deed on a specific request made to our Company, within the timeframe prescribed under the applicable laws.
2. Subject to the above and the applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, including requirements of the RBI, the rights, privileges and conditions attached to the NCDs may be varied, modified and/or abrogated with the consent in writing of the holders of at least three -fourths of the outstanding amount of the NCDs or with the sanction of a special resolution passed at a meeting of the concerned NCD Holders.
3. Subject to applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, the registered NCD Holder or in case of joint-holders, the one whose name stands first in the register of debenture holders shall be entitled to vote in respect of such NCDs, either in person or by proxy, at any meeting of the concerned NCD Holders and every such holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights on every resolution placed before such meeting of the NCD Holders shall be in proportion to the outstanding nominal value of NCDs held by him/her.
4. The NCDs are subject to the provisions of the Debt Regulations, the Companies Act, the Memorandum and Articles of Association of our Company, the terms of the Shelf Prospectus, this Tranche 1 Prospectus, the Application Forms, the Abridged Prospectus, Corrigendum if any, addendum if any, the terms and conditions of the Debenture Trust Deed, requirements of the RBI, other applicable statutory and/or regulatory requirements relating to the issue and listing, of securities and any other documents that may be executed in connection with the NCDs.
5. The Depositories shall maintain the up to date record of holders of the NCDs in dematerialized Form. For NCDs in dematerialized form, all interest and principal sums becoming due and payable in respect of the NCDs will be paid to the person for the time being appearing in the register of beneficial owners of the Depository. In terms of Section 88(3) of the Companies Act, 2013, the register and index of beneficial owners of NCDs maintained by a Depository for any NCD in dematerialized form under Section 11 of the Depositories Act shall be deemed to be a Register of NCD holders for this purpose. The same shall be maintained at the registered office of our Company, or at such other location subject to meeting the requirements of Section 94 of the Companies Act, 2013 and shall be open for inspection by the NCD Holders in accordance with Section 94 of the Companies Act, 2013.



6. A register of NCD Holders holding NCDs in physical form pursuant to re-materialisation of the NCDs issued pursuant to this Tranche 1 Prospectus (“**Register of NCD Holders**”) will be maintained in accordance with Section 88 of the Companies Act, 2013 and all interest and principal sums becoming due and payable in respect of the NCDs will be paid to the registered holder thereof for the time being or in the case of joint-holders, to the person whose name stands first in the Register of NCD Holders as on the Record Date. The same shall be maintained at the registered office of our Company, or at such other location subject to meeting the requirements of Section 94 of the Companies Act, 2013 and shall be open for inspection by the NCD Holders in accordance with Section 94 of the Companies Act, 2013.
7. Subject to compliance with applicable statutory/regulatory requirements, including requirements of the RBI, NCDs can be rolled over only with the consent of the holders of at least 75% of the outstanding amount of the NCDs after providing at least 21 days prior notice for such roll over and in accordance with the Debt Regulations. Our Company shall redeem the debt securities of all the debt securities holders, who have not given their positive consent to the roll-over.

The aforementioned rights of the NCD Holders are merely indicative. The final rights of the NCD Holders will be as per the terms of the Shelf Prospectus, this Tranche 1 Prospectus and the Debenture Trust Deed to be executed between our Company and the Debenture Trustee.

#### **Nomination facility to NCD Holder**

In accordance with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014 (“**Rule 19**”) and the Companies Act, 2013, the sole NCD Holder, or first NCD Holder, along with other joint NCD Holders’ (being individual(s)), may nominate, in the **Form No. SH.13**, any one person in whom, in the event of the death of Applicant the NCDs Allotted, if any, will vest. Where the nomination is made in respect of the NCDs held by more than one person jointly, all joint holders shall together nominate in **Form No.SH.13** any person as nominee. A nominee entitled to the NCDs by reason of the death of the original holder(s), will, in accordance with Rule 19 and Section 56 of the Companies Act, 2013, be entitled to the same benefits to which he or she will be entitled if he or she were the registered holder of the NCDs. Where the nominee is a minor, the holder(s) may make a nomination to appoint, in **Form No. SH.14**, any person to become entitled to NCDs in the event of the holder’s death during minority. A nomination will stand rescinded on a sale/transfer/alienation of NCDs by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office, Corporate Office or with the Registrar to the Issue.

NCD Holder(s) are advised to provide the specimen signature of the nominee to us to expedite the transmission of the NCD(s) to the nominee in the event of demise of the NCD Holder(s). The signature can be provided in the Application Form or subsequently at the time of making fresh nominations. This facility of providing the specimen signature of the nominee is purely optional.

In accordance with Rule 19, any person who becomes a nominee by virtue of the Rule 19, will on the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as holder of NCDs; or
- to make such transfer of the NCDs, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the NCDs, and if the notice is not complied with, within a period of 90 days, our Board may thereafter withhold payment of all interests or other monies payable in respect of the NCDs, until the requirements of the notice have been complied with.

For all NCDs held in the dematerialized form, nominations registered with the respective Depository Participant of the Applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective Depository Participant in connection with NCDs held in the dematerialized form.

#### **Jurisdiction**

Exclusive jurisdiction for the purpose of the Issue is with the competent courts of jurisdiction in Mumbai, India.

## **Application in the Issue**

Applicants shall apply in this Issue in dematerialized form only, through a valid Application Form filled in by the Applicant along with attachment, as applicable.

In terms of Regulation 4(2)(d) of the Debt Regulations, our Company will make public issue of the NCDs in the dematerialised form only. However, in terms of Section 8(1) of the Depositories Act, our Company, at the request of the Investors who wish to hold the NCDs in physical form, will re-materialise the NCDs. However, any trading of the NCDs shall be compulsorily in dematerialized form only.

## **Transfer/Transmission of NCD(s)**

The NCDs shall be transferred or transmitted freely in accordance with the applicable provisions of the Companies Act, 2013. The NCDs held in dematerialized form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant DPs of the transfer or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant.

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 maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer or Registrar.

Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 ("**SEBI LODR IV Amendment**"), NCDs held in physical form, pursuant to any re-materialisation, as above, cannot be transferred except by way of transmission or transposition. It is reiterated that any trading of the NCDs issued pursuant to this Issue shall be compulsorily in dematerialized form only.

Please see the section titled "*Terms of the Issue - Interest/ Coupon/ Premium/ Tenor*" on page 50 of this Tranche 1 Prospectus for the implications on the interest applicable to NCDs held by Individual Investors on the Record Date and NCDs held by Non-Individual Investors on the Record Date.

## **Title**

In case of:

- the NCDs held in the dematerialized form, the person for the time being appearing in the record of beneficial owners maintained by the Depository; and
- the NCD held in physical form, the person for the time being appearing in the Register of NCD Holders as NCD Holder,

shall be treated for all purposes by our Company, the Debenture Trustee, the Depositories and all other persons dealing with such person as the holder thereof and its absolute owner for all purposes regardless of any notice of ownership, trust or any interest in it or any writing on, theft or loss of the consolidated NCD certificate issued in respect of the NCDs and no person will be liable for so treating the NCD Holder.

No transfer of title of an NCD will be valid unless and until entered on the Register of NCD Holders or the register and index of NCD Holders maintained by the Depository prior to the Record Date. In the absence of transfer being registered, interest and/or Redemption Amount, as the case may be, will be paid to the person, whose name appears first in the Register of NCD Holders maintained by the Depositories and/or our Company and/or the Registrar, as the case may be. In such cases, claims, if any, by the purchasers of the NCDs will need to be settled with the seller of the NCDs and not with our Company or the Registrar.

## **Succession**

Where NCDs are held in joint names and one of the joint holders dies, the survivor(s) will be recognized as the NCD Holder(s). It will be sufficient for our Company to delete the name of the deceased NCD Holder after obtaining satisfactory evidence of his death. Provided, a third person may call on our Company to register his name as

successor of the deceased NCD Holder after obtaining evidence such as probate of a will for the purpose of proving his title to the debentures.

In the event of demise of the sole or first holder of the Debentures, the Company will recognise the executors or administrator of the deceased NCD Holders, or the holder of the succession certificate or other legal representative as having title to the Debentures only if such executor or administrator obtains and produces probate or letter of administration or is the holder of the succession certificate or other legal representation, as the case may be, from an appropriate court in India. The directors of the Company in their absolute discretion may, in any case, dispense with production of probate or letter of administration or succession certificate or other legal representation.

Where an NRI becomes entitled to the NCDs by way of succession, the following steps have to be complied with:

1. Documentary evidence to be submitted to the legacy cell of the RBI to the effect that the NCDs were acquired by the NRI as part of the legacy left by the deceased NCD Holder.
2. Proof that the NRI is an Indian national or is of Indian origin.
3. Such holding by an NRI will be on a non-repatriation basis.

#### **Joint-holders**

Where two or more persons are holders of any NCD(s), they shall be deemed to hold the same as joint holders with benefits of survivorship subject to other provisions contained in the Articles.

#### **Procedure for Re-materialization of NCDs**

NCD Holders who wish to hold the NCDs in physical form may do so by submitting a request to their DP at any time after Allotment in accordance with the applicable procedure stipulated by the DP, in accordance with the Depositories Act and/or rules as notified by the Depositories from time to time. **Holders of NCDs who propose to re-materialize their NCDs, would have to mandatorily submit details of their bank mandate along with a copy of any document evidencing that the bank account is in the name of the holder of such NCDs and their Permanent Account Number to the Company and the DP. No proposal for re-materialization of NCDs would be considered if the aforementioned documents and details are not submitted along with the request for such re-materialization.**

#### **Restriction on transfer of NCDs**

There are no restrictions on transfers and transmission of NCDs allotted pursuant to this Issue. Pursuant to the SEBI LODR IV Amendment, NCDs held in physical form, pursuant to any re-materialisation, as above, cannot be transferred except by way of transmission or transposition.

#### **Period of Subscription**

<b>TRANCHE 1 ISSUE PROGRAMME</b>	
<b>TRANCHE 1 ISSUE OPENS ON</b>	JULY 17, 2019
<b>TRANCHE 1 ISSUE CLOSES ON</b>	AUGUST 16, 2019

Applications Forms for the Tranche 1 Issue will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchanges, during the Tranche 1 Issue Period as mentioned above on all days between Monday and Friday (both inclusive barring public holiday), (i) by the Designated Intermediaries at the Bidding Centres, or, (ii) by the Designated Branches of the SCSBs. On the Tranche 1 Issue Closing Date, Application Forms will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. or such extended time as may be permitted by the Stock Exchanges.

Due to limitation of time available for uploading the Applications on the Tranche 1 Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Tranche 1 Issue Closing Date and, no later than 3.00 p.m (Indian Standard Time) on the Tranche 1 Issue Closing Date. Applicants are cautioned that in the event a

large number of Applications are received on the Tranche 1 Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Tranche 1 Issue.

Application Forms will only be accepted on Working Days during the Tranche 1 Issue Period. Neither our Company, nor the Designated Intermediaries are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. Please note that the Basis of Allotment under the Tranche 1 Issue will be on a date priority basis except on the day of oversubscription, if any, where the Allotment will be proportionate.

### **Interest/ Coupon/ Premium/ Tenor**

#### ***Series I NCDs***

In case of Series I NCDs, interest would be paid monthly on an Actual/ Actual basis at the following coupon rate for all categories of NCD holders, on the amount outstanding from time to time, commencing from the first day, of the month following the subsequent month from the Deemed Date of Allotment of Series I NCDs:

<b>Category of NCD holder</b>	<b>Coupon rate (per cent.) per annum</b>
For all categories	9.12%

The subsequent monthly interest payments will be made on the first day of every following month for the amount outstanding till the first day of the month in which the NCDs will be redeemed. The accrued interest for the residual days i.e. from the first day of the month of redemption of the NCDs till the Maturity Date will be paid along with the principal amount on the Maturity Date of the NCDs.

*Illustration: In case the Deemed Date of Allotment falls on August 22, 2019, the first monthly interest payment shall be made on October 1, 2019 (in relation to the interest payable from August 22, 2019 to September 30, 2019) and subsequent monthly interest payments will be made commencing from October 1, 2019 till January 31, 2023. The accrued interest for the residual days i.e. from February 1, 2023 till February 21, 2023 will be paid along with the principal amount on the Maturity Date of the NCDs.*

The initial Allottees under Category III and Category IV in the proposed Tranche 1 Issue who are Senior Citizens on the Deemed Date of Allotment shall be eligible for an additional incentive of 0.25% p.a. provided the NCDs issued under the proposed Tranche 1 Issue are continued to be held by such investors under Category III and Category IV on the relevant Record Date applicable for payment of coupon.

Series I NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of forty two months from the Deemed Date of Allotment.

#### ***Series II NCDs***

In case of Series II NCDs, interest would be paid monthly on an Actual/ Actual basis at the following coupon rate for all categories of NCD holders, on the amount outstanding from time to time, commencing from the first day, of the month following the subsequent month from the Deemed Date of Allotment of Series II NCD:

<b>Category of NCD holder</b>	<b>Coupon rate (per cent.) per annum</b>
For all categories	9.22%

The subsequent monthly interest payments will be made on the first day of every following month for the amount outstanding till the first day of the month in which the NCDs will be redeemed. The accrued interest for the residual days i.e. from the first day of the month of redemption of the NCDs till the Maturity Date will be paid along with the principal amount on the Maturity Date of the NCDs.

*Illustration: In case the Deemed Date of Allotment falls on August 22, 2019, the first monthly interest payment shall be made on October 1, 2019 (in relation to the interest payable from August 22, 2019 to September 30, 2019) and subsequent monthly interest payments will be made commencing from October 1, 2019 till July 31, 2024. The accrued interest for the residual days i.e. from August 1, 2024 till August 21, 2024 will be paid along with the principal amount on the Maturity Date of the NCDs.*

The initial Allottees under Category III and Category IV in the proposed Tranche 1 Issue who are Senior Citizens on the Deemed Date of Allotment shall be eligible for an additional incentive of 0.25% p.a. provided the NCDs issued under the proposed Tranche 1 Issue are continued to be held by such investors under Category III and Category IV on the relevant Record Date applicable for payment of coupon.

Series II NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of sixty months from the Deemed Date of Allotment.

**Series III NCDs**

In case of Series III NCDs, interest would be paid monthly on an Actual/ Actual basis at the following coupon rate for all categories of NCD holders, on the amount outstanding from time to time, commencing from the first day, of the month following the subsequent month from the Deemed Date of Allotment of Series III NCDs:

<b>Category of NCD holder</b>	<b>Coupon rate (per cent.) per annum</b>
For all categories	9.31%

The subsequent monthly interest payments will be made on the first day of every following month for the amount outstanding till the first day of the month in which the NCDs will be redeemed. The accrued interest for the residual days i.e. from the first day of the month of redemption of the NCDs till the Maturity Date will be paid along with the principal amount on the Maturity Date of the NCDs.

*Illustration: In case the Deemed Date of Allotment falls on August 22, 2019, the first monthly interest payment shall be made on October 1, 2019 (in relation to the interest payable from August 22, 2019 to September 30, 2019) and subsequent monthly interest payments will be made commencing from October 1, 2019 till July 31, 2026. The accrued interest for the residual days i.e. from August 1, 2026 till August 21, 2026 will be paid along with the principal amount on the Maturity Date of the NCDs.*

The initial Allottees under Category III and Category IV in the proposed Tranche 1 Issue who are Senior Citizens on the Deemed Date of Allotment shall be eligible for an additional incentive of 0.25% p.a. provided the NCDs issued under the proposed Tranche 1 Issue are continued to be held by such investors under Category III and Category IV on the relevant Record Date applicable for payment of coupon.

Series III NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of eighty four months from the Deemed Date of Allotment.

**Series IV NCDs**

In case of Series IV NCDs, interest would be paid annually on an Actual/ Actual basis at the following coupon rate for all categories of NCD holders, on the amount outstanding from time to time, commencing from the date, one after the Deemed Date of Allotment of Series IV NCDs:

<b>Category of NCD holder</b>	<b>Coupon rate (per cent.) per annum</b>
For all categories	9.30%

The initial Allottees under Category III and Category IV in the proposed Tranche 1 Issue who are Senior Citizens on the Deemed Date of Allotment shall be eligible for an additional incentive of 0.25% p.a. provided the NCDs issued under the proposed Tranche 1 Issue are continued to be held by such investors under Category III and Category IV on the relevant Record Date applicable for payment of coupon.

Series IV NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of thirty months from the Deemed Date of Allotment.

**Series V NCDs**

In case of Series V NCDs, interest would be paid annually on an Actual/ Actual basis at the following coupon rate for all categories of NCD holders, on the amount outstanding from time to time, commencing from the date, one after the Deemed Date of Allotment of Series V NCDs:

<b>Category of NCD holder</b>	<b>Coupon rate (per cent.) per annum</b>
For all categories	9.50%

The initial Allottees under Category III and Category IV in the proposed Tranche 1 Issue who are Senior Citizens on the Deemed Date of Allotment shall be eligible for an additional incentive of 0.25% p.a. provided the NCDs issued under the proposed Tranche 1 Issue are continued to be held by such investors under Category III and Category IV on the relevant Record Date applicable for payment of coupon.

Series V NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of forty two months from the Deemed Date of Allotment.

#### ***Series VI NCDs***

In case of Series VI NCDs, interest would be paid annually on an Actual/ Actual basis at the following coupon rate for all categories of NCD holders, on the amount outstanding from time to time, commencing from the date, one after the Deemed Date of Allotment of Series VI NCDs:

<b>Category of NCD holder</b>	<b>Coupon rate (per cent.) per annum</b>
For all categories	9.60%

The initial Allottees under Category III and Category IV in the proposed Tranche 1 Issue who are Senior Citizens on the Deemed Date of Allotment shall be eligible for an additional incentive of 0.25% p.a. provided the NCDs issued under the proposed Tranche 1 Issue are continued to be held by such investors under Category III and Category IV on the relevant Record Date applicable for payment of coupon.

Series VI NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of sixty months from the Deemed Date of Allotment.

#### ***Series VII NCDs***

In case of Series VII NCDs, interest would be paid annually on an Actual/ Actual basis at the following coupon rate for all categories of NCD holders, on the amount outstanding from time to time, commencing from the date, one after the Deemed Date of Allotment of Series VII NCDs:

<b>Category of NCD holder</b>	<b>Coupon rate (per cent.) per annum</b>
For all categories	9.70%

The initial Allottees under Category III and Category IV in the proposed Tranche 1 Issue who are Senior Citizens on the Deemed Date of Allotment shall be eligible for an additional incentive of 0.25% p.a. provided the NCDs issued under the proposed Tranche 1 Issue are continued to be held by such investors under Category III and Category IV on the relevant Record Date applicable for payment of coupon.

Series VII NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of eighty four months from the Deemed Date of Allotment.

#### ***Series VIII NCDs***

Series VIII NCDs shall be redeemed at Rs. 1,374.75 per NCD for all categories of Investors at the end of forty two months from the Deemed Date of Allotment. However, the amount payable to Senior Citizens, under Category III and Category IV, who are initial Allottees and continue to hold the NCDs till the relevant Record Date, on redemption of Series VIII NCDs is Rs. 1385.80.

#### ***Series IX NCDs***

Series IX NCDs shall be redeemed at Rs. 1,582.25 per NCD for all categories of Investors at the end of sixty months from the Deemed Date of Allotment. However, the amount payable to Senior Citizens, under Category III and Category IV, who are initial Allottees and continue to hold the NCDs till the relevant Record Date, on redemption of Series IX NCDs is Rs. 1,600.40.

### **Series X NCDs**

Series X NCDs shall be redeemed at Rs. 1,912.80 per NCD for all categories of Investors at the end of eighty four months from the Deemed Date of Allotment. However, the amount payable to Senior Citizens, under Category III and Category IV, who are initial Allottees and continue to hold the NCDs till the relevant Record Date, on redemption of Series X NCDs is Rs. 1,943.55.

### **Basis of payment of Interest**

We may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the NCD Holders. In such cases, interest, on the Interest Payment Date, would be directly credited to the account of those NCD Holders who have given their bank mandate.

We may offer the facility of NACH, NEFT, RTGS, Direct Credit and any other method permitted by RBI and SEBI from time to time to help NCD Holders. The terms of this facility (including towns where this facility would be available) would be as prescribed by RBI. For further details, please refer to the section titled “*Terms of the Issue - Manner of Payment of Interest / Refund / Redemption Amounts*” at page 54 of this Tranche 1 Prospectus.

### **Taxation**

Any tax exemption certificate/document must be lodged at the office of the Registrar at least 7 (seven) days prior to the Record Date or as specifically required, failing which tax applicable on interest will be deducted at source on accrual thereof in our Company’s books and/or on payment thereof, in accordance with the provisions of the I.T. Act and/or any other statutory modification, enactment or notification as the case may be. A tax deduction certificate will be issued for the amount of tax so deducted.

As per clause (ix) of Section 193 of the I.T. Act, no tax is required to be withheld on any interest payable on any security issued by a company to a resident, where such security is in dematerialized form and is listed on a recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and the rules made thereunder. Accordingly, no tax will be deducted at source from the interest on listed NCDs held in the dematerialized form.

If the date of interest payment falls on a Saturday, Sunday or a public holiday in Mumbai or Chennai or any other payment center notified in terms of the Negotiable Instruments Act, 1881, then interest would be paid on the next Working Day. Payment of interest would be subject to the deduction as prescribed in the I.T. Act or any statutory modification or re-enactment thereof for the time being in force.

*Subject to the terms and conditions in connection with computation of applicable interest on the Record Date as stated in the section titled “Terms of the Issue - Interest/ Coupon/ Premium/ Tenor” on page 50 of this Tranche 1 Prospectus, please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of the Shelf Prospectus read with this Tranche 1 Prospectus and the provisions of the Articles of Association of our Company, the transferee of such NCDs or the deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs.*

### **Day Count Convention**

Interest shall be computed on actual/actual basis i.e. on the principal outstanding on the NCDs as per the SEBI Circular bearing no. CIR/IMD/DF-1/122/2016 dated November 11, 2016.

### **Effect of holidays on payments**

If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day, however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. Payment of interest will be subject to the deduction of tax as per the I.T. Act or any statutory modification or re-enactment thereof for the time being in force. In case the Redemption Date (also being the last Interest Payment Date) does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment.

### **Illustration for guidance in respect of the day count convention and effect of holidays on payments.**

The illustration for guidance in respect of the day count convention and effect of holidays on payments, as required by the SEBI circulars bearing numbers CIR/IMD/DF/18/2013 dated October 29, 2013 and CIR/IMD/DF-1/122/2016 dated November 11, 2016, is disclosed as Annexure E to this Tranche 1 Prospectus.

### **Maturity and Redemption**

The NCDs pursuant to this Tranche 1 Prospectus have a fixed maturity date. The date of maturity of the NCDs under each Series falls at the end of the maturity period as specified below:

<b>Series of NCDs</b>	<b>Maturity period</b>
I	42 months from the Deemed Date of Allotment
II	60 months from the Deemed Date of Allotment
III	84 months from the Deemed Date of Allotment
IV	30 months from the Deemed Date of Allotment
V	42 months from the Deemed Date of Allotment
VI	60 months from the Deemed Date of Allotment
VII	84 months from the Deemed Date of Allotment
VIII	42 months from the Deemed Date of Allotment
IX	60 months from the Deemed Date of Allotment
X	84 months from the Deemed Date of Allotment

### **Put / Call Option**

Not Applicable

### **Application Size**

Each application should be for a minimum of 10 NCDs and multiples of one NCD thereof. The minimum application size for each application would be Rs. 10,000 across all Series taken collectively and in multiples of Rs. 1,000 thereafter.

Applicants can apply for any or all types of NCDs offered hereunder (any/all Series) using the same Application Form.

**Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.**

### **Terms of Payment**

The entire issue price for each NCD shall be blocked in the ASBA Account on application itself. In case of Allotment of lesser number of NCDs than the number of NCDs applied for, our Company shall instruct the SCSBs to unblock the excess amount blocked on application in accordance with the terms of the Shelf Prospectus and this Tranche 1 Prospectus.

### **Manner of Payment of Interest / Refund / Redemption Amounts**

The manner of payment of interest / refund / redemption in connection with the NCDs is set out below:

#### ***For NCDs held in physical form pursuant to re-materialisation***

In case of NCDs held in physical form on account of re-materialisation, the bank details will be obtained from the documents submitted to the Company along with the re-materialisation request. Please refer to the section titled “*Terms of the Issue - Procedure for Re-materialization of NCDs*” on page 49 of this Tranche 1 Prospectus for further details.



***For NCDs applied / held in electronic form***

The bank details will be obtained from the Depositories for payment of interest / refund / redemption as the case may be. Applicants who have applied for or are holding the NCDs in electronic form, are advised to immediately update their bank account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in credit of interest / refund / redemption amounts to the Applicant at the Applicant's sole risk, and the Lead Managers, our Company nor the Registrar to the Issue shall have any responsibility and undertake any liability for the same. The Registrar to the Issue will issue requisite instructions to the relevant SCSBs to unblock amounts in the ASBA Accounts of the Applicants representing the amounts to be refunded to the Applicants.

The mode of interest / refund / redemption payments shall be undertaken in the following order of preference:

1. **Direct Credit:** Investors having their bank account with the Refund Banks, shall be eligible to receive refunds, if any, through direct credit. The refund amount, if any, would be credited directly to their bank account with the Refund Bank. Interest / redemption amount would be credited directly to the bank accounts of the Investors, if held with the same bank as the Company.
2. **NACH:** National Automated Clearing House which is a consolidated system of ECS. Payment of interest / refund / redemption would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of interest / refund / redemption through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where the Applicant is otherwise disclosed as eligible to get payments through NEFT or Direct Credit or RTGS.
3. **RTGS:** Applicants having a bank account with a participating bank and whose interest payment / refund / redemption amount exceeds Rs.2 lacs, or such amount as may be fixed by RBI from time to time, have the option to receive refund through RTGS. Such eligible Applicants who indicate their preference to receive interest payment / refund / redemption through RTGS are required to provide the IFSC code in the Application Form or intimate our Company and the Registrars to the Issue at least 7 (seven) days before the Record Date. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant.
4. **NEFT:** Payment of interest / refund / redemption shall be undertaken through NEFT wherever the Applicants' bank has been assigned the Indian Financial System Code ("IFSC"), which can be linked to a Magnetic Ink Character Recognition ("MICR"), if any, available to that particular bank branch. IFSC will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine digit MICR number and their bank account number while opening and operating the de-mat account, the same will be duly mapped with the IFSC of that particular bank branch and the payment of interest/refund/redemption will be made to the Applicants through this method.
5. **Registered Post/Speed Post:** For all other Applicants, including those who have not updated their bank particulars with the MICR code, the interest payment / refund / redemption orders shall be dispatched through Speed Post/ Registered Post only to Applicants that have provided details of a registered address in India. Refunds may be made by cheques, pay orders, or demand drafts drawn on the relevant Refund Bank and payable at par at places where Applications are received. All the cheques, pay orders, or demand drafts as the case may be, shall be sent by registered/speed post at the Investor's sole risk. Bank charges, if any, for cashing such cheques, pay orders, or demand drafts at other centres will be payable by the Applicant.

**Printing of Bank Particulars on Interest Warrants**

As a matter of precaution against possible fraudulent encashment of refund orders and interest/redemption warrants due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to be given

for printing on the orders/ warrants. In relation to NCDs applied and held in dematerialized form, these particulars would be taken directly from the depositories.

In case of NCDs held in physical form, on account of re-materialisation, the investors are advised to submit their bank account details with our Company / Registrar at least 7 (seven) days prior to the Record Date failing which the orders / warrants will be dispatched to the postal address of the holder of the NCD as available in the records of our Company. Bank account particulars will be printed on the orders/ warrants which can then be deposited only in the account specified.

### **Loan against NCDs**

Pursuant to the provisions of Annex XXI of the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, our Company, being an NBFC, is not permitted to extend any loans against the security of its NCDs.

### **Buy Back of NCDs**

Our Company may, at its sole discretion, from time to time, consider, subject to applicable statutory and/or regulatory requirements, buyback of NCDs, upon such terms and conditions as may be decided by our Company.

### **Procedure for Redemption by NCD Holders**

The procedure for redemption is set out below:

#### ***NCDs held in physical form pursuant to re-materialisation of NCDs***

No action would ordinarily be required on the part of the NCD Holder at the time of redemption and the redemption proceeds would be paid to those NCD Holders whose names stand in the register of NCD Holders maintained by us on the Record Date fixed for the purpose of Redemption. However, our Company may require that the NCD certificate(s), duly discharged by the sole holder/all the joint-holders (signed on the reverse of the NCD certificate(s)) be surrendered for redemption on maturity and should be sent by the NCD Holder(s) by Registered Post with acknowledgment due or by hand delivery to our office or to such persons at such addresses as may be notified by us from time to time. NCD Holder(s) may be requested to surrender the NCD certificate(s) in the manner as stated above, not more than three months and not less than one month prior to the redemption date so as to facilitate timely payment.

We may at our discretion redeem the NCDs without the requirement of surrendering of the NCD certificates by the holder(s) thereof. In case we decide to do so, the holders of NCDs need not submit the NCD certificates to us and the redemption proceeds would be paid to those NCD Holders whose names stand in the register of NCD Holders maintained by us on the Record Date fixed for the purpose of redemption of NCDs. In such case, the NCD certificates would be deemed to have been cancelled. Also see the paragraph titled “*Payment on Redemption*” given below.

#### ***NCDs held in electronic form***

No action is required on the part of NCD Holder(s) at the time of redemption of NCDs.

### **Payment on Redemption**

The manner of payment of redemption is set out below:

#### ***NCDs held in physical form***

The payment on redemption of the NCDs will be made by way of cheque/pay order/ electronic modes. However, if our Company so requires, the aforementioned payment would only be made on the surrender of NCD certificate(s), duly discharged by the sole holder / all the joint-holders (signed on the reverse of the NCD certificate(s)). Dispatch of cheques/pay order, etc. in respect of such payment will be made on the Redemption Date or (if so requested by our Company in this regard) within a period of 30 days from the date of receipt of the duly discharged NCD certificate.

In case we decide to do so, the redemption proceeds in the manner stated above would be paid on the Redemption Date to those NCD Holders whose names stand in the Register of NCD Holders maintained by us/Registrar to the Issue on the Record Date fixed for the purpose of Redemption. Hence the transferees, if any, should ensure lodgment of the transfer documents with us at least 7 (seven) days prior to the Record Date. In case the transfer documents are not lodged with us at least 7 (seven) days prior to the Record Date and we dispatch the redemption proceeds to the transferor, claims in respect of the redemption proceeds should be settled amongst the parties inter se and no claim or action shall lie against us or the Registrars.

Our liability to holder(s) towards his/their rights including for payment or otherwise shall stand extinguished from the date of redemption in all events and when we dispatch the redemption amounts to the NCD Holder(s).

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCD(s).

#### ***NCDs held in electronic form***

On the redemption date, redemption proceeds would be paid by cheque /pay order / electronic mode to those NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us. These names would be as per the Depositories' records on the Record Date fixed for the purpose of redemption.

These NCDs will be simultaneously extinguished to the extent of the amount redeemed through appropriate debit corporate action upon redemption of the corresponding value of the NCDs. It may be noted that in the entire process mentioned above, no action is required on the part of NCD Holders.

Our liability to NCD Holder(s) towards his/their rights including for payment or otherwise shall stand extinguished from the date of redemption in all events and when we dispatch the redemption amounts to the NCD Holder(s).

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCD(s).

#### **Issue of Duplicate NCD Certificate(s)**

If any NCD certificate(s), issued pursuant to any re-materialisation, as above, is/are mutilated or defaced or the pages for recording transfers of NCDs are fully utilised, the same may be replaced by us against the surrender of such certificate(s). Provided, where the NCD certificate(s) are mutilated or defaced, the same will be replaced as aforesaid only if the certificate numbers and the distinctive numbers are legible.

If any NCD certificate is destroyed, stolen or lost then upon production of proof thereof to our satisfaction and upon furnishing such indemnity/security and/or documents as we may deem adequate, duplicate NCD certificate(s) shall be issued. Upon issuance of a duplicate NCD certificate, the original NCD certificate shall stand cancelled.

#### **Right to Reissue NCD(s)**

Subject to the provisions of the Companies Act, 2013, where we have fully redeemed or repurchased any NCD(s), we shall have and shall be deemed always to have had the right to keep such NCDs in effect without extinguishment thereof, for the purpose of resale or reissue and in exercising such right, we shall have and be deemed always to have had the power to resell or reissue such NCDs either by reselling or reissuing the same NCDs or by issuing other NCDs in their place. The aforementioned right includes the right to reissue original NCDs.

#### **Sharing of Information**

We may, at our option, use on our own, as well as exchange, share or part with any financial or other information about the NCD Holders available with us, with our subsidiaries, if any and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither we or our affiliates nor their agents shall be liable for use of the aforesaid information.

## **Notices**

All notices to the NCD Holder(s) required to be given by us or the Debenture Trustee shall be published in one English language newspaper having wide circulation and one regional language daily newspaper in Chennai and/or will be sent by post/ courier or through email or other electronic media to the registered holder(s) of the NCD(s) from time to time.

## **Future Borrowings**

We will be entitled to borrow/raise loans or avail of financial assistance in whatever form as also to issue debentures/ NCDs/other securities in any manner having such ranking in priority, pari passu or otherwise, subject to applicable consents, approvals or permissions that may be required under any statutory/regulatory/contractual requirement, and change the capital structure including the issue of shares of any class, on such terms and conditions as we may think appropriate, without the consent of, or intimation to, the NCD Holders or the Debenture Trustee in this connection.

## **Impersonation**

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

*“Any person who- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447 of the Companies Act, 2013”*

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least Rs.10 lacs or 1.00% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than Rs. 10 lacs or 1.00% of the turnover of the Company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to 5 years or a fine of an amount extending up to Rs. 50 lacs or with both.

## **Pre-closure**

Our Company, in consultation with the Lead Managers reserves the right to close the Tranche 1 Issue at any time prior to the Tranche 1 Issue Closing Date, subject to receipt of minimum subscription or as specified in this Tranche 1 Prospectus. Our Company shall allot NCDs with respect to the Applications received at the time of such pre-closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements.

Further, the Tranche 1 Issue will also be withdrawn by our Company in the event that the aggregate Applications received for the NCDs is lesser than the minimum subscription which is 75% of the Base Issue before the Tranche 1 Issue Closing Date.

In the event of such early closure of the Tranche 1 Issue, our Company shall ensure that public notice of such early closure is published on or before such early date of closure or the Tranche 1 Issue Closing Date for the Tranche 1 Issue, as applicable, through advertisement(s) in all those newspapers in which pre-issue advertisement and advertisement for opening or closure of the Tranche 1 Issue have been given.

## **Minimum Subscription**

In terms of the Debt Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size (i.e. Rs. 22,500 lacs). If our Company does not receive the minimum subscription of 75% of Base Issue Size, prior to the Tranche 1 Issue Closing Date the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 6 (six) Working Days from the Tranche 1 Issue Closing Date.

Under Section 39(3) of the Companies Act, 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with the Company and/or Registrar, refunds will be made to the account prescribed. However, where the Company and/or Registrar does not have the necessary information for making such refunds, the Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard including its circular (bearing CIR/IMD/DF-1/20/2012) dated July 27, 2012.

### **Utilisation of Application Amount**

The sum received in respect of the Tranche 1 Issue will be kept in separate bank accounts and we will have access to such funds as per applicable provisions of law(s), regulations and approvals.

### **Utilisation of Tranche 1 Issue Proceeds**

- (a) All monies received pursuant to the Tranche 1 Issue of NCDs to public shall be transferred to a separate bank account with a scheduled commercial bank as referred to in sub-section (3) of Section 40 of the Companies Act, 2013.
- (b) We shall utilize the Tranche 1 Issue proceeds only upon execution of the documents for creation of security as stated in the Shelf Prospectus and this Tranche 1 Prospectus and on receipt of the minimum subscription and receipt of listing and trading approval from Stock Exchange(s) and completion of allotment and refund process.
- (c) The Tranche 1 Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any immovable property or in the purchase of any business or in the purchase of an interest in any business.
- (d) Details of all monies utilised out of the Tranche 1 Issue shall be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies have been utilised along with details, if any, in relation to all such proceeds of the Tranche 1 Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Tranche 1 Issue.
- (e) Details of all unutilised monies out of issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our balance sheet indicating the form in which such unutilised monies have been invested.

### **Filing of the Shelf Prospectus and this Tranche 1 Prospectus(es) with the RoC**

A copy of the Shelf Prospectus has been filed with the RoC and a copy of and this Tranche 1 Prospectus(es) will be filed with the RoC, in accordance with Section 26 and Section 31 of Companies Act, 2013.

### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013, our Company will issue a statutory advertisement on or before the Issue Opening Date.

This advertisement will contain the information as prescribed in Schedule IV of the Debt Regulations in compliance with the Regulation 8(1) of the Debt Regulations.

Material updates, if any, between the date of filing of the Shelf Prospectus with ROC and the date of release of this statutory advertisement will be included in the statutory advertisement.

### **Listing**

The NCDs offered through the Shelf Prospectus and this Tranche 1 Prospectus are proposed to be listed on the NSE and the BSE. Our Company has obtained an 'in-principle' approval for the Issue from the NSE *vide* their letter dated July 8, 2019 and from the BSE *vide* their letter dated July 8, 2019.

For the purposes of the Issue, NSE shall be the Designated Stock Exchange.

Our Company will use best efforts to ensure that all steps for the completion of the necessary formalities for listing at the Stock Exchanges are taken within 6 (six) Working Days of the Tranche 1 Issue Closing Date. For the avoidance of doubt, it is hereby clarified that in the event of non-subscription or failure to achieve minimum subscription to any one or more of the Series, such Series(s) of NCDs shall not be listed.

If permissions to deal in and for an official quotation of our NCDs are not granted by the Stock Exchange, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Shelf Prospectus and this Tranche 1 Prospectus.

#### **Guarantee/Letter of Comfort**

The Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent.

#### **Monitoring & Reporting of Utilisation of Issue Proceeds**

There is no requirement for appointment of a monitoring agency in terms of the Debt Regulations. Our Board shall monitor the utilization of the proceeds of the Issue.

For the relevant quarters commencing from the second quarter financial year ending March 31, 2020, our Company will disclose in our quarterly financial statements, the utilization of the net proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue.

#### **Lien**

Our Company will have the right of set-off and lien, present as well as future on the moneys due and payable to the NCD Holder, to the extent of all outstanding dues, if any by the NCD Holder to our Company.

#### **Lien on Pledge of NCDs**

Subject to applicable laws, our Company, at its discretion, may note a lien on pledge of NCDs if such pledge of NCDs is accepted by any bank or institution for any loan provided to the NCD Holder against pledge of such NCDs as part of the funding.

## ISSUE PROCEDURE

*This chapter applies to all Applicants. Pursuant to circular no. CIR/DDHS/P/121/2018 dated August 16, 2018 issued by SEBI (“Debt ASBA Circular”), all Applicants are required to apply for in the Issue through the ASBA process. Please note that all Applicants are required to ensure that the ASBA Account has sufficient credit balance such that the entire Application Amount can be blocked by the SCSB while making an Application. An amount equivalent to the full Application Amount will be blocked by the SCSBs in the relevant ASBA Accounts.*

*Applicants should note that they may submit their Applications to (i) the Designated Branches of the SCSBs or (ii) at the Collection Centres, i.e. to the respective Members of the Syndicate at the Specified Locations, the Trading Members at the Broker Centres, the CRTA at the Designated RTA Locations or CDP at the Designated CDP Locations. For further information, please see the section titled “Issue Procedure - Submission of Completed Application Forms” on page 74 of this Tranche 1 Prospectus.*

*Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable law or as specified in the Shelf Prospectus and this Tranche 1 Prospectus.*

*Please note that this section has been prepared based on the circular no. CIR/IMD/DF-1/20/2012 dated July 27, 2012 issued by SEBI (“Debt Application Circular”) as modified by circular no. CIR/IMD/DF/18/2013 dated October 29, 2013 issued by SEBI and the Debt ASBA Circular. The procedure mentioned in this section is subject to the Stock Exchanges putting in place the necessary systems and infrastructure for implementation of the provisions of the abovementioned circular, including the systems and infrastructure required in relation to Applications made through the direct online application mechanism and the online payment gateways to be offered by Stock Exchanges and accordingly is subject to any further clarifications, notification, modification, direction, instructions and/or correspondence that may be issued by the Stock Exchanges and/or SEBI. Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchange and the Stock Exchange has confirmed that the necessary infrastructure and facilities for the same have not been implemented by the Stock Exchange. Hence, the direct online application facility will not be available for this Issue.*

**THE LEAD MANAGERS, THE LEAD BROKERS AND THE COMPANY SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR OMISSIONS ON THE PART OF THE TRADING MEMBERS IN CONNECTION WITH THE RESPONSIBILITIES OF SUCH TRADING MEMBERS INCLUDING BUT NOT LIMITED TO COLLECTION AND UPLOAD OF APPLICATIONS IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGE. FURTHER, THE RELEVANT STOCK EXCHANGES SHALL BE RESPONSIBLE FOR ADDRESSING INVESTOR GRIEVANCES ARISING FROM APPLICATIONS THROUGH TRADING MEMBERS REGISTERED WITH SUCH STOCK EXCHANGE.**

*Please note that for the purposes of this section, the term “Working Day(s)” shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post issue period, i.e. period beginning from Tranche 1 Issue Closing Date to listing of the NCDs, Working Days shall mean all trading days of Stock Exchange excluding Sundays and bank holidays in Mumbai. During the tenor of the NCDs, interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai.*

The information below is given for the benefit of the investors. Our Company and the Members of the Syndicate are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Tranche 1 Prospectus.

### PROCEDURE FOR APPLICATION

#### **Availability of the Shelf Prospectus, the Tranche 1 Prospectus, the Abridged Prospectus and Application Forms**

**Please note that there is a single Application Form for Applicants who are Persons Resident in India.**

Physical copies of the Abridged Prospectus containing the salient features of the Shelf Prospectus, this Tranche 1 Prospectus for this Tranche 1 Issue together with Application Forms and copies of the Shelf Prospectus and this Tranche 1 Prospectus may be obtained from:

- (a) our Company's Registered Office and Corporate Office;
- (b) Specified Locations of the Lead Managers/Lead Brokers;
- (c) Trading Members;
- (d) Registrar to the Issue; and
- (e) Designated Branches of the SCSBs.

Additionally, the Shelf Prospectus, this Tranche 1 Prospectus for the Tranche 1 Issue and the Application Forms will be available:

- (a) for download on the website of NSE at [www.nseindia.com](http://www.nseindia.com) and on the website of BSE at [www.bseindia.com](http://www.bseindia.com), and the website of the Lead Managers at [www.jmfl.com](http://www.jmfl.com), at [www.akgroup.co.in](http://www.akgroup.co.in) and at [www.smccapitals.com](http://www.smccapitals.com).
- (b) at the Designated Branches of the SCSBs and at the Specified Locations of the Members of the Syndicate.

Electronic Application Forms will also be available for download on the websites of the Stock Exchanges. A unique application number ("UAN") will be generated for every Application Form downloaded from the websites of the Stock Exchange. Further, Application Forms will also be provided to Designated Intermediaries at their request.

### Who can apply?

The following categories of persons are eligible to apply in the Issue:

<b>Category I</b>	<b>Category II</b>	<b>Category III</b>	<b>Category IV</b>
<b>Institutional Investors</b>	<b>Non Institutional Investors</b>	<b>High Net-worth Individual, ("HNIs"), Investors</b>	<b>Retail Individual Investors</b>
<ul style="list-style-type: none"> <li>• Public financial institutions, scheduled commercial banks, Indian multilateral and bilateral development financial institution which are authorized to invest in the NCDs;</li> <li>• Provident funds, pension funds with a minimum corpus of Rs.2,500 lacs, superannuation funds and gratuity funds, which are authorized to invest in the NCDs;</li> <li>• Mutual Funds registered with SEBI.</li> <li>• Venture Capital Funds/ Alternative Investment Fund registered with SEBI;</li> <li>• Insurance Companies registered with IRDA;</li> <li>• State industrial development corporations;</li> <li>• Insurance funds set up and managed by the army, navy, or air force of the Union of India;</li> <li>• Insurance funds set up and managed by the</li> </ul>	<ul style="list-style-type: none"> <li>• 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;</li> <li>• Co-operative banks and regional rural banks;</li> <li>• Public / private charitable / religious trusts which are authorised to invest in the NCDs;</li> <li>• Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;</li> <li>• Partnership firms in the name of the partners;</li> <li>• Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009);</li> </ul>	<ul style="list-style-type: none"> <li>• Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating to above Rs. 10 lacs across all series of NCDs in the Issue.</li> </ul>	<ul style="list-style-type: none"> <li>• Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating up to and including Rs. 10 lacs across all series of NCDs in the Issue.</li> </ul>



Category I	Category II	Category III	Category IV
<b>Institutional Investors</b>	<b>Non Institutional Investors</b>	<b>High Net-worth Individual, (“HNIs”), Investors</b>	<b>Retail Individual Investors</b>
Department of Posts, the Union of India; • Systemically Important Non-Banking Financial Company, a nonbanking financial company registered with the RBI and having a net-worth of more than Rs.50,000 lacs as per the last audited financial statements; • 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.	• Association of Persons; and • Any other incorporated and/ or unincorporated body of persons.		

**Participation of any of the aforementioned categories of persons or entities is subject to the applicable statutory and/or regulatory requirements in connection with the subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/ consents/ approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to the Issue.**

The Lead Managers and their respective associates and affiliates are permitted to participate in the Issue.

#### **Who are not eligible to apply for NCDs?**

The following categories of persons, and entities, shall not be eligible to participate in the Issue and any Applications from such persons and entities are liable to be rejected:

- (a) Minors without a guardian name\*(A guardian may apply on behalf of a minor. However, Applications by minors must be made through Application Forms that contain the names of both the minor Applicant and the guardian);
- (b) Foreign nationals;
- (c) NRI *inter-alia* including any NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA;
- (d) Persons resident outside India;
- (e) Foreign Institutional Investors;
- (f) Foreign Portfolio Investors;
- (g) Foreign Venture Capital Investors
- (h) Qualified Foreign Investors;

- (i) Overseas Corporate Bodies;\*\* and
- (j) Persons ineligible to contract under applicable statutory/regulatory requirements.

\* Applicant shall ensure that guardian is competent to contract under Indian Contract Act, 1872

\*\* The concept of Overseas Corporate Bodies (meaning any company, partnership firm, society and other corporate body or overseas trust irrevocably owned/held directly or indirectly to the extent of at least 60% by NRIs), which was in existence until 2003, was withdrawn by the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003. Accordingly, OCBs are not permitted to invest in the Issue.

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship). In case of such Applications, the Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange by the Designated Intermediaries.

Please refer to “Issue Procedure - Rejection of Applications” on page 76 of this Tranche 1 Prospectus for information on rejection of Applications.

### **Method of Application**

In terms of the Debt ASBA Circular, an eligible investor desirous of applying in this Issue can make Applications through the ASBA mechanism only.

All Applicants shall mandatorily apply in the Issue through the ASBA process only. Applicants intending to subscribe in the Issue shall submit a duly filled Application form to any of the Designated Intermediaries.

Applicants should submit the Application Form only at the Bidding Centres, i.e. to the respective Members of the Syndicate at the Specified Locations, the SCSBs at the Designated Branches, the Registered Broker at the Broker Centres, the RTAs at the Designated RTA Locations or CDPs at the Designated CDP Locations. Kindly note that Application Forms submitted by Applicants at the Specified Locations will not be accepted if the SCSB with which the ASBA Account, as specified in the Application Form is maintained has not named at least one branch at that location for the Designated Intermediaries for deposit of the Application Forms. A list of such branches is available at <https://www.sebi.gov.in>.

The relevant Designated Intermediaries, upon receipt of physical Application Forms from Applicants, shall upload the details of these Application Forms to the online platform of the Stock Exchange and submit these Application Forms with the SCSB with whom the relevant ASBA Accounts are maintained.

For Applicants who submit the Application Form in physical mode, the Application Form shall be stamped at the relevant Designated Branch of the SCSB. Application Forms in physical mode, which shall be stamped, can also be submitted to be the Designated Intermediaries at the Specified Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form.

Our Company, the Directors, affiliates, associates and their respective directors and officers, Lead Managers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by the Designated Intermediaries, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount has been blocked in the relevant ASBA Account. Further, all grievances against Designated Intermediaries in relation to this Issue should be made by Applicants directly to the Stock Exchange.

### **APPLICATIONS FOR ALLOTMENT OF NCDs**

Details for Applications by certain categories of Applicants including documents to be submitted are summarized below.

### **Applications by Mutual Funds**

Pursuant to the SEBI circular SEBI/HO/IMD/DF2/CIR/P/2017/14 dated February 22, 2017 (“**SEBI Circular 2017**”), mutual funds are required to ensure that the total exposure of debt schemes of mutual funds in a particular sector shall not exceed 25% of the net assets value of the scheme. Further, the additional exposure limit provided for financial services sector not exceeding 15% of net assets value of scheme shall be allowed only by way of increase in exposure to housing finance companies. Further, the group level limits for debt schemes and the ceiling be fixed at 20% of net assets value extendable to 25% of net assets value after prior approval of the board of trustees.

A separate Application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such Applications shall not be treated as multiple Applications. Applications made by the asset management companies or custodians of a mutual fund shall clearly indicate the name of the concerned scheme for which Application is being made. The Application Form must be also accompanied by certified true copies of (i) SEBI Registration Certificate, (ii) the trust deed in respect of such mutual fund, (iii) a resolution authorising investment and containing operating instructions and (iv) specimen signatures of authorized signatories. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

### **Application by Systemically Important Non-Banking Financial Companies**

Systemically Important Non-Banking Financial Company, a non-banking financial company registered with the RBI and having a net-worth of more than Rs. 500 Crore as per the last audited financial statements can apply in the Issue based on their own investment limits and approvals. The Application Form must be accompanied by a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s). **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

### **Application by Commercial Banks, Co-operative Banks and Regional Rural Banks**

Commercial Banks, Co-operative banks and Regional Rural Banks can apply in the Issue based on their own investment limits and approvals. The Application Form must be accompanied by the certificate of registration issued by RBI, and the approval of such banking company’s investment committee. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Pursuant to SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for Applications.

### **Application by Insurance Companies**

Insurance companies registered with the IRDA can apply in this Issue based on their own investment limits and approvals in accordance with the regulations, guidelines and circulars issued by the IRDA. The Application Form must be accompanied by a certified copy of the certificate of registration issued by IRDA. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

### **Application by Alternative Investment Funds**

Applications made by Alternative Investment Funds eligible to invest in accordance with the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, as amended (the “**SEBI AIF Regulations**”) for Allotment of the NCDs must be accompanied by the certified true copy of the SEBI registration certificate. The Alternative Investment Funds shall at all times comply with the requirements applicable to it under the SEBI AIF Regulations and the relevant notifications issued by SEBI. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

**Applications by Associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment.**

In case of Applications made by Associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment, must submit a (i) certified copy of the certificate of registration or proof of constitution, as applicable, (ii) power of attorney, if any, in favour of one or more persons thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to the Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

**Applications by Trusts**

In case of Applications made by trusts, settled under the Indian Trusts Act, 1882, as amended, or any other statutory and/or regulatory provision governing the settlement of trusts in India, must submit a (i) certified copy of the registered instrument for creation of such trust, (ii) power of attorney, if any, in favour of one or more trustees thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to the Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

**Applications by Public Financial Institutions or Statutory Corporations, which are authorized to invest in the NCDs**

The Application must be accompanied by certified true copies of incorporation/ registration under any act/rules under which they are incorporated. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

**Applications by Provident Funds, Pension Funds, Superannuation Funds and Gratuity Fund, which are authorized to invest in the NCDs**

The Application must be accompanied by certified true copies of: (i) incorporation/ registration under any act/rules under which they are incorporated/registered, (ii) the trust deed in respect of the fund, if any, (iii) resolution authorising investment and containing operating instructions, and (iii) specimen signature of authorized person. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

**Applications by National Investment Fund**

The Application must be accompanied by certified true copies of: (i) incorporation/ registration under any act/rules under which they are incorporated/registered, (ii) the trust deed in respect of the fund, if any, (iii) resolution authorising investment and containing operating instructions, and (iv) specimen signature of authorized person. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

**Companies, bodies corporate and societies registered under the applicable laws in India**

The Application must be accompanied by certified true copies of: (i) incorporation/ registration under any act/rules under which they are incorporated; (ii) board resolution authorising investments; and (iii) specimen signature of

authorized person. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

#### **Applications by Indian Scientific and/or industrial research organizations, which are authorized to invest in the NCDs**

The Application must be accompanied by certified true copies of the registration under the act/ rules under which they are incorporated. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

#### **Applications by Partnership firms formed under applicable Indian laws 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)**

The Application must be accompanied by certified true copies of: (i) partnership deed; (ii) any documents evidencing registration thereof under applicable statutory/regulatory requirements; (iii) resolution authorizing investment and containing operating instructions; (iv) specimen signature of authorized person. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

#### **Applications under Power of Attorney**

In case of Applications made pursuant to a power of attorney by Applicants who are Institutional Investors or Non Institutional Investors, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, with a certified copy of the memorandum of association and articles of association and/or bye laws must be submitted with the Application Form. In case of Applications made pursuant to a power of attorney by Applicants who are HNI Investors or Retail Individual Investors, a certified copy of the power of attorney must be submitted with the Application Form. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor. Our Company, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney with the Application Forms subject to such terms and conditions that our Company and the Lead Managers may deem fit.**

Brokers having online demat account portals may also provide a facility of submitting the Application Forms online to their account holders. Under this facility, a broker receives an online instruction through its portal from the Applicant for making an Application on his/ her behalf. Based on such instruction, and a power of attorney granted by the Applicant to authorise the broker, the broker makes an Application on behalf of the Applicant.

### **APPLICATIONS FOR ALLOTMENT OF NCDs**

#### **Submission of Applications**

Applicants can apply for NCDs only using the ASBA facility. Applications can be submitted through either of the following modes:

- (a) Physically or electronically to the Designated Branches of the SCSB(s) with whom an Applicant's ASBA Account is maintained. In case of Application in physical mode, the Applicant shall submit the Application Form at the relevant Designated Branch of the SCSB(s). The Designated Branch shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account and shall also verify that the signature on the Application Form matches with the Investor's bank records, as mentioned in the Application, prior to uploading such Application into the electronic system of the Stock Exchange. **If sufficient funds are not available in the ASBA Account, the respective Designated Branch shall reject such Application and shall not upload such Application in the electronic system of the Stock Exchange.** If sufficient funds are available in the ASBA Account, the Designated Branch shall block an amount equivalent to the Application Amount and upload details of the Application in the electronic system of the Stock Exchange. The Designated Branch of the SCSBs shall stamp the Application Form and issue an acknowledgement as proof of having accepted the Application. In case of Application in the electronic mode, the Applicant shall submit the Application either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for application and blocking funds in the ASBA Account held with SCSB, and accordingly registering such Applications.

- (b) Physically through the Members of Syndicate, or Trading Members of the Stock Exchanges only at the Specified Cities (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Vadodara and Surat), i.e. Syndicate ASBA. Kindly note that Applications submitted to the Members of the Syndicate or Trading Members of the Stock Exchanges at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the Application, is maintained has not named at least one branch at that Specified City for the Members of the Syndicate or Trading Members of the Stock Exchange, as the case may be, to deposit Applications (A list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>).

Upon receipt of the Application Form by the Members of the Syndicate or Trading Members of the Stock Exchange, as the case may be, an acknowledgement shall be issued by giving the counter foil of the Application Form to the Applicant as proof of having accepted the Application. Thereafter, the details of the Application shall be uploaded in the electronic system of the Stock Exchanges and the Application Form shall be forwarded to the relevant branch of the SCSB, in the relevant Specified City, named by such SCSB to accept such Applications from the Members of the Syndicate or Trading Members of the Stock Exchange, as the case may be (A list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>). Upon receipt of the Application, the relevant branch of the SCSB shall perform verification procedures including verification of the Applicant's signature with his bank records and check if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form. **If sufficient funds are not available in the ASBA Account, the relevant Application is liable to be rejected.** If sufficient funds are available in the ASBA Account, the relevant branch of the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application. The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be.

Applicants must note that:

- (a) Application Forms will be available with the Designated Branches of the SCSBs and with the Members of the Syndicate and Trading Members of the Stock Exchanges at the Specified Cities; and electronic Application Forms will be available on the websites of the SCSBs and the Stock Exchanges at least one day prior to the Issue Opening Date. Application Forms will also be provided to the Trading Members of the Stock Exchanges at their request. The Application Forms would be serially numbered. Further, the SCSBs will ensure that this Tranche 1 Prospectus is made available on their websites.
- (b) The Designated Branches of the SCSBs shall accept Applications directly from Applicants only during the Tranche 1 Issue Period. The SCSB shall not accept any Applications directly from Applicants after the closing time of acceptance of Applications on the Tranche 1 Issue Closing Date. However, in case of Syndicate ASBA, the relevant branches of the SCSBs at Specified Cities can accept Applications from the Members of the Syndicate or Trading Members of the Stock Exchange, as the case may be, after the closing time of acceptance of Applications on the Tranche 1 Issue Closing Date. For further information on the Tranche 1 Issue programme, please refer to “*General Information – Tranche 1 Issue Programme*” on page 25 of this Tranche 1 Prospectus.
- (c) In case of Applications through Syndicate ASBA, the physical Application Form shall bear the stamp of the Members of the Syndicate or Trading Members of the Stock Exchange, as the case maybe, if not, the same shall be rejected. **Application Forms directly submitted to SCSBs should bear the stamp of SCSBs, if not, the same are liable to be rejected.**

**Please note that Applicants can make an Application for Allotment of NCDs in the dematerialized form only.**

## **INSTRUCTIONS FOR FILLING-UP THE APPLICATION FORM**

### **General Instructions**

#### **A. General instructions for completing the Application Form**

- Applications must be made in prescribed Application Form only.

- Application Forms must be completed in block letters in English, as per the instructions contained in the Shelf Prospectus, this Tranche 1 Prospectus, the Abridged Prospectus and the Application Form.
- If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names.
- Applications should be in single or joint names and not exceeding three names, and in the same order as their Depository Participant details (in case of Applicants applying for Allotment of the NCDs in dematerialized form) and Applications should be made by Karta in case the Applicant is an HUF. Please ensure that such Applications contain the PAN of the HUF and not of the Karta.
- Applicants must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of such Applicant's active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of Stock Exchanges by SCSBs, the Members of the Syndicate at the Syndicate ASBA Application Locations and the Trading Members, as the case may be, the Registrar will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs.
- Applications must be for a minimum of 10 NCDs and in multiples of one NCD thereafter. For the purpose of fulfilling the requirement of minimum application size of 10 NCDs, an Applicant may choose to apply for 10 NCDs of the same series or across different series. Applicants may apply for one or more series of NCDs Applied for in a single Application Form.
- If the ASBA Account holder is different from the Applicant, the Application Form should be signed by the ASBA Account holder also, in accordance with the instructions provided in the Application Form.
- If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.
- Applications should be made by Karta in case of HUFs. Applicants are required to ensure that the PAN details of the HUF are mentioned and not those of the Karta.
- Thumb impressions and signatures other than in English/Hindi/Gujarati/Marathi or any other languages specified in the Eighth Schedule to the Constitution of India needs to be attested by a Magistrate or Notary Public or a Special Executive Magistrate under his/her seal.
- No separate receipts will be issued for the money payable on the submission of the Application Form. However, the Members of the Syndicate, Trading Members of the Stock Exchanges or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicants the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant. Applicants must ensure that the requisite documents are attached to the Application Form prior to submission and receipt of acknowledgement from the relevant Lead Manager, Trading Member of the Stock Exchanges or the Designated Branch of the SCSBs, as the case may be.
- Every Applicant should hold valid Permanent Account Number (PAN) and mention the same in the Application Form.
- All Applicants are required to tick the relevant column of "Category of Investor" in the Application Form.
- Applicants should correctly mention the ASBA Account number and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form to the Designated Branch and also ensure that the signature in the Application Form matches with the signature in Applicant's bank records, otherwise the Application is liable to be rejected

The series, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Members of the Syndicate, Trading Member of the Stock Exchanges in the data entries as such data entries will be considered for allotment.

**Applicants should note that neither the Members of the Syndicate, Trading Member of the Stock Exchange, Public Issue Account Banks nor Designated Branches, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms.**

**Our Company would allot the Series of NCDs, as specified in this Tranche 1 Prospectus to all valid Applications, wherein the Applicants have not indicated their choice of the relevant series of NCDs. Appropriate instructions will be given to the Designated Intermediaries to indicate Series VII as the Applicant's choice of the relevant NCD Series wherein the Applicants have not indicated their choice.**

#### **B. Applicant's Beneficiary Account and Bank Account Details**

Applicants applying for Allotment must mention their DP ID and Client ID in the Application Form and ensure that the name provided in the Application Form is exactly the same as the name in which the Beneficiary Account is held. In case the Application Form for Allotment is submitted in the first Applicant's name, it should be ensured that the Beneficiary Account is held in the same joint names and in the same sequence in which they appear in the Application Form. In case the DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the Stock Exchanges do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form is liable to be rejected. Further, Application Forms submitted by Applicants, whose beneficiary accounts are inactive, will be rejected.

On the basis of the DP ID and Client ID provided by the Applicant in the Application Form and entered into the electronic system of the Stock Exchange, the Registrar to the Issue will obtain from the Depositories the Demographic Details of the Applicant including PAN, address, bank account details for printing on refund orders/sending refunds through electronic mode, Magnetic Ink Character Recognition ("MICR") Code and occupation. These Demographic Details would be used for giving Allotment Advice and refunds (including through physical refund warrants, direct credit, NACH, NEFT and RTGS), if any, to the Applicants. Hence, Applicants are advised to immediately update their Demographic Details as appearing on the records of the DP and ensure that they are true and correct, and carefully fill in their Beneficiary Account details in the Application Form. Failure to do so could result in delays in dispatch/credit of refunds to Applicants and delivery of Allotment Advice at the Applicants' sole risk, and neither our Company, the Members of the Syndicate, Trading Members of the Stock Exchange, Public Issue Account Bank(s), SCSBs, Registrar to the Issue nor the Stock Exchanges will bear any responsibility or liability for the same.

The Demographic Details would be used for correspondence with the Applicants including mailing of the Allotment Advice and printing of bank particulars on the refund orders, or for refunds through electronic transfer of funds, as applicable. Allotment Advice and physical refund orders (as applicable) would be mailed at the address of the Applicant as per the Demographic Details received from the Depositories.

**Please note that any such delay shall be at such Applicants sole risk and neither our Company, the Members of the Syndicate, Trading Members of the Stock Exchange, Public Issue Account Banks, SCSBs, Registrar to the Issue nor the Stock Exchanges shall be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay or be liable to pay any interest for such delay.** In case of refunds through electronic modes as detailed in this Tranche 1 Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case of Applications made under power of attorney, our Company in its absolute discretion, reserves the right to permit the holder of Power of Attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of refund orders/ Allotment Advice, the demographic details obtained from the Depository of the Applicant shall be used. By signing the Application Form, the Applicant would have deemed to have authorized the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records. The Demographic Details given by Applicant in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to the Issue.



With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of NCDs pursuant to the Issue will be made into the accounts of such Applicants. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, Client ID and PAN, then such Application are liable to be rejected.

### **C. Permanent Account Number (PAN)**

The Applicant should mention his or her Permanent Account Number (PAN) allotted under the I.T. Act. For minor Applicants, applying through the guardian, it is mandatory to mention the PAN of the minor Applicant. In accordance with Circular No. MRD/DOP/Cir-05/2007 dated April 27, 2007 issued by SEBI, the PAN would be the sole identification number for the participants transacting in the securities market, irrespective of the amount of transaction. **Any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction. It is to be specifically noted that the Applicants should not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.**

### **D. Joint Applications**

Applications may be made in single or joint names (not exceeding three). In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.

### **E. Additional/ Multiple Applications**

An Applicant is allowed to make one or more Applications for the NCDs for the same or other series of NCDs, subject to a minimum application size as specified in this Tranche 1 Prospectus and in multiples thereof as specified in this Tranche 1 Prospectus. **Any Application for an amount below the aforesaid minimum application size will be deemed as an invalid application and shall be rejected.** However, multiple Applications by the same individual Applicant aggregating to a value exceeding Rs. 10 lacs shall be deemed such individual Applicant to be a HNI Applicant and all such Applications shall be grouped in the HNI Portion, for the purpose of determining the basis of allotment to such Applicant. However, any Application made by any person in his individual capacity and an Application made by such person in his capacity as a Karta of a Hindu Undivided family and/or as Applicant (second or third Applicant), shall not be deemed to be multiple Applications. For the purposes of allotment of NCDs under the Issue, Applications shall be grouped based on the PAN, i.e. Applications under the same PAN shall be grouped together and treated as one Application. Two or more Applications will be deemed to be multiple Applications if the sole or first Applicant is one and the same. For the sake of clarity, two or more applications shall be deemed to be a multiple Application for the aforesaid purpose if the PAN number of the sole or the first Applicant is one and the same.

### **Do's and Don'ts**

Applicants are advised to take note of the following while filling and submitting the Application Form:

#### **Do's**

1. Check if you are eligible to apply as per the terms of the Shelf Prospectus, this Tranche 1 Prospectus and applicable law;
2. Read all the instructions carefully and complete the Application Form in the prescribed form;
3. Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek Allotment of NCDs pursuant to the Issue.
4. Ensure that the DP ID and Client ID are correct and beneficiary account is activated for Allotment of NCDs in dematerialized form. The requirement for providing Depository Participant details shall be mandatory for all Applicants.

5. Before submitting the physical Application Form with the Member of the Syndicate at the Syndicate ASBA Application Locations ensure that the SCSB, whose name has been filled in the Application Form, has named a branch in that centre;
6. For Applicants applying through Syndicate ASBA, ensure that your Application Form is submitted to the Members of the Syndicate at the Syndicate ASBA Application Locations or the Trading Members and not to the Public Issue Account Banks (assuming that such bank is not a SCSB), to the Issuer, the Registrar;
7. For Applicants applying through the SCSBs, ensure that your Application Form is submitted at a Designated Branch of the SCSB where the ASBA Account is maintained, and not to the Public Issue Account Banks (assuming that such bank is not a SCSB), to the Issuer, the Registrar or the Members of the Syndicate or Trading Members;
8. Ensure that the Application Form is signed by the ASBA Account holder in case the Applicant is not the account holder;
9. Ensure that you have mentioned the correct ASBA Account number in the Application Form;
10. Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form to the respective Designated Branch, or to the Members of the Syndicate at the Syndicate ASBA Application Locations, or to the Trading Members, as the case may be;
11. Ensure that you have correctly ticked, provided or checked the authorisation box in the Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for the Designated Branch to block funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form;
12. Ensure that you receive an acknowledgement from the Designated Branch or the concerned Member of the Syndicate, or the Trading Member, as the case may be, for the submission of the Application Form;
13. In terms of SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for Applications.
14. Ensure that signatures other than in the languages specified in the Eighth Schedule to the Constitution of India is attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.
15. Ensure that the DP ID, the Client ID and the PAN mentioned in the Application Form, which shall be entered into the electronic system of the Stock Exchange, match with the DP ID, Client ID and PAN available in the Depository database;
16. In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta. However, the PAN number of the HUF should be mentioned in the Application Form and not that of the Karta;
17. Ensure that the Demographic Details including PAN are updated, true and correct in all respects;
18. Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek allotment of NCDs pursuant to the Issue;
19. **Permanent Account Number:** Each of the Applicants should provide their PAN. Application Forms in which the PAN is not provided will be rejected;
20. Ensure that if the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form;

21. All Applicants are requested to tick the relevant column “Category of Investor” in the Application Form; and
22. Tick the series of NCDs in the Application Form that you wish to apply for.

***Don'ts:***

1. Do not apply for lower than the minimum application size;
2. Do not fill up the Application Form such that the NCDs applied for exceeds the Issue size and/or investment limit or maximum number of NCDs that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
3. Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground;
4. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
5. Do not submit the Application Forms without the full Application Amount;
6. Do not submit Applications on plain paper or on incomplete or illegible Application Forms;
7. Do not apply if you are not competent to contract under the Indian Contract Act, 1872;
8. Do not submit an Application in case you are not eligible to acquire NCDs under applicable law or your relevant constitutional documents or otherwise;
9. Do not submit an Application that does not comply with the securities law of your respective jurisdiction;
10. Do not apply if you are a person ineligible to apply for NCDs under the Issue including Applications by Persons Resident Outside India, NRI (inter-alia including NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA);
11. Do not make payment of the Application Amounts in any mode other than through blocking of the Application Amounts in the ASBA Accounts;
12. Do not submit the Application Form to the Members of the Syndicate or Trading Members of the Stock Exchange, as the case may be, at a location other than the Specified Cities;
13. Do not send your physical Application Form by post. Instead submit the same with a Designated Branch or the Members of the Syndicate or Trading Members of the Stock Exchange, as the case may be, at the Specified Cities; and
14. Do not submit more than five Application Forms per ASBA Account.

**Kindly note that Applications submitted to the Members of the Syndicate or Trading Members of the Stock Exchanges at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that Specified City for the Members of the Syndicate or Trading Members of the Stock Exchange, as the case may be, to deposit such Application Forms (A list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>)).**

**Please refer to “Issue Procedure - Rejection of Applications” on page 76 of this Tranche 1 Prospectus for information on rejection of Applications.**

#### **TERMS OF PAYMENT**

The entire issue price for each NCD shall be blocked in the ASBA Account on application itself. In case of Allotment of lesser number of NCDs than the number of NCDs applied for, our Company shall instruct the SCSBs to unblock

the excess amount blocked on application in accordance with the terms of the Shelf Prospectus and this Tranche 1 Prospectus.

The Applicants shall specify the ASBA Account number in the Application Form.

For Applications submitted to the Members of the Syndicate or Trading Members of the Stock Exchanges at the Specified Cities, the Application will be uploaded onto the electronic system of the Stock Exchanges and deposited with the relevant branch of the SCSB at the Specified City named by such SCSB to accept such Applications from the Members of the Syndicate or Trading Members of the Stock Exchange, as the case may be (A list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>). The relevant branch of the SCSB shall perform verification procedures and block an amount in the ASBA Account equal to the Application Amount specified in the Application.

For Applications submitted directly to the SCSBs, the relevant SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application, before entering the Application into the electronic system of the Stock Exchange. SCSBs may provide the electronic mode of application either through an internet enabled application and banking facility or such other secured, electronically enabled mechanism for application and blocking of funds in the ASBA Account.

**Applicants should ensure that they have funds equal to the Application Amount in the ASBA Account before submitting the Application to the Members of the Syndicate or Trading Members of the Stock Exchange, as the case may be, at the Specified Cities or to the Designated Branches of the SCSBs. An Application where the corresponding ASBA Account does not have sufficient funds equal to the Application Amount at the time of blocking the ASBA Account is liable to be rejected.**

The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is approved, and upon receipt of intimation from the Registrar, the controlling branch of the SCSB shall, on the Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Account. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB within 6 (six) Working Days of the Tranche 1 Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application, as the case may be.

#### **SUBMISSION OF COMPLETED APPLICATION FORMS**

<b>Mode of Submission of Application Forms</b>	<b>To whom the Application Form has to be submitted</b>
Applications	<p>(i) If using <u>physical Application Form</u>, (a) to the Members of the Syndicate or Trading Members of the Stock Exchanges only at the Specified Cities (“<b>Syndicate ASBA</b>”), or (b) to the Designated Branches of the SCSBs where the ASBA Account is maintained; or</p> <p>(ii) If using <u>electronic Application Form</u>, to the SCSBs, electronically through internet banking facility, if available.</p>

**No separate receipts will be issued for the Application Amount payable on submission of Application Form.** However, the Members of the Syndicate/ Trading Members of Stock Exchanges will acknowledge the receipt of the Application Forms by stamping the date and returning to the Applicants an acknowledgement slip which will serve as a duplicate Application Form for the records of the Applicant.

Applicants must ensure that their Applications are submitted to the Members of the Syndicate or Trading Members of the Stock Exchanges only at the Specified Cities (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat). Kindly note that Applications submitted to the Members of the Syndicate or Trading Members of the Stock Exchanges at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the Application, is maintained has not named at least one branch at that Specified City for the Members of the Syndicate or Trading Members of the Stock Exchange, as the case may be,

to deposit Applications (A list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>).

For information on the Tranche 1 Issue programme and timings for submission of Application Forms, please refer to “*General Information – Tranche 1 Issue Programme*” on page 25 of this Tranche 1 Prospectus.

### Electronic Registration of Applications

- (a) The Members of the Syndicate, Trading Members of the Stock Exchanges and Designated Branches of the SCSBs, as the case may be, will register the Applications using the on-line facilities of the Stock Exchange. **The Members of the Syndicate, our Company and the Registrar to the Issue are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the SCSBs, (ii) the Applications uploaded by the SCSBs, (iii) the Applications accepted but not uploaded by the SCSBs, (iv) with respect to Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts, or (v) any Applications accepted both uploaded and/or not uploaded by the Trading Members of the Stock Exchange.**

In case of apparent data entry error by the Members of the Syndicate, Trading Members of the Stock Exchange, Public Issue Account Banks or Designated Branches of the SCSBs, as the case may be, in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchange. However, the series, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Members of the Syndicate, Trading Member of the Stock Exchanges in the data entries as such data entries will be considered for allotment/rejection of Application.

- (b) The Stock Exchanges will offer an electronic facility for registering Applications for the Issue. This facility will be available on the terminals of Members of the Syndicate, Trading Members of the Stock Exchanges and the SCSBs during the Tranche 1 Issue Period. The Members of the Syndicate and Trading Members of the Stock Exchanges can also set up facilities for off-line electronic registration of Applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Applications on a regular basis, and before the expiry of the allocated time on the Tranche 1 Issue Closing Date. On the Tranche 1 Issue Closing Date, the Members of the Syndicate, Trading Members of the Stock Exchanges and the Designated Branches of the SCSBs shall upload the Applications till such time as may be permitted by the Stock Exchange. This information will be available with the Members of the Syndicate, Trading Members of the Stock Exchanges and the Designated Branches of the SCSBs on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Tranche 1 Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation. For further information on the Tranche 1 Issue programme, please refer to “*General Information – Tranche 1 Issue Programme*” on page 25 of this Tranche 1 Prospectus.
- (c) With respect to Applications submitted directly to the SCSBs at the time of registering each Application, the Designated Branches shall enter the requisite details of the Applicants in the on-line system including:
- Application Form number
  - PAN (of the first Applicant, in case of more than one Applicant)
  - Investor category and sub-category
  - DP ID
  - Client ID
  - Series of NCDs applied for
  - Number of NCDs Applied for in each series of NCD
  - Price per NCD
  - Bank code for the SCSB where the ASBA Account is maintained
  - Bank account number
  - Application amount
- (d) With respect to Applications submitted to the Members of the Syndicate, or Trading Members of the Stock Exchanges only at the Specified Cities, at the time of registering each Application, the requisite details of the Applicants shall be entered in the on-line system including:

- Application Form number
  - PAN (of the first Applicant, in case of more than one Applicant)
  - Investor category and sub-category
  - DP ID
  - Client ID
  - Series of NCDs applied for
  - Number of NCDs Applied for in each series of NCD
  - Price per NCD
  - Bank code for the SCSB where the ASBA Account is maintained
  - Location of Specified City
  - Application amount
- (e) A system generated acknowledgement (TRS) will be given to the Applicant as a proof of the registration of each Application. **It is the Applicant's responsibility to obtain the acknowledgement from the Members of the Syndicate, Trading Members of the Stock Exchanges and the Designated Branches of the SCSBs, as the case may be. The registration of the Application by the Members of the Syndicate, Trading Members of the Stock Exchanges and the Designated Branches of the SCSBs, as the case may be, does not guarantee that the NCDs shall be allocated/ Allotted by our Company. The acknowledgement will be non-negotiable and by itself will not create any obligation of any kind.**
- (f) Applications can be rejected on the technical grounds listed on page 76 of this Tranche 1 Prospectus or if all required information is not provided or the Application Form is incomplete in any respect.
- (g) The permission given by the Stock Exchanges to use their network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Lead Managers are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Tranche 1 Prospectus; nor does it warrant that the NCDs will be listed or will continue to be listed on the Stock Exchanges.
- (h) Only Applications that are uploaded on the online system of the Stock Exchanges shall be considered for allocation/ Allotment. The Members of the Syndicate, Trading Members of the Stock Exchanges and the Designated Branches of the SCSBs shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Application data in the electronic systems of the Stock Exchange. In order that the data so captured is accurate the Members of the Syndicate, Trading Members of the Stock Exchanges and the Designated Branches of the SCSBs will be given up to one Working Day after the Tranche 1 Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Tranche 1 Issue Period after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

## REJECTION OF APPLICATIONS

Applications would be liable to be rejected on the technical grounds listed below or if all required information is not provided or the Application Form is incomplete in any respect. The Board of Directors and/or Debt Issuance Committee reserves its full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof.

Application may be rejected on one or more technical grounds, including but not restricted to:

- (a) Applications submitted without blocking of the entire Application Amount in ASBA Account;
- (b) Applications not being signed by the sole/joint Applicant(s);
- (c) Investor Category in the Application Form not being ticked;

- (d) Application Amount paid being higher than the value of NCDs applied for. However, our Company may allot NCDs up to the number of NCDs applied for, if the value of such NCDs Applied for exceeds the minimum Application size;
- (e) Applications where a registered address in India is not provided for the Applicant;
- (f) Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, except bids by Minors (applying through the guardian) having valid demat account as per demographic details provided by the Depository Participants;
- (g) Minor Applicants (applying through the guardian) without mentioning the PAN of the minor Applicant;
- (h) PAN not mentioned in the Application Form. In case of minor Applicants applying through guardian, when PAN of the Applicant is not mentioned;
- (i) DP ID and Client ID not mentioned in the Application Form;
- (j) GIR number furnished instead of PAN;
- (k) Applications by OCBs;
- (l) Applications for an amount below the minimum application size;
- (m) Submission of more than five Application Forms per ASBA Account;
- (n) Applications by persons who are not eligible to acquire NCDs of our Company in terms of applicable laws, rules, regulations, guidelines and approvals;
- (o) In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
- (p) Signature of sole Applicant missing, or in case of joint Applicants, the Application Forms not being signed by the first Applicant (as per the order appearing in the records of the Depository);
- (q) Applications by persons debarred from accessing capital markets, by SEBI or any other regulatory authority.
- (r) Date of Birth for first/sole Applicant for persons applying for Allotment not mentioned in the Application Form.
- (s) Application Forms not being signed by the ASBA Account holder, if the account holder is different from the Applicant or the signature of the ASBA Account holder on the Application Form does not match with the signature available on the Applicant's bank records;
- (t) Applications submitted directly to the Designated Branches of the SCSBs does not bear the stamp of the SCSB and/or the Designated Branch and/or the Members of the Syndicate, or Trading Members of the Stock Exchange, as the case may be;
- (u) Applications not having details of the ASBA Account to be blocked;
- (v) In case no corresponding record is available with the Depositories that matches three parameters namely, DP ID, Client ID and PAN or if PAN is not available in the Depository database;
- (w) Inadequate funds in the ASBA Account to enable the SCSB to block the Application Amount specified in the Application Form at the time of blocking such Application Amount in the ASBA Account or no confirmation is received from the SCSB for blocking of funds;
- (x) The ASBA Account not having credit balance to meet the Application Amounts or no confirmation is received from the SCSB for blocking of funds;

- (y) SCSB making an application (a) through an ASBA account maintained with its own self or (b) through an ASBA Account maintained through a different SCSB not in its own name or (c) through an ASBA Account maintained through a different SCSB in its own name, where clear demarcated funds are not present or (d) through an ASBA Account maintained through a different SCSB in its own name which ASBA Account is not utilised solely for the purpose of applying in public issues;
- (z) Applications for amounts greater than the maximum permissible amount prescribed by the regulations and applicable law;
- (aa) Authorization to the SCSB for blocking funds in the ASBA Account not provided;
- (bb) Applications by persons prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority;
- (cc) Applications by any person outside India;
- (dd) Applications by other persons who are not eligible to apply for NCDs under the Issue under applicable Indian or foreign statutory/regulatory requirements;
- (ee) Applications not uploaded on the online platform of the Stock Exchange;
- (ff) Applications uploaded after the expiry of the allocated time on the Tranche 1 Issue Closing Date, unless extended by the Stock Exchange, as applicable;
- (gg) Application Forms not delivered by the Applicant within the time prescribed as per the Application Form, the Shelf Prospectus and this Tranche 1 Prospectus and as per the instructions in the Application Form, the Shelf Prospectus and the Tranche 1 Prospectus;
- (hh) Applications by Applicants whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;
- (ii) Where PAN details in the Application Form and as entered into the electronic system of the Stock Exchange, are not as per the records of the Depositories;
- (jj) Applications for Allotment of NCDs in dematerialised form providing an inoperative demat account number;
- (kk) Applications submitted to the Members of the Syndicate, or Trading Members of the Stock Exchanges at locations other than the Specified Cities or at a Designated Branch of a SCSB where the ASBA Account is not maintained;
- (ll) Applications submitted directly to an Escrow Collecting Bank (assuming that such bank is not a SCSB), to our Company or the Registrar to the Issue;
- (mm) Applications tendered to the Trading Members of the Stock Exchanges at centers other than the centers mentioned in the Application Form;
- (nn) Investor Category not ticked;
- (oo) In case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application;
- (pp) Forms not uploaded on the electronic software of the Stock Exchange; and
- (qq) Application submitted directly to escrow banks who aren't SCSBs.

**Kindly note that Applications submitted to the Members of the Syndicate, or Trading Members of the Stock Exchanges at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that Specified City for the Members of the Syndicate, or Trading Members of the Stock Exchange, as the case may be, to deposit Applications (A**



list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>).

For information on certain procedures to be carried out by the Registrar to the Issue for finalization of the basis of allotment, please refer to “*Information for Applicants*” below.

## INFORMATION FOR APPLICANTS

In case of Applications submitted to the SCSBs, in terms of the SEBI circular CIR/CFD/DIL/3/2010 dated April 22, 2010, the Registrar to the Issue will reconcile the compiled data received from the Stock Exchanges and all SCSBs and match the same with the Depository database for correctness of DP ID, Client ID and PAN. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, our Company, in consultation with the Designated Stock Exchange, the Lead Managers and the Registrar to the Issue, reserves the right to proceed as per the Depository records for such Applications or treat such Applications as rejected.

In case of Applicants submitted to the Members of the Syndicate, and Trading Members of the Stock Exchanges at the Specified Cities, the basis of allotment will be based on the Registrar’s validation of the electronic details with the Depository records, and the complete reconciliation of the final certificates received from the SCSBs with the electronic details in terms of the SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, our Company, in consultation with the Designated Stock Exchange, the Lead Managers and the Registrar to the Issue, reserves the right to proceed as per the Depository records or treat such Application as rejected.

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship).

In case of Applications for a higher number of NCDs than specified for that category of Applicant, only the maximum amount permissible for such category of Applicant will be considered for Allotment.

## BASIS OF ALLOTMENT

### *Basis of Allotment for NCDs*

The Registrar will aggregate the Applications, based on the Applications received through an electronic book from the Stock Exchanges and determine the valid Application for the purpose of drawing the basis of allocation.

Grouping of the Applications received will be then done in the following manner:

### *Grouping of Applications and allocation ratio*

For the purposes of the Basis of Allotment:

- A. *Applications received from Category I Applicants:* Applications received from Applicants belonging to Category I shall be grouped together (“**QIB Portion**”);
- B. *Applications received from Category II Applicants:* Applications received from Applicants belonging to Category II, shall be grouped together (“**Corporate Portion**”);
- C. *Applications received from Category III Applicants:* Applications received from Applicants belonging to Category III shall be grouped together (“**High Net Worth Individual Investors Portion**”); and
- D. *Applications received from Category IV Applicants:* Applications received from Applicants belonging to Category IV shall be grouped together (“**Retail Individual Investors Portion**”).

For removal of doubt, the terms “QIB Portion”, “Corporate Portion”, “High Net Worth Individual Investors Portion” and “Retail Individual Investors Portion” are individually referred to as a “Portion” and collectively referred to as “Portions”.

For the purposes of determining the number of NCDs available for allocation to each of the abovementioned Portions, our Company shall have the discretion of determining the number of NCDs to be Allotted over and above the Base Issue Size, in case our Company opts to retain any oversubscription in the Tranche 1 Issue up to the Tranche 1 Issue Limit i.e. aggregating up to Rs. 10,00,000 lacs. The aggregate value of NCDs decided to be Allotted over and above the Base Issue Size, (in case our Company opts to retain any oversubscription in the Tranche 1 Issue), taken together with the aggregate value of NCDs up to the Base Issue Size shall be collectively termed as the “Overall Tranche 1 Issue Size”.

**Allocation Ratio**

<b>QIB Portion</b>	<b>Corporate Portion</b>	<b>High Net Worth Individual Investors Portion</b>	<b>Retail Individual Investors Portion</b>
10% of the Overall Tranche 1 Issue Size	10% of the Overall Tranche 1 Issue Size	40% of the Overall Tranche 1 Issue Size	40% of the Overall Tranche 1 Issue Size

(a) Allotments in the first instance:

- i. Applicants belonging to the QIB Portion, in the first instance, will be allocated NCDs up to 10% of Overall Tranche 1 Issue Size on first come first serve basis which would be determined on the basis of date of upload of their Applications on the electronic platform of the Stock Exchanges. The determination of the allocation ratio of 10% of the Overall Tranche 1 Issue Size for the QIB Portion shall be done considering the aggregate subscription received in the QIB Portion;
- ii. Applicants belonging to the Corporate Portion, in the first instance, will be allocated NCDs up to 10% of Overall Tranche 1 Issue Size on first come first serve basis which would be determined on the basis of date of upload of their Applications on the electronic platform of the Stock Exchanges. The determination of the allocation ratio of 10% of the Overall Tranche 1 Issue Size for the Corporate Portion shall be done considering the aggregate subscription received in the Corporate Portion;
- iii. Applicants belonging to the High Net Worth Individual Investors Portion, in the first instance, will be allocated NCDs up to 40% of Overall Tranche 1 Issue Size on first come first serve basis which would be determined on the basis of date of upload of their Applications on the electronic platform of the Stock Exchanges. The determination of the allocation ratio of 40% of the Overall Tranche 1 Issue Size for the High Net Worth Individual Investors Portion shall be done considering the aggregate subscription received in the High Net Worth Individual Investors Portion; and
- iv. Applicants belonging to the Retail Individual Investors Portion, in the first instance, will be allocated NCDs up to 40% of Overall Tranche 1 Issue Size on first come first serve basis which would be determined on the basis of date of upload of their Applications on the electronic platform of the Stock Exchanges. The determination of the allocation ratio of 40% of the Overall Tranche 1 Issue Size for the Retail Individual Investors Portion shall be done considering the aggregate subscription received in the Retail Individual Investors Portion.

As per circular (No. CIR/IMD/DF/18/2013) dated October 29, 2013 issued by SEBI, which amends the provisions of circular (No. CIR./IMD/DF-1/20/2012) dated July 27, 2012 to the extent that it provides for allotment in public issues of debt securities to be made on the basis of date of upload of each application into the electronic book of the Stock Exchange, as opposed to the date and time of upload of each such application. In the event of, and on the date of oversubscription, however, allotments in public issues of debt securities is to be made on a proportionate basis.

- (b) Allotments by the Company, in consultation with the Designated Stock Exchange, shall be made on date priority basis i.e. a first-come first-serve basis to each Portion, based on the date of upload of each Application on the electronic platform of the Stock Exchanges, subject to the allocation ratio. However, in the event of and on the date of oversubscription, the allotments would be made to the Applicants on a proportionate basis.
- (c) Allotments in case of oversubscription: In case of an oversubscription, allotments to the maximum extent, as possible, will be made on a first-come first-serve basis and thereafter on a proportionate basis, i.e. full allotment of the NCDs to the Applicants on a first come first basis up to the date falling 1 (one) day prior

to the date of oversubscription and proportionate allotment of NCDs to the Applicants on the date of oversubscription (based on the date of upload of each Application on the electronic platform of the Stock Exchanges, in each Portion).

For the purpose of clarity, in case of oversubscription please see the below indicative scenarios:

- i. In case of an oversubscription in all Portions resulting in an oversubscription in the Tranche 1 Issue Limit, Allotments to the maximum permissible limit, as possible, will be made on a first-come first-serve basis and thereafter on proportionate basis, i.e. full allotment of the NCDs to the Applicants on a first come first basis up to the date falling 1 (one) day prior to the date of oversubscription to respective Portion and proportionate allotment of NCDs to the Applicants on the date of oversubscription in respective Portion (based on the date of upload of each Application on the electronic platform of the Stock Exchanges in each Portion).
  - ii. In case there is oversubscription in the Tranche 1 Issue Limit, however there is under subscription in one or more Portion(s), Allotments will be made in the following order:
    - a. All valid Applications in the undersubscribed Portion(s) uploaded on the electronic platform of the Stock Exchanges till the end of the last day of the Tranche 1 Issue Period, shall receive full and firm allotment.
    - b. In case of Portion(s) that are oversubscribed, allotment shall be made to valid Applications received on a first come first serve basis, based on the date of upload of each Application on the electronic platform of the Stock Exchanges. Priority for allocation of the remaining undersubscribed Portion(s) shall be given to day wise Applications received in the Retail Individual Investors Portion followed by High Net Worth Individual Investors Portion, next Corporate Portion and lastly QIB Portion each according to the day of upload of Applications on the electronic platform of the Stock Exchanges during the Tranche 1 Issue Period. For the sake of clarity, the day on which the entire remaining undersubscribed Portion is allocated to the oversubscribed Portion(s), no allocation shall be made to any oversubscribed Portion(s) on the remaining days of the Tranche 1 Issue Period.
- (d) Undersubscription: If there is undersubscription in the overall Tranche 1 Issue Limit due to undersubscription in each Portion, all valid Applications received till the end of Tranche 1 Issue Closing Day shall be grouped together in each Portion and full and firm Allotments will be made to all valid Applications in each Portion.
- (e) Minimum Allotments of 1 NCD and in multiples of 1 NCD thereafter would be made in case of each valid Application to all Applicants.
- (f) Proportionate Allotments: For each Portion, on the date of oversubscription:
- i. Allotments to the Applicants shall be made in proportion to their respective Application size, rounded off to the nearest integer.
  - ii. If the process of rounding off to the nearest integer results in the actual allocation of NCDs being higher than the Tranche 1 Issue Limit, not all Applicants will be allotted the number of NCDs arrived at after such rounding off. Rather, each Applicant whose allotment size, prior to rounding off, had the highest decimal point would be given preference.
  - iii. In the event, there are more than one Applicant whose entitlement remain equal after the manner of distribution referred to above, our Company will ensure that the basis of allotment is finalized by draw of lots in a fair and equitable manner.
- (g) Applicant applying for more than one Series of NCDs: If an Applicant has applied for more than one Series of NCDs, and in case such Applicant is entitled to allocation of only a part of the aggregate number of NCDs applied for, the Series-wise allocation of NCDs to such Applicants shall be in proportion to the number of NCDs with respect to each Series, applied for by such Applicant, subject to rounding off to the nearest integer, as appropriate in consultation with the Lead Managers and the Designated Stock Exchange. Further, in the aforesaid scenario, wherein the Applicant has applied for all the 10 (ten) Series and in case such Applicant cannot be allotted all the 10 (ten) Series, then the Applicant would be allotted NCDs, at the discretion of the Company, the Registrar and the Lead Managers wherein the NCDs with the least tenor i.e. Allotment of NCDs with tenor of 30 months followed by Allotment of NCDs with tenor of 42 months

(cumulative), followed by Allotment of NCDs with tenor of 42 months (annual), followed by Allotment of NCDs with tenor of 42 months (monthly) and so on.

- (h) Unblocking of Funds for withdrawn, rejected or unsuccessful or partially successful Applications: The Registrar shall, pursuant to preparation of Basis of Allotment, instruct the relevant SCSB to unblock the funds in the relevant ASBA Account for withdrawn, rejected or unsuccessful or partially successful Applications within six Working Days of the Tranche 1 Issue Closing Date.

All decisions pertaining to the basis of allotment of NCDs pursuant to the Tranche 1 Issue shall be taken by our Company in consultation with the Lead Managers and the Designated Stock Exchanges and in compliance with the aforementioned provisions of this Tranche 1 Prospectus. Any other queries / issues in connection with the Applications will be appropriately dealt with and decided upon by our Company in consultation with the Lead Managers.

Our Company would allot Series VII NCDs to all valid Applications, wherein the Applicants have selected only NCDs, but have not indicated their choice of the relevant Series of the NCDs. Therefore, instructions will be given to the Designated Intermediaries to indicate Series VII as the Applicant's choice of the relevant NCD Series wherein the Applicants have not indicated their choice.

Applications where the Application Amount received is greater than the minimum Application Amount, and the Application Amount paid does not tally with the number of NCDs applied for, may be considered for Allotment, to the extent of the Application Amount paid rounded down to the nearest Rs. 1,000.

#### **Retention of oversubscription**

Our Company shall have an option to retain over-subscription up to the Tranche 1 Issue Limit.

#### **ISSUANCE OF ALLOTMENT ADVICE**

Our Company shall ensure dispatch of Allotment Advice and/ or give instructions for credit of NCDs to the beneficiary account with Depository Participants within 6 (six) Working Days of the Tranche 1 Issue Closing Date. The Allotment Advice for successful Applicants will be mailed to their addresses as per the Demographic Details received from the Depositories.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for commencement of trading at the Stock Exchanges where the NCDs are proposed to be listed are taken within 6 (six) Working Days from the Tranche 1 Issue Closing Date.

Allotment Advices shall be issued, or Application Amount shall be unblocked within 6 (six) Working Days from the Tranche 1 Issue Closing Date or such lesser time as may be specified by SEBI or else the application amount shall be refunded to the applicants forthwith.

#### **OTHER INFORMATION**

##### **Withdrawal of Applications during the Tranche 1 Issue Period**

Applicants can withdraw their Applications during the Tranche 1 Issue Period by submitting a request for the same to the Member of the Syndicate, Trading Member of the Stock Exchanges or the Designated Branch, as the case may be, through whom the Application had been placed. In case of Applications submitted to the Member of the Syndicate, or Trading Members of the Stock Exchanges at the Specified Cities, upon receipt of the request for withdrawal from the Applicant, the relevant the Member of the Syndicate, or Trading Member of the Stock Exchange, as the case may be, shall do the requisite, including deletion of details of the withdrawn Application Form from the electronic system of the Stock Exchange. In case of Applications submitted directly to the Designated Branch of the SCSB, upon receipt of the request for withdraw from the Applicant, the relevant Designated Branch shall do the requisite, including deletion of details of the withdrawn Application Form from the electronic system of the Stock Exchanges and unblocking of the funds in the ASBA Account directly.

### **Withdrawal of Applications after the Tranche 1 Issue Period**

In case an Applicant wishes to withdraw the Application after the Tranche 1 Issue Closing Date, the same can be done by submitting a withdrawal request to the Registrar to the Issue prior to the finalization of the Basis of Allotment.

### **Revision of Applications**

As per the notice No: 20120831-22 dated August 31, 2012 issued by the BSE and notice No: NSE/CML/2012/0672 dated August 7, 2012 issued by NSE, cancellation of one or more orders (series) within an Application is permitted during the Tranche 1 Issue Period as long as the total order quantity does not fall under the minimum quantity required for a single Application. Please note that in case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application will be liable for rejection by the Registrar.

Applicants may revise/ modify their Application details during the Tranche 1 Issue Period, as allowed/permitted by the stock exchange(s), by submitting a written request to the Member of the Syndicate/ Trading Members of the Stock Exchange/ the SCSBs, as the case may be. However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/modification. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic Application platform of the Stock Exchange(s) as per the procedures and requirements prescribed by each relevant Stock Exchange, Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes.

Revision of Applications is not permitted after the expiry of the time for acceptance of Application Forms on the Tranche 1 Issue Closing Date. However, in order that the data so captured is accurate, the Member of the Syndicate, Trading Members of the Stock Exchanges and the Designated Branches of the SCSBs will be given up to one Working Day after the Tranche 1 Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period, after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

### **Depository Arrangements**

We have made depository arrangements with NSDL and CDSL. Please note that Tripartite Agreements have been executed between our Company, the Registrar and both the depositories.

As per the provisions of the Depositories Act, 1996, the NCDs issued by us can be held in a dematerialized form. In this context:

- (i) Tripartite agreement dated March 29, 2000 among our Company, the Registrar and CDSL and tripartite agreement dated April 30, 1999 among our Company, the Registrar and NSDL, respectively for offering depository option to the investors.
- (ii) An Applicant must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the Application.
- (iii) The Applicant must necessarily provide the DP ID and Client ID details in the Application Form.
- (iv) NCDs Allotted to an Applicant in the electronic form will be credited directly to the Applicant's respective beneficiary account(s) with the DP.
- (v) Non-transferable Allotment Advice/ refund orders will be directly sent to the Applicant by the Registrar to this Issue.
- (vi) It may be noted that NCDs in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL or CDSL. The Stock Exchanges have connectivity with NSDL and CDSL.
- (vii) Interest or other benefits with respect to the NCDs held in dematerialized form would be paid to those NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us as on Record Date. In case of those NCDs for which the beneficial owner is not identified by the Depository as

on the Record Date/ book closure date, we would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to us, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.

(viii) The trading of the NCDs on the floor of the Stock Exchanges shall be in dematerialized form only.

Please also refer to “*Instructions for filling up the Application Form - Applicant’s Beneficiary Account and Bank Account Details*” on page 70 of this Tranche 1 Prospectus.

Please note that the NCDs shall cease to trade from the Record Date (for payment of the principal amount and the applicable premium and interest for such NCDs) prior to redemption of the NCDs.

**PLEASE NOTE THAT TRADING OF NCDs ON THE FLOOR OF THE STOCK EXCHANGES SHALL BE IN DEMATERIALIZED FORM ONLY IN MULTIPLE OF ONE NCD.**

Allottees will have the option to re-materialize the NCDs Allotted under the Issue as per the provisions of the Companies Act, 2013 and the Depositories Act.

### **Communications**

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or first Applicant, Application Form number, Applicant’s DP ID and Client ID, Applicant’s PAN, number of NCDs applied for, date of the Application Form, name and address of the Lead Manager, Trading Member of the Stock Exchanges or Designated Branch, as the case may be, where the Application was submitted, and ASBA Account number in which the amount equivalent to the Application Amount was blocked. All grievances relating to the application process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSB.

Applicants may contact our Compliance Officer (and Company Secretary) or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of Allotment Advice, refunds or credit of NCDs in the respective beneficiary accounts, as the case may be.

### **Interest in case of Delay**

Our Company undertakes to pay interest, in connection with any delay in allotment, demat credit and refund, beyond the time limit as may be prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated under such applicable statutory and/or regulatory requirements.

### **Undertaking by the Issuer**

#### ***Statement by the Board***

- (a) All monies received pursuant to the Issue of NCDs to public shall be transferred to a separate bank account as referred to in sub-section (3) of section 40 of the Companies Act, 2013.
- (b) Details of all monies utilised out of Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies had been utilised;
- (c) Details of all unutilised monies out of issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our balance sheet indicating the form in which such unutilised monies have been invested.
- (d) The details of all utilized and unutilised monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized, and the securities or other forms of financial assets in which such unutilized monies have been invested;
- (e) The Debenture Trust Deed shall be executed within the timelines stipulated in the Shelf Prospectus, failing which our Company shall pay interest of at least 2% (two per cent.) per annum to the NCD Holders, without

prejudice to any liability under applicable law, over and above the interest rate on the NCDs specified in this Tranche 1 Prospectus, for the delayed period;

- (f) We shall utilize the Issue proceeds only upon execution of the Debenture Trust Deed as stated in the Shelf Prospectus and this Tranche 1 Prospectus, on receipt of the minimum subscription of 75% of the Base Issue (i.e. Rs. 22,500 lacs) and receipt of listing and trading approval from the Stock Exchange;
- (g) The Tranche 1 Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property business, dealing in equity of listed companies or lending/investment in group companies;
- (h) The allotment letter shall be issued or application money shall be unblocked within 6 (six) Working Days from the closure of the Tranche 1 Issue or such lesser time as may be specified by Securities and Exchange Board of India, or else the application money shall be refunded to the Applicants forthwith.

***Other Undertakings by our Company***

Our Company undertakes that:

- (a) Complaints received in respect of the Tranche 1 Issue (except for complaints in relation to Applications submitted to Trading Members) will be attended to by our Company expeditiously and satisfactorily;
- (b) Necessary cooperation to the relevant credit rating agency(ies) will be extended in providing true and adequate information until the obligations in respect of the NCDs are outstanding;
- (c) Our Company will take necessary steps for the purpose of getting the NCDs listed within the specified time, i.e., within 6 (six) Working Days of the Tranche 1 Issue Closing Date;
- (d) Funds required for dispatch of refund orders/Allotment Advice/NCD Certificates will be made available by our Company to the Registrar to the Issue;
- (e) Our Company will forward details of utilisation of the proceeds of the Tranche 1 Issue, duly certified by the Statutory Auditor, to the Debenture Trustee on a half-yearly basis;
- (f) Our Company will provide a compliance certificate to the Debenture Trustee on an annual basis in respect of compliance with the terms and conditions of the Tranche 1 Issue as contained in the Shelf Prospectus and this Tranche 1 Prospectus;
- (g) Our Company will provide a copy of the financial results, along with disclosures relating to its non-convertible debt securities required in terms of Regulation 52 (4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, submitted to stock exchanges to the Debenture Trustee on the same day the information is submitted to stock exchanges;
- (h) Our Company will disclose the complete name and address of the Debenture Trustee in its annual report;
- (i) Our Company shall make necessary disclosures/ reporting under any other legal or regulatory requirement as may be required by our Company from time to time.

## SECTION III LEGAL AND OTHER INFORMATION

### OTHER REGULATORY AND STATUTORY DISCLOSURES

#### Authority for the Issue

At the meeting of the Board of Directors of our Company, held on January 28, 2019, the Board approved the issue of NCDs to the public in one or more tranches, up to an amount not exceeding Rs.10,00,000 lacs. Further, the present borrowing is within the borrowing limits under Section 180(1)(c) of the Companies Act, 2013 duly approved by the shareholders' pursuant to the postal ballot resolution dated June 13, 2019. Further, the Board of Directors has approved the Draft Shelf Prospectus by way of resolution dated June 27, 2019 and the Debt Issuance Committee has approved the Shelf Prospectus by way of resolution dated July 9, 2019 and the Tranche 1 Prospectus by way of resolution dated July 12, 2019.

#### Prohibition by SEBI

Our Company, persons in control of our Company and/or our Promoter have not been restrained, prohibited or debarred by SEBI from accessing the securities market or dealing in securities and no such order or direction is in force. Further, no member of our promoter group has been prohibited or debarred by SEBI from accessing the securities market or dealing in securities due to fraud.

Neither our Company nor our Promoter nor Directors is a wilful defaulter or it is in default of payment of interest or repayment of principal amount in respect of debt securities issued by it to the public, if any, for a period of more than six months.

#### Disclaimer clause of SEBI

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKERS, JM FINANCIAL LIMITED, A. K. CAPITAL SERVICES LIMITED AND SMC CAPITALS LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKERS, JM FINANCIAL LIMITED A. K. CAPITAL SERVICES LIMITED AND SMC CAPITALS LIMITED, HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED JULY 12, 2019, WHICH READS AS FOLLOWS:**

- 1. WE CONFIRM THAT NEITHER THE ISSUER NOR ITS PROMOTERS OR DIRECTORS HAVE BEEN PROHIBITED FROM ACCESSING THE CAPITAL MARKET UNDER ANY ORDER OR DIRECTION PASSED BY SEBI. WE ALSO CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.**
- 2. WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN THE PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE TRANCHE 1 ISSUE OR RELATING TO THE TRANCHE 1 ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE NCDs OFFERED THROUGH THIS TRANCHE 1 ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND**



**ADVERTISEMENT FOR OPENING OR CLOSURE OF THE TRANCHE 1 ISSUE HAVE BEEN GIVEN.**

- 3. WE CONFIRM THAT THE PROSPECTUS CONTAINS ALL DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008.**
- 4. WE ALSO CONFIRM THAT ALL RELEVANT PROVISIONS OF THE COMPANIES ACT, 2013, AS AMENDED AND TO THE EXTENT NOTIFIED, SECURITIES CONTRACTS, (REGULATION) ACT, 1956, SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND THE RULES, REGULATIONS, GUIDELINES, CIRCULARS ISSUED THEREUNDER ARE COMPLIED WITH.**

**WE CONFIRM THAT NO COMMENTS/ COMPLAINTS WERE RECEIVED ON THE DRAFT SHELF PROSPECTUS DATED JUNE 29, 2019 FILED WITH THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED AND BSE LIMITED.**

*(For the purpose of the due diligence certificate, the term 'Prospectus' shall include the Shelf Prospectus and the Tranche 1 Prospectus)*

**Disclaimer Clause of the NSE**

**AS REQUIRED, A COPY OF THIS OFFER DOCUMENT HAS BEEN SUBMITTED TO NATIONAL STOCK EXCHANGE OF INDIA LIMITED (HEREINAFTER REFERRED TO AS NSE). NSE HAS GIVEN VIDE ITS LETTER BEARING REF.: NSE/LIST/85160 DATED JULY 08, 2019 PERMISSION TO THE ISSUER TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGES ON WHICH THIS ISSUER'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THE DRAFT OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS ISSUER.**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE AFORESAID PERMISSION GIVEN BY NSE SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY NSE; NOR DOES IT IN ANY MANNER WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS OFFER DOCUMENT; NOR DOES IT WARRANT THAT THIS ISSUER'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; NOR DOES IT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS ISSUER, ITS PROMOTERS, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS ISSUER. EVERY PERSON WHO DESIRES TO APPLY FOR OR OTHERWISE ACQUIRE ANY SECURITIES OF THIS ISSUER MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE EXCHANGE WHATSOEVER BY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION/ ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR ANY OTHER REASON WHATSOEVER.**

**Disclaimer Clause of the BSE**

**BSE LIMITED ("THE EXCHANGE") HAS GIVEN VIDE ITS LETTER DATED JULY 8, 2019, PERMISSION TO THIS COMPANY TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS ONE OF STOCK EXCHANGES ON WHICH THIS COMPANY'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THIS OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS COMPANY. THE EXCHANGE DOES NOT IN ANY MANNER:**

- A. WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS OFFER DOCUMENT; OR**
- B. WARRANT THAT THIS COMPANY'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; OR**
- C. TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS COMPANY, ITS PROMOTERS, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS COMPANY;**

**AND IT SHOULD NOT FOR ANY REASON BE DEEMED OR CONSTRUED THAT THIS OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY THE EXCHANGE. EVERY PERSON WHO DESIRES TO APPLY FOR OR OTHERWISE ACQUIRES ANY SECURITIES OF THIS COMPANY MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE EXCHANGE WHATSOEVER BY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION/ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR FOR ANY OTHER REASON WHATSOEVER.**

**Disclaimer Clause of the RBI**

**THE COMPANY IS HAVING A VALID CERTIFICATE OF REGISTRATION DATED APRIL 17, 2007 ISSUED BY THE RESERVE BANK OF INDIA UNDER SECTION 45 IA OF THE RESERVE BANK OF INDIA ACT, 1934. HOWEVER, THE RBI DOES NOT ACCEPT ANY RESPONSIBILITY OR GUARANTEE ABOUT THE PRESENT POSITION AS TO THE FINANCIAL SOUNDNESS OF THE COMPANY OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS OR REPRESENTATIONS MADE OR OPINIONS EXPRESSED BY THE COMPANY AND FOR REPAYMENT OF DEPOSITS/ DISCHARGE OF LIABILITY BY THE COMPANY.**

**Track record of past public issues handled by the Lead Managers**

The track record of past issues handled by the Lead Manager, as required by SEBI circular number CIR/MIRSD/1/2012 dated January 10, 2012, are available at the following websites:

<b>Name of Lead Manager</b>	<b>Website</b>
JM Financial Limited	<a href="http://www.jmfl.com">www.jmfl.com</a>
A. K. Capital Services Limited	<a href="http://www.akgroup.co.in">www.akgroup.co.in</a>
SMC Capitals Limited	<a href="http://www.smccapitals.com">www.smccapitals.com</a>

**Listing**

The NCDs proposed to be offered through this Tranche 1 Prospectus are proposed to be listed on the NSE and the BSE. Our Company has obtained an ‘in-principle’ approval for the Issue from NSE vide their letter no. NSE/LIST/85160 dated July 8, 2019 and from BSE vide their letter no. DCS/BM/PI-BOND/4/19-20 dated July 8, 2019. NSE has been appointed as the Designated Stock Exchange for the Issue.

Our Company will use best efforts to ensure that all steps for the completion of the necessary formalities for listing at the Stock Exchanges are taken within 6 (six) Working Days of the Tranche 1 Issue Closing Date. For the avoidance of doubt, it is hereby clarified that in the event of non-subscription or failure to achieve minimum subscription to any one or more of the Series, such Series(s) of NCDs shall not be listed.

If permissions to deal in and for an official quotation of our NCDs are not granted by the Stock Exchange, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Shelf Prospectus and this Tranche 1 Prospectus.

**Consents**

Consents in writing of: (a) the Directors, (b) our Chief Financial Officer, Company Secretary and Compliance Officer (c) the Bankers to our Company (d) Lead Managers; (e) the Registrar to the Issue, (f) Legal Advisors to the Issue, (g) Credit Rating Agencies, (h) ICRA for the ICRA Reports, (i) India Ratings for the India Ratings Report, (j) the Debenture Trustee, to act in their respective capacities, have been obtained or will be obtained and the same will be filed along with a copy of the Shelf Prospectus with the ROC. Consents from the existing lenders have also been obtained (or will be obtained prior to filing of Shelf Prospectus with SEBI) for the Issue and the same will be filed along with a copy of the Shelf Prospectus with the ROC, and such consents have not been withdrawn as on the date of the Shelf Prospectus and this Tranche 1 Prospectus. Further, consents from the Lead Brokers to this Tranche 1 Issue, the Public Issue Account Bank and the Refund Bank to act in their respective capacities, have been obtained and the same will be filed along with a copy of the Tranche 1 Prospectus with the ROC, and such consents have not been withdrawn as on the date of this Tranche 1 Prospectus.

The consents of the Joint Statutory Auditors of our Company, Haribhakti & Co. LLP and M/s Pijush Gupta & Co. for inclusion of their names as (a) the joint Statutory Auditors, (b) examination reports on Reformatted Standalone Financial Statements and Reformatted Consolidated Financial Statements, and (c) Statement of Tax Benefits in the Shelf Prospectus have been obtained and the same will be filed with the Designated Stock Exchange and the Registrar of Companies, Chennai, along with a copy of the Shelf Prospectus and such consents have not been withdrawn as on the date of the Shelf Prospectus and this Tranche 1 Prospectus.

### **Expert Opinion**

Except the following, our Company has not obtained any expert opinions in connection with the Shelf Prospectus and this Tranche 1 Prospectus: Our Company has received consent from its Joint Statutory Auditors namely, M/s Haribhakti & Co. LLP, Chartered Accountants, and M/s Pijush Gupta & Co., Chartered Accountants to include their name as required under Section 26 (1) (v) of the Companies Act, 2013 and as “expert” as defined under Section 2(38) of the Companies Act, 2013 in the Shelf Prospectus and this Tranche 1 Prospectus in respect of the examination reports for the Reformatted Financial Statements of the Joint Statutory Auditors dated June 29, 2019 and statement of tax benefits dated July 9, 2019 included in this Tranche 1 Prospectus and such consents have not been withdrawn as on the date of the Shelf Prospectus and this Tranche 1 Prospectus. However, the term “expert” shall not be construed to mean an “Expert” as defined under the U.S Securities Act, 1933.

### **Common form of Transfer**

The Issuer undertakes that there shall be a common form of transfer for the NCDs, as per applicable law.

### **Minimum Subscription**

In terms of the Debt Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size. If our Company does not receive the minimum subscription of 75% of Base Issue Size, prior to the Tranche 1 Issue Closing Date the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 6 (six) Working Days from the Tranche 1 Issue Closing Date.

Under Section 39(3) of the Companies Act, 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with the Company and/or Registrar, refunds will be made to the account prescribed. However, where the Company and/or Registrar does not have the necessary information for making such refunds, the Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard including its circular (bearing CIR/IMD/DF-1/20/2012) dated July 27, 2012

### **Filing of the Draft Shelf Prospectus**

A copy of the Draft Shelf Prospectus has been filed with the Stock Exchanges in terms of the Debt Regulations for dissemination on their respective websites, and with SEBI.

### **Filing of the Shelf Prospectus and the Tranche 1 Prospectus with the RoC**

Our Company is eligible to file the Shelf Prospectus as per requirements of Regulation 6A of the Debt Regulations. A copy of the Shelf Prospectus and this Tranche 1 Prospectus will be filed with the RoC, in accordance with Section 26 and Section 31 of Companies Act, 2013.

### **Debenture Redemption Reserve**

Pursuant to Regulation 16 of the Debt Regulations and Section 71 (4) of the Companies Act, 2013 which require that when debentures are issued by any company, the company shall create a debenture redemption reserve out of the profits of the company available for payment of dividend. Rule 18 (7) of the Companies (Share Capital and Debentures) Rules, 2014 states that for companies such as our Company, the adequacy of DRR shall be 25% of the value of outstanding debentures issued through a public issue as per the Debt Regulations.

Rule 18 (7) (c) of the Companies (Share Capital and Debentures) Rules, 2014 further mandate that every company required to maintain DRR shall deposit or invest, as the case may be, before the 30th day of April of each year a sum which shall not be less than 15% of the amount of its debentures maturing during the year ending on the 31st day of March of the next year in any one or more following methods: (a) in deposits with any scheduled bank, free from charge or lien; (b) in unencumbered securities of the Central Government or of any State Government; (c) in unencumbered securities mentioned in clauses (a) to (d) and (ee) of Section 20 of the Indian Trusts Act, 1882; (d) in unencumbered bonds issued by any other company which is notified under clause (f) of Section 20 of the Indian Trusts Act, 1882. The abovementioned amount deposited or invested, must not be utilized for any purpose other than for the repayment of debentures maturing during the year provided that the amount remaining deposited or invested must not at any time fall below 15% of the amount of debentures maturing during year ending on the 31st day of March of that year.

Accordingly, our Company is required to create a DRR of 25% of the value of the outstanding NCDs issued through the Issue. In addition, the amounts invested pursuant to the requirements of Rule 18 (7) (c) of the Companies (Share Capital and Debentures) Rules, 2014, shall not be utilised by our Company except for the redemption of the NCDs.

In the Union Budget for Financial Year 2019-20, it has been announced that, in order to allow NBFCs to raise funds through public issues of debentures, the requirement of creating a DRR, which is currently applicable only for public issues, will be done away with.

### **Tranche 1 Issue Related Expenses**

The expenses of this Tranche 1 Issue include, *inter alia*, lead management fees and selling commission to the Lead Managers, Lead Brokers, fees payable to debenture trustees, the Registrar to the Issue, SCSBs' commission/ fees, printing and distribution expenses, legal fees, advertisement expenses and listing fees. The Tranche 1 Issue expenses and listing fees will be paid by our Company.

The estimated break-up of the total expenses shall be as specified in the chapter titled "*Objects of the Tranche 1 Issue*" on page 26 of this Tranche 1 Prospectus.

### **Reservation**

No portion of this Tranche 1 Issue has been reserved

### **Underwriting**

The Tranche 1 Issue has not been underwritten.

### **Revaluation of assets**

The Company has not revalued its assets in the last five years.

### **Mechanism for redressal of investor grievances**

The Registrar Agreement dated Integrated Registry Management Services Private Limited between the Registrar to the Issue and our Company provides for responsibility on the Registrar to the Issue to redress investor complaints and grievances in a timely manner in accordance with any applicable legislation and any rules, regulations and guidelines issued by the SEBI in this regard. The Registrar Agreement between the Registrar and our Company will provide for retention of records with the Registrar for a period of at least 8 years from the last date of despatch of the letters of allotment, demat credit and refund credit to enable the investors to approach the Registrar for redressal of their grievances.

All grievances relating to the Tranche 1 Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the Applicant, number of NCDs applied for, amount blocked on Application and the bank branch or Collection Centre where the application was submitted. The contact details of Registrar to the Issue are as follows:

### **Integrated Registry Management Services Private Limited**

2nd Floor, Kences Towers, No. 1, Ramakrishna Street,  
North Usman Road, T. Nagar, Chennai - 600 017  
Tel: + 91 44 2814 0801-03

Fax: +91 99 2814 2479  
 Email: stfcipo@integratedindia.in  
 Investor Grievance Email: sureshbabu@integratedindia.in  
 Website: www.integratedindia.in  
 Contact Person: Anusha N/ Sriram S  
 SEBI Registration No: INR000000544

We estimate that the average time required by us or the Registrar to the Issue for the redressal of investor grievances will be 7 (seven) Working Days from the date of receipt of complete details of the complaint.

Mr. Vivek M. Achwal has been appointed as the Compliance Officer of our Company for this Issue.

The contact details of Compliance Officer of our Company are as follows:

**Mr. Vivek M. Achwal,**  
 Wockhardt Towers, Level-3  
 West Wing, C-2, G Block, Bandra – Kurla Complex  
 Bandra (East) Mumbai – 400 051  
 Tel. No. +91 22 4095 9595  
 Fax No.: +91 22 4095 9596/97  
 Email: stfcncd9comp@stfc.in

**Change in Auditors of our Company during the last three years**

Except as stated below and except as per the provision of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, there has been no change(s) in the Joint Statutory Auditors of our Company in the last 3 (three) financial years preceding the date of this Tranche 1 Prospectus:

<b>Name of the Auditor</b>	<b>Address</b>	<b>Date of change</b>	<b>Reason for change</b>
M/s. Haribhakti & Co. LLP, Chartered Accountants  and  M/s Pijush Gupta & Co., Chartered Accountants	705, Leela Business Park, Andheri Kurla Road, Andheri (East), Mumbai – 400 059  GF 17, Augusta Point Golf Course Road, Sector -53, Golf Course Road,	June 29, 2017	Rotation of auditors upon expiry of term of the previous joint statutory auditors of the Company (being M/s. S. R. Batliboi & Co. LLP, Chartered Accountants and M/s. G.D. Apte & Co., Chartered Accountants) in accordance with the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014

**Utilisation of Issue Proceeds of the previous public issues of debentures by the Company**

(Rs. in lacs)

Particulars of utilisation	I Public Issue	II Public Issue	III Public Issue	IV Public Issue	V Public Issue	VI Public Issue	VII Public Issue	VIII Public Issue Tranche I	VIII Public Issue Tranche II	VIII Public Issue Tranche III
<b>Date of allotment</b>	<b>27-Aug-09</b>	<b>2-Jun-10</b>	<b>12-Jul-11</b>	<b>10-Aug-12</b>	<b>1-Aug-13</b>	<b>24-Oct-13</b>	<b>15-Jul-14</b>	<b>12-Jul-18</b>	<b>2-Nov-18</b>	<b>6-Feb-19</b>
<b>Total Issue Proceeds</b>	99,999.96	49,999.99	99,999.93	60,000.00	73,589.04	50,000.00	197,484.71	364,851.86	60,679.19	53,731.89
<b>Issue Related Expense</b>	3,942.77	1,706.89	3,194.15	2,021.77	2,644.33	1,646.34	4,153.94	6,535.34	1,374.68	1,167.44
<b>Issue Proceed Less Issue Expenses</b>	96,057.19	48,293.10	96,805.78	57,978.23	70,944.71	48,353.66	193,330.77	358,316.52	59,304.51	52,564.45
<b>Onward lending, investment and Repayment of existing loans including interest</b>	96,057.19	48,293.10	96,805.78	57,978.23	70,944.71	48,353.66	193,330.77	358,316.52	59,304.51	52,564.45

Our group companies have not made any public issues of debentures.

**Details regarding the Company and other listed companies under the same management within the meaning of section 370(1B) of the Companies Act, 1956, which made any capital issue by way of public issue during the last three years**

Nil

**Debentures or bonds and redeemable preference shares and other instruments issued by our Company and outstanding**

As on March 31, 2019, our Company has listed/unlisted rated/ unrated, secured/ unsecured, non-convertible redeemable debentures and subordinated debt. For further details, please see section titled “*Disclosures on Existing Financial Indebtedness*” beginning on page 143 of the Shelf Prospectus. Except as stated in the section titled “*Capital Structure*” on page 72 of the Shelf Prospectus, our Company has not made any other issue of redeemable preference shares.

Except as stated in the section titled “*Capital Structure*” on page 72 of the Shelf Prospectus and in the chapter titled “*Financial Statements*” on page 142 of the Shelf Prospectus, our Company has not issued any securities for consideration other than cash.

## Dividend

Our Company has a dividend policy approved by the Board. The Board of Directors may declare interim dividend based on profits of the Company, one or more times in a financial year as and when considered appropriate. After the annual accounts are prepared, the Board may recommend final dividend to the shareholders for their approval in the General Meeting of the Company. The Board will consider various internal and external factors, including financial and other parameters stated in the policy for declaring / recommending dividend.

The following table details the dividend declared by our Company on the equity shares for the Fiscals 2018, 2017, 2016 and 2015.

Financial Year	Nature of Dividend	Dividend Per Equity Share of Rs. 10 each (in Rs.)
Fiscal 2018	Interim	5.00
Fiscal 2018	Final	6.00
Fiscal 2017	Interim	4.00
Fiscal 2017	Final	6.00
Fiscal 2016	Interim	4.00
Fiscal 2016	Final	6.00
Fiscal 2015	Interim	3.00
Fiscal 2015	Final	4.00

The following table details the dividend declared by our Company on the equity shares for the Fiscal 2019:

Financial Year	Nature of Dividend	Dividend Per Equity Share of Rs. 10 each (in Rs.)
Fiscal 2019	Interim	5.00
Fiscal 2019	Final (proposed)	7.00

## Classification of consolidated borrowings as on June 30, 2019

Sr. No.	Type of Borrowings	Amount (Rs. in lacs)	Percentage (in %)
1.	Secured	7,161,644.24	78.78
2.	Unsecured	1,928,935.74	21.22
	<b>Total</b>	<b>9,090,579.98</b>	<b>100.00</b>

## Promoter Shareholding

There is no change in promoter holdings in the Company during the last financial year. For further details of promoter holdings in our Company, please see section titled “*Capital Structure*” on page 72 of the Shelf Prospectus.

## Details regarding lending out of Issue proceeds and loans advanced by the Company

### A. Lending Policy

Please refer to ‘Credit Policies’ in the section titled “*Our Business*” on page 112 of the Shelf Prospectus.

### B. Loans given by the Company to associates, companies/entities/persons relating to Board, senior management, Promoters, or the other parties covered in the register maintained under Section 189 of the Companies Act

Company has not provided any loans/advances to associates, companies/entities/persons relating to Board, senior management, Promoters or the other parties covered in the register maintained under Section 189 of the Companies Act, out of the proceeds of previous public issues of the Company. For further details of loans/advances to associates, companies/entities/persons relating to Board, senior management, Promoters or the other parties covered in the register maintained under Section 189 of the Companies Act, please see related party transactions within the meaning of Accounting Standard 18 under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 (for the period prior to April 1, 2018) and Indian Accounting Standard 24

as notified by the Companies (Indian Accounting Standards) Rules, 2015, as amended (for the period beginning on and from April 1, 2018) as disclosed in the chapter titled “Financial Statements” beginning on page 142 of the Shelf Prospectus.

**C. Onward lending to borrowers forming part of the “group” as defined by RBI**

There is no onward lending to borrowers forming part of the “group” as defined by RBI.

**D. Types of loans**

- Types of loan given by the Company as on March 31, 2019 are as follows:

Sr. No.	Type of loans	Amount (Rs. in lacs)	Percentage of AUM (in %)
1.	Secured	10,161,941.32	97.26
2.	Unsecured	286,287.05	2.74
	<b>Total assets under management (AUM)</b>	<b>10,448,228.37</b>	<b>100.00</b>

- Types of loans according to sectoral exposure as on March 31, 2019 is as follows:

Sr. No.	Type of loans (segment-wise break-up of AUM)	Amount (Rs. in lacs)	Percentage of AUM (in %)
1.	HCVs	4,847,885	46.40
2.	MCVs & LCVs	2,296,640	21.98
3.	Passenger Vehicles	2,352,042	22.51
4.	Tractors,	367,837	3.52
5.	Business Loans	297,103	2.84
6.	Others	286,721	2.75
	<b>Total</b>	<b>10,448,228</b>	<b>100.00</b>

- Types of loans according to sectoral exposure as on March 31, 2019 is as follows:

Sr. No.	Segment-wise breakup of loan book	Percentage of loan book (in %)
1.	HCVs	46.40
2.	MCVs & LCVs	21.98
3.	Passenger Vehicles	22.51
4.	Tractors	3.52
5.	Business Loans	2.84
6.	Others	2.75
	<b>Total</b>	<b>100.00</b>

- Denomination of loans outstanding by ticket size\* as on March 31, 2019:

Sr. No.	Ticket size**	Percentage of AUM (in %)
1.	Upto Rs. 2 lacs	2.58
2.	Rs. 2-5 lacs	13.70
3.	Rs. 5-10 lacs	34.34
4.	Rs. 10-25 lacs	37.54
5.	Rs. 25-50 lacs	7.55
6.	Rs. 50 lacs - 1 crore	2.56
7.	Rs. 1-5 crores	1.25
8.	Rs. 5-25 crores	0.36
9.	Rs. 25-100 crores	0.13
10.	>Rs. 100 crores	0.00
	<b>Total</b>	<b>100.00</b>

\* Information is provided at the borrower level (and not by loan account as a customer may have multiple loan accounts).

\*\* Ticket size at the time of origination.



- Denomination of loans outstanding by LTV\* as on March 31, 2019:

Sr. No.	LTV	Percentage of AUM (in %)
1.	Upto 50%	3.67
2.	50-60%	13.72
3.	60-70%	32.53
4.	70-80%	30.69
5.	80-90%	15.19
6.	>90%	4.20
	<b>Total</b>	<b>100.00</b>

\* LTV at the time of origination.

- Geographical classification of borrowers as on March 31, 2019:

Sr. No.	Top 5 states	Percentage of AUM (in %)
1.	Tamil Nadu	18.16
2.	Karnataka	10.23
3.	Maharashtra	8.33
4.	Andhra Pradesh	7.27
5.	Uttar Pradesh	7.06
	<b>Total</b>	<b>51.06</b>

- Maturity profile of total loan portfolio of the Company as on March 31, 2019 is as follows:

Sr. No.	Period	Amount (Rs. in lacs)
1.	Upto 30/31 days	330,568.21
2.	Over 1 month upto 2 months	507,597.19
3.	Over 2 months upto 3 months	309,554.95
4.	Over 3 months & upto 6 months	919,181.98
5.	Over 6 months & upto 1 year	1,598,625.16
6.	Over 1 year & upto 3 years	4,338,840.83
7.	Over 3 years & upto 5 years	1,574,589.46
8.	Over 5 years	96,190.79
	<b>Total</b>	<b>9,675,148.57</b>

**E. Aggregated exposure to top 20 borrowers with respect to concentration of advances as on March 31, 2019:**

(Rs. in lacs)

	Amount
Total advances to twenty largest borrowers	32,821.18
Percentage of advances to twenty largest borrowers to total advances of the Company	0.32%

**F. Aggregated exposure to top 20 borrowers with respect to concentration of exposures as on March 31, 2019:**

(Rs. in lacs)

	Amount
Total exposure to twenty largest borrowers	32,821.18
Percentage of exposures to twenty largest borrowers to total exposure of the Company on borrowers / customers	0.32%

**G. Details of loans overdue and classified as non – performing in accordance with the RBI guidelines:**

(Rs. in lacs)

Sr. No.	Movement of gross NPAs <sup>§</sup> as on March 31, 2019	Amount
1.	Opening balance	893,446.17
2.	Additions during the year	663,830.54

Sr. No.	Movement of gross NPAs <sup>§</sup> as on March 31, 2019	Amount
3.	Reductions during the year	(695,649.97)
4.	Closing balance	<b>861,626.74</b>

<sup>§</sup> NPA accounts refer to stage 3 assets. Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under Ind AS. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired.

(Rs. in lacs)

Sr. No.	Movement of provisions for NPAs <sup>§</sup> as on March 31, 2019	Amount
1.	Opening balance	309,438.68
2.	Provisions made during the year	224,131.22
3.	Write-off / write-back of excess provisions	(236,596.40)
4.	Closing balance	<b>296,973.50</b>

<sup>§</sup> NPA accounts refer to stage 3 assets. Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under Ind AS. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired.

#### H. Segment-wise gross NPA<sup>§</sup> as on March 31, 2019:

Sr. No.	Segment-wise breakup of gross NPAs <sup>§</sup>	Gross NPA (in %)
1.	HCVs	51.43
2.	MCVs & LCVs	15.05
3.	Passenger Vehicles	20.13
4.	Tractors	3.79
5.	Business Loans	5.03
6.	Others	4.56
	<b>Total</b>	<b>100.00</b>

<sup>§</sup> NPA accounts refer to Stage 3 Assets. Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under Ind AS. Any asset which is 90 days past due is considered as default for classifying a financial instrument as credit impaired.

**I. Residual maturity profile of assets and liabilities as on March 31, 2019:**

(Rs. in lacs)

Particulars	Upto 30/31 days	Over 1 month upto 2months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
<b>Deposits *</b>	50,886.22	19,777.56	19,900.84	60,606.92	111,509.43	584,407.24	201,759.93	-	<b>1,048,848.14</b>
<b>Advances **</b>	330,568.21	507,597.19	309,554.95	919,181.98	1,598,625.16	4,338,840.83	1,574,589.46	96,190.79	<b>9,675,148.57</b>
<b>Investments</b>	35,280.05	4,374.69	126,801.49	14,942.98	19,709.55	46,080.61	33,003.71	119,713.02	<b>399,906.10</b>
<b>Borrowings ***</b>	260,259.53	425,197.76	306,979.35	899,092.57	1,260,677.90	2,316,970.08	889,043.32	887,062.44	<b>7,245,282.95</b>
<b>Foreign currency assets</b>	-	-	-	-	-	-	-	-	-
<b>Foreign currency liabilities</b>	1,723.65	(149.10)	1,129.92	2,194.95	(938.45)	272,507.83	238,180.08	-	<b>514,648.88</b>

\* includes deposits from corporates and unclaimed matured deposit.

\*\* net of Impairment loss allowance.

\*\*\* excludes deposits which are shown separately and External commercial borrowings and external commercial bond which are shown separately under Foreign currency liabilities.

**Reservations/ qualifications/ adverse remarks of the auditors of our Company in the last five financial years:**

Nil

## MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts which are or may be deemed material have been entered or are to be entered into by the Company. These contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of the Company situated at Mookambika Complex, 3rd Floor, No. 4, Lady Desika Road, Mylapore, Chennai, Tamil Nadu – 600004 from 10.00 A.M. to 5.00 P.M. on any Working Day from the date of filing this Tranche 1 Prospectus with the Stock Exchanges until the Tranche 1 Issue Closing Date.

### A. Material Contracts

1. Issue Agreement dated June 29, 2019 between the Company and the Lead Managers.
2. Registrar Agreement dated June 28, 2019 with the Registrar to the Issue.
3. Debenture Trustee Agreement dated June 26, 2019 executed between the Company and the Debenture Trustee.
4. Public Issue Account Agreement dated July 10, 2019 amongst the Company, the Lead Managers, the Registrar, the Public Issue Account Bank and the Refund Bank.
5. Lead Broker Agreement dated July 10, 2019 between our Company, the Lead Managers and the Lead Brokers.
6. Tripartite agreement dated March 29, 2000 among our Company, the Registrar and CDSL.
7. Tripartite agreement dated April 30, 1999 among our Company, the Registrar and NSDL.

### B. Material Documents

1. Certificate of Incorporation of the Company dated June 30, 1979, issued by Registrar of Companies, Tamil Nadu, Chennai
2. Memorandum and Articles of Association of the Company, as last amended.
3. The certificate of registration No. 07-00459 dated April 17, 2007 issued by the RBI under section 45 IA of the RBI Act.
4. Credit rating letter and rationale dated June 28, 2019 from CARE, credit rating letter and rationale dated June 26, 2019 from CRISIL and credit rating letter and rationale dated June 25, 2019 from India Ratings, granting credit ratings to the NCDs.
5. Copy of the resolution of the Board dated January 28, 2019 approving the Issue and the overall limit for the issuance of the NCDs, subject to the overall limit determined by the shareholders by way of special resolution pursuant to Section 180(1)(c) of the Companies Act, 2013.
6. Copy of the resolution passed by the shareholders of the Company by way of a postal ballot held on June 13, 2019 approving the overall borrowing limit of the Company.
7. Copy of the resolution of the Board dated June 27, 2019, approving the Draft Shelf Prospectus.
8. Copy of the resolution of the Debt Issuance Committee dated July 9, 2019, approving the Shelf Prospectus.
9. Copy of the resolution of the Debt Issuance Committee dated July 12, 2019, approving the Tranche 1 Prospectus.
10. Consents of the Directors, Lead Managers to the Issue, Chief Financial Officer of our Company, Company Secretary and Compliance Officer of our Company, Debenture Trustee, Credit Rating Agencies for the Issue, Legal Advisor to the Issue, Bankers to the Company, ICRA for the ICRA Reports, India Ratings for the India Ratings Report and the Registrar to the Issue to include their names in the Shelf Prospectus and this Tranche 1 Prospectus.

11. Consents from the Lead Brokers to this Tranche 1 Issue, the Public Issue Account Bank and the Refund Bank to include their names in this Tranche 1 Prospectus;
12. Consents from the existing lenders of our Company.
13. The joint consent of the Joint Statutory Auditors of our Company, namely Haribhakti & Co. LLP and M/s Pijush Gupta & Co. for inclusion of (a) their names as the Joint Statutory Auditors, (b) examination reports on the Reformatted Standalone Financial Statements and Reformatted Consolidated Financial Statements and audit report on the Audited Ind AS Financial Statements and (c) statement of tax benefits dated July 9, 2019, in the Shelf Prospectus and this Tranche 1 Prospectus, as the case may be.
14. Statement of tax benefits dated July 9, 2019 issued by our Statutory Auditors.
15. Annual Reports of the Company for the last five Financial Years 2015 to 2019.
16. Due Diligence certificate dated July 12, 2019 filed by the Lead Managers with SEBI.
17. In-principle listing approval from NSE and BSE both dated July 8, 2019.
18. License Agreement dated November 21, 2014 between Shriram Ownership Trust and our Company, read together with the Addendum No. 1 to the License Agreement dated March 18, 2016 read together with Deed of Novation Cum Amendment dated May 17, 2019 entered into between Shriram Ownership Trust, Shriram Value Services Limited and our Company.
19. Service Agreement dated May 3, 2017 between SCL and our Company.
20. Agreement dated August 21, 2010 between SCL and our Company.

## DECLARATION

We, being Directors of the Company, hereby certify and declare that all applicable legal requirements in connection with the Issue including the relevant provisions of the Companies Act, 2013, as amended, and rules prescribed thereunder, relevant provisions of Companies Act, 1956, as applicable and rules prescribed thereunder to the extent applicable as on this date, the guidelines issued by the Government of India and the regulations and guidelines and circulars issued by the Reserve Bank of India in connection with the Issue and the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as amended, as the case may be, including the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended, provisions under the Securities Contracts (Regulation) Act, 1956, as amended and rules made thereunder in connection with the Issue have been complied with and no statement made in this Tranche Prospectus is contrary to the relevant provisions of any acts, rules, regulations, guidelines and circulars as applicable on date of this Tranche Prospectus.

We further certify that all the disclosures and statements in this Tranche Prospectus are true, accurate and correct in all material respects and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Tranche Prospectus does not contain any misstatements.

Signed by the Directors of the Company named hereinbelow

Umesh Govind Revankar  
*Managing Director and Chief Executive Officer*

Kishori Udeshi  
*Non-Executive and Independent Director*

Place: Mumbai

Date: July 12, 2019

## DECLARATION

I, a Director of the Company, hereby certify and declare that all applicable legal requirements in connection with the Issue including the relevant provisions of the Companies Act, 2013, as amended, and rules prescribed thereunder, relevant provisions of Companies Act, 1956, as applicable and rules prescribed thereunder to the extent applicable as on this date, the guidelines issued by the Government of India and the regulations and guidelines and circulars issued by the Reserve Bank of India in connection with the Issue and the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as amended, as the case may be, including the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended, provisions under the Securities Contracts (Regulation) Act, 1956, as amended and rules made thereunder in connection with the Issue have been complied with and no statement made in this Tranche Prospectus is contrary to the relevant provisions of any acts, rules, regulations, guidelines and circulars as applicable as on the date of this Tranche Prospectus.

I further certify that all the disclosures and statements in this Tranche Prospectus are true, accurate and correct in all material respects and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Tranche Prospectus does not contain any misstatements.

Signed by Director of the Company

Lakshminarayanan Subramanian  
*Non-Executive and Independent Director*

Place: New Delhi  
Date: July 12, 2019

## DECLARATION

I, a Director of the Company, hereby certify and declare that all applicable legal requirements in connection with the Issue including the relevant provisions of the Companies Act, 2013, as amended, and rules prescribed thereunder, relevant provisions of Companies Act, 1956, as applicable and rules prescribed thereunder to the extent applicable as on this date, the guidelines issued by the Government of India and the regulations and guidelines and circulars issued by the Reserve Bank of India in connection with the Issue and the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as amended, as the case may be, including the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended, provisions under the Securities Contracts (Regulation) Act, 1956, as amended and rules made thereunder in connection with the Issue have been complied with and no statement made in this Tranche Prospectus is contrary to the relevant provisions of any acts, rules, regulations, guidelines and circulars as applicable as on the date of this Tranche Prospectus.

I further certify that all the disclosures and statements in this Tranche Prospectus are true, accurate and correct in all material respects and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Tranche Prospectus does not contain any misstatements.

Signed by Director of the Company

Ignatius Michael Viljoen  
*Non-Executive and Non-Independent Director*

Through Special Power of Attorney holder, Mr. Vivek Madukar Achwal, Company Secretary of Company, in terms of Special Power of Attorney dated July 1, 2019.

Place: Mumbai  
Date: July 12, 2019



## DECLARATION

I, a Director of the Company, hereby certify and declare that all applicable legal requirements in connection with the Issue including the relevant provisions of the Companies Act, 2013, as amended, and rules prescribed thereunder, relevant provisions of Companies Act, 1956, as applicable and rules prescribed thereunder to the extent applicable as on this date, the guidelines issued by the Government of India and the regulations and guidelines and circulars issued by the Reserve Bank of India in connection with the Issue and the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as amended, as the case may be, including the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended, provisions under the Securities Contracts (Regulation) Act, 1956, as amended and rules made thereunder in connection with the Issue have been complied with and no statement made in this Tranche Prospectus is contrary to the relevant provisions of any acts, rules, regulations, guidelines and circulars as applicable as on the date of this Tranche Prospectus.

I further certify that all the disclosures and statements in this Tranche Prospectus are true, accurate and correct in all material respects and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Tranche Prospectus does not contain any misstatements.

Signed by Director of the Company

Puneet Bhatia  
*Non-Executive and Non-Independent Director*

Place: Gurgaon  
Date: July 12, 2019

## DECLARATION

I, a Director of the Company, hereby certify and declare that all applicable legal requirements in connection with the Issue including the relevant provisions of the Companies Act, 2013, as amended, and rules prescribed thereunder, relevant provisions of Companies Act, 1956, as applicable and rules prescribed thereunder to the extent applicable as on this date, the guidelines issued by the Government of India and the regulations and guidelines and circulars issued by the Reserve Bank of India in connection with the Issue and the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as amended, as the case may be, including the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended, provisions under the Securities Contracts (Regulation) Act, 1956, as amended and rules made thereunder in connection with the Issue have been complied with and no statement made in this Tranche Prospectus is contrary to the relevant provisions of any acts, rules, regulations, guidelines and circulars as applicable as on the date of this Tranche Prospectus.

I further certify that all the disclosures and statements in this Tranche Prospectus are true, accurate and correct in all material respects and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Tranche Prospectus does not contain any misstatements.

Signed by Director of the Company

Ravi Devaki Venkataraman  
*Non-Executive and Non-Independent Director*

Place: Chennai  
Date: July 12, 2019

## DECLARATION

I, a Director of the Company, hereby certify and declare that all applicable legal requirements in connection with the Issue including the relevant provisions of the Companies Act, 2013, as amended, and rules prescribed thereunder, relevant provisions of Companies Act, 1956, as applicable and rules prescribed thereunder to the extent applicable as on this date, the guidelines issued by the Government of India and the regulations and guidelines and circulars issued by the Reserve Bank of India in connection with the Issue and the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as amended, as the case may be, including the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended, provisions under the Securities Contracts (Regulation) Act, 1956, as amended and rules made thereunder in connection with the Issue have been complied with and no statement made in this Tranche Prospectus is contrary to the relevant provisions of any acts, rules, regulations, guidelines and circulars as applicable as on the date of this Tranche I Prospectus.

I further certify that all the disclosures and statements in this Tranche Prospectus are true, accurate and correct in all material respects and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Tranche Prospectus does not contain any misstatements.

Signed by Director of the Company

Sridhar Srinivasan  
*Non-Executive and Independent Director*

Through Special Power of Attorney holder, Mr. Vivek Madukar Achwal, Company Secretary of Company, in terms of Special Power of Attorney dated February 16, 2019.

Place: Mumbai  
Date: July 12, 2019

## DECLARATION

I, a Director of the Company, hereby certify and declare that all applicable legal requirements in connection with the Issue including the relevant provisions of the Companies Act, 2013, as amended, and rules prescribed thereunder, relevant provisions of Companies Act, 1956, as applicable and rules prescribed thereunder to the extent applicable as on this date, the guidelines issued by the Government of India and the regulations and guidelines and circulars issued by the Reserve Bank of India in connection with the Issue and the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as amended, as the case may be, including the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended, provisions under the Securities Contracts (Regulation) Act, 1956, as amended and rules made thereunder in connection with the Issue have been complied with and no statement made in this Tranche Prospectus is contrary to the relevant provisions of any acts, rules, regulations, guidelines and circulars as applicable as on the date of this Tranche Prospectus.

I further certify that all the disclosures and statements in this Tranche Prospectus are true, accurate and correct in all material respects and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Tranche Prospectus does not contain any misstatements.

Signed by Director of the Company

Pradeep Kumar Panja  
*Non-Executive and Independent Director*

Place: Bangalore  
Date: July 12, 2019

## **ANNEXURE A – CRISIL RATING AND RATIONALE**

For the annexure, please see the next page.

CONFIDENTIAL

STFCL/NCD/225415/24062019

June 26, 2019

Mr. Parag Sharma  
Chief Financial Officer  
Shriram Transport Finance Company Limited  
Wockhardt Tower, 3<sup>rd</sup> Floor, West Wing  
C-2, G Block, Bandra-Kurla Complex  
Bandra (E),  
Mumbai 400051

Dear Mr. Sharma,

Re: CRISIL Rating on the Rs.10000 Crore Non-Convertible Debentures of Shriram Transport Finance Company Limited

We refer to your request for a rating for the captioned Non-Convertible Debentures.

CRISIL has, after due consideration, assigned its "CRISIL AA+/Stable" (pronounced as CRISIL double A Plus rating with Stable outlook) rating to the captioned debt instrument. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

For the purpose of issuance of the captioned debt instrument, this letter is valid for 180 calendar days from the date of the letter. In the event of your company not placing the above instrument within this period, or in the event of any change in the size/structure of your proposed issue, the rating shall have to be reviewed and a letter of revalidation shall have to be issued to you. Once the instrument is issued, the above rating is valid throughout the life of the captioned debt instrument.

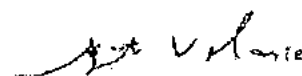
As per our Rating Agreement, CRISIL would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL reserves the right to withdraw or revise the ratings assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information or other circumstances, which CRISIL believes, may have an impact on the rating.

As per the latest SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN) along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at [debtissue@crisil.com](mailto:debtissue@crisil.com). This will enable CRISIL to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us for any clarifications you may have at [debtissue@crisil.com](mailto:debtissue@crisil.com)

Should you require any clarifications, please feel free to get in touch with us.

With warm regards,  
Yours sincerely,



  
Ajil Velonie  
Director - CRISIL Ratings

  
Nivedita Shibu  
Associate Director - CRISIL Ratings

*A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL. CRISIL ratings are based on information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy, sell, or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. All CRISIL ratings are under surveillance. CRISIL or its associates may have other commercial transactions with the company/entity. Ratings are revised as and when circumstances so warrant. CRISIL is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of this product. CRISIL Ratings rating criteria are available without charge to the public on the CRISIL web site, [www.crisil.com](http://www.crisil.com). For the latest rating information on any instrument of any company rated by CRISIL, please contact Customer Service Helpdesk at 1800-267-1301.*

CRISIL Limited

Corporate Identity Number: L67120MH1987PLC042363

**- Details of the Rs.10000 Crore Non-Convertible Debentures of  
Shriram Transport Finance Company Limited**

	<i>1st tranche</i>		<i>2nd tranche</i>		<i>3rd tranche</i>	
<i>Instrument Series:</i>						
<i>Amount Placed:</i>						
<i>Maturity Period:</i>						
<i>Put or Call Options (if any):</i>						
<i>Coupon Rate:</i>						
<i>Interest Payment Dates:</i>						
<i>Principal Repayment Details:</i>	<i>Date</i>	<i>Amount</i>	<i>Date</i>	<i>Amount</i>	<i>Date</i>	<i>Amount</i>
<i>Investors:</i>						
<i>Trustees:</i>						

*In case there is an offer document for the captioned Debt issue, please send us a copy of it.*

Ratings

**CRISIL**

An S&amp;P Global Company

## Rating Rationale

June 26, 2019 | Mumbai

**Shriram Transport Finance Company Limited**

'CRISIL AA+/Stable' assigned to NCD

## Rating Action

Total Bank Loan Facilities Rated	Rs.36243 Crore
Long Term Rating	CRISIL AA+/Stable (Reaffirmed)
Short Term Rating	CRISIL A1+ (Reaffirmed)

Rs.10000 Crore Non Convertible Debentures	CRISIL AA+/Stable (Assigned)
Rs.500 Crore Long Term Principal Protected Market Linked Debentures	CRISIL PP-MLD AA+/Stable (Reaffirmed)
Rs.1000 Crore Subordinated Debt	CRISIL AA+/Stable (Reaffirmed)
Rs.1000 Crore Subordinated Debt	CRISIL AA+/Stable (Reaffirmed)
Rs.5000 Crore Non Convertible Debentures	CRISIL AA+/Stable (Reaffirmed)
Non Convertible Debentures Aggregating Rs.36780 Crore	CRISIL AA+/Stable (Reaffirmed)
Subordinated Debt Aggregating Rs.2000 Crore	CRISIL AA+/Stable (Reaffirmed)
Subordinated Debt Aggregating Rs.131.7 Crore#	CRISIL AA+/Stable (Reaffirmed)
Subordinated Debt Issue (Tier II) Bonds Aggregating Rs.1500 Crore	CRISIL AA+/Stable (Reaffirmed)
Fixed Deposit Programme	FAAA/Stable (Reaffirmed)
Rs.7500 Crore Commercial Paper	CRISIL A1+ (Reaffirmed)

1 crore = 10 million

Refer to annexure for Details of Instruments &amp; Bank Facilities

#Transferred from Shriram Equipment Finance Company Limited to Shriram Transport Finance Company Limited upon amalgamation of the former with latter

Detailed Rationale

CRISIL has assigned its rating of 'CRISIL AA+/Stable' to Rs 10,000 crore non-convertible debentures of Shriram Transport Finance Company Limited (STFCL) and has reaffirmed its ratings on the existing debt instruments, bank facilities and fixed deposit programme of STFCL at 'CRISIL AA+/CRISIL PP-MLD AA+/FAAA/Stable/CRISIL A1+'.

The ratings continue to reflect STFCL's market leadership in the pre-owned commercial vehicle (CV) financing segment, comfortable capitalisation and earnings profile. These strengths are partly offset by the company's modest asset quality and average resource profile.



CRISIL has also withdrawn its rating on the non-convertible debentures of Rs 40 crore (See Annexure 'Details of Rating Withdrawn' for details) in line with its withdrawal policy. CRISIL has received independent confirmation that these instruments are fully redeemed.

### Key Rating Drivers & Detailed Description

#### Strengths:

##### <sup>1</sup> Market leadership in the pre-owned commercial vehicle (CV) financing segment

STFCL is the largest CV financier in the country with assets under management (AUM) of Rs 1,04,482 crore as on March 31, 2019, up 8.5% Y-o-Y from Rs 96,261 crore end fiscal 2018 although on a sequential basis, the AUM growth has remained almost flat from Rs 103,818 crore last quarter (+0.64% Q-o-Q). The disbursements during the last quarter of fiscal 2019 stood at Rs 11,958 crore, up 25% Q-o-Q (from Rs 9550 crore in Q3 fiscal 2019) though down 20% Y-o-Y (from Rs 15,121 crore in Q4 fiscal 2018).

With presence of almost four decades in the pre-owned CV financing business, STFCL has created a strong and sustainable competitive advantage through deep understanding of the borrower profile and their credit behaviour. They have done so by building a scalable operating model, extensive reach and strong valuation capabilities of pre-owned vehicles. The company faces limited competition from other organized financiers, including banks, in this segment, due to inherent riskiness of the target product and the customer profile.

Of all the business segments, CV financing (HCV and M&LCV) together constituted the largest portion of AUM at 68.4% as on March 31, 2019 and grew at a decelerated pace of 9.8% Y-o-Y. Passenger vehicles formed another 22.5% of AUM grew by 5.3% Y-o-Y though down sequentially by almost one percentage point. The share of portfolio under Shriram Equipment has completely run off. The securitised assets plus off-book assets (direct assignment portfolio) together stood at Rs 19,397.5 crore or 18.5% of the portfolio and was up 19% during the year. The direct assignment portfolio has particularly registered a strong growth and stood at Rs 2175 crore end fiscal 2019 as against just Rs 62 crore last fiscal.

The composition of AUM remained largely unchanged with the pre-owned vehicle loan book at Rs 87,050 crore (+7.8% Y-o-Y or +11.1% Q-o-Q) as on March 31, 2019 and comprising 83% of the AUM, almost same proportion as last year. The new vehicle portfolio growth slowed down with this segment up just 5% Y-o-Y (as against 39% Y-o-Y end fiscal 2018) and its share in AUM stood at 11% as on March 31, 2019. Working capital, business loans and other such facilities grew by 32% and constituted the remaining 5.6% of AUM. While STFCL's growth will continue to be driven by pre-owned vehicle financing business, the new vehicle segment also remains a key focus area of the company in spite of competition from banks and NBFCs.

CRISIL believes that the business prospects for the pre-owned CV financing segment remain strong given the large unorganized market and significant entry barriers. STFCL has gradually expanded into rural markets and had 838 rural centres as on March 31, 2019. Owing to increased demand for pre-owned vehicles in deep rural areas, the company has been increasing its presence in rural and semi urban areas to maintain its niche presence. End fiscal 2019, the total branches stood at 1,545 of which 47% were in rural areas. In the last one year the company has added 332 new branches, of which majority are the satellite branches outside the semi-urban centres. The share of rural AUM has also risen to 37% of total AUM as on March 31, 2019 as against 32% last fiscal. STFCL had also innovated in establishing Shriram Automall India Ltd (SAMIL), a reliable platform for sale, refurbishment, and auction of pre-owned vehicles, besides enabling better price discovery of such vehicles. While STFCL sold majority stake in SAMIL in April 2018, it will continue to hold a large minority stake. CRISIL believes that despite the minority stake, SAMIL's business operations will continue to be closely integrated with STFCL.

Overall, CRISIL believes that STFCL has strong structural advantages over its peers, which will support its growth plans and help it maintain leadership position in the pre-owned CV financing segment over the medium term.

##### <sup>2</sup> Comfortable capitalisation and earnings profile

STFCL's capitalisation remains comfortable with networth of Rs 15,836 crore (+16.7% Y-o-Y) and an adjusted gearing of 5.6 times down from 6 times last year. Net-worth coverage for net NPA stood at 7.7 times as on March 31, 2019, up from 6.4 times end fiscal 2018. CRISIL believes that STFCL's capitalisation will remain comfortable over the medium term, given its demonstrated ability to access markets and having a comfortable annualised return on average networth (per IndAS) of 17.4% end fiscal 2019 (20% as on March 31, 2018). The company's tier 1 and total capital adequacy ratio improved to 15.62% and 20.27% respectively as on March 31, 2019 as against 14.47% and

17.38% respectively as on March 31, 2018, well above the statutory minimum.

STFCL has a comfortable earnings profile with annualised return on average managed assets (RoMA) of 2.5% end fiscal 2019 as against 2.7% last fiscal. For fiscal 2019, the company reported net profit of Rs 2,564 crore (+4.2% Y-o-Y) on total income (net of interest expenses) of Rs 7,908 crore (+12.7% Y-o-Y). The moderation in profitability was underpinned by 38% Y-o-Y rise in provisioning costs. While the borrowing costs increased during the year, the company has been able to pass on the higher costs and has been able to retain its margins at 7.7% level (calculated on average managed assets). End fiscal 2019, the company's credit costs stood at 2.3% up from 1.9% last year. The company's operating expense ratio in fiscal 2019, though lower than its peers, increased to 1.7% (from 1.6% last year) due to rise in its employee costs. Despite this, the company's cost to income ratio stood at a controlled 22%. In fiscal 2020, the company aims to add 250 new branches and employ about 3000 people. As the company increasingly focuses on the relatively lower-yield and highly competitive new vehicle financing, there could be some pressure on margins in the future. However company's strong competitive position and relatively high yields in the pre-owned vehicle financing segment will ensure stable profitability than that of other CV financiers over the medium term.

#### Weaknesses:

##### \* Modest asset quality

STFCL predominantly lends to the relatively riskier small road transport operators, first time users and first time buyers segments and hence has inherent weakness in borrower profile. STFCL has a modest asset quality in its core CV financing business with asset quality in the pre-owned financing business being relatively better than that in the new CV financing segment respectively. STFCL's asset quality (per I-GAAP) registered some improvement with absolute GNPA down 3.75% Y-o-Y to Rs 7,099 crore translating into a GNPA ratio of 8.3% as against 9.15% last fiscal. The provision coverage ratio also remained healthy at 71% leading to net NPA of 2.5% (down from 2.8% previous fiscal). The absolute amount of gross stage three (per IndAS) stood at Rs 8,622 crore (down 5.09% Y-o-Y) translating into gross stage three ratio of 8.37% as against 9.39% previous fiscal. The coverage ratio under stage three stood at 34.4%. The company's credit cost (calculated on average managed assets) stood at 2.3% as against 1.9% last year. The analysis of vintage wise static pool data shows recovery / roll-back of around 40-50% from peak 90+ reached for a particular disbursement vintage.

STFCL's asset quality is linked to broader economic recovery and hence the likely pick-up in industrial activity and easing of infrastructure constraints are expected to result in higher capacity utilization of CVs, improve transporter's cash flows and ultimately lead to gradual recovery in asset quality. The company's track record in the vehicle financing business, understanding of the target customer segment and relationship based lending model will also support the same.

##### \* Average, albeit improving resource profile with higher cost of borrowings than peers

STFCL has an average, though improving, resource profile which remains well diversified across various funding avenues. It has an established track record in raising retail borrowings which helps diversify its resource profile. However, its cost of borrowings continues to be higher than peers. Of the total debt of Rs 87,968 crore (including securitisation) as on March 31, 2019, 35% was from debentures, 20.5% from bank loans, 11.7% via public deposits, 7% from subordinated debt. The share of commercial paper remains low at 4.0% (down from 5.5% last year). The share of securitisation in the borrowings profile remained unchanged from last year at 20% end March 31, 2019. The average annual borrowing costs stood at 9.0% for fiscal 2019. The average incremental borrowing costs for fourth quarter (excluding the cost of dollar bond issue) stood at 9.5%. For the dollar denominated bond issuance of USD 400 million, the borrowing cost (including full hedging costs) stood at around 10%. Ability to diversify resource profile and maintain competitive borrowing cost will remain key rating monitorables over the medium term.

#### Liquidity

Shriram's liquidity position is adequate. The structural Asset Liability Maturity (ALM) statement of STFCL as on March 31, 2019 shows that ALM position is adequate with cumulative positive gaps across all maturity buckets indicating that business inflows also support repayments. As of May 31, 2019, the company had scheduled debt and loan repayments of about Rs 11,794 crore over next three months (of which Rs 840 crore are for commercial paper embedded with NCDs). Additionally, as on June 17, 2019, the company had liquidity of Rs 8,886 crore which include free cash of Rs 40 crore, fixed deposits of Rs 4,111 crore, sanctioned but un-utilized bank lines of Rs 2,875 crore, G-sec investments and other investments of Rs 1,860 crore.

For the quarter ending March 31, 2019, the company has been able to raise Rs 13,603 crore (including structured CP of Rs 2930 crore and Rs 3638 crore via securitization). STFCL is one of the largest players in the securitisation market and regularly raises funds through this route. CRISIL also notes the company's ability to tap diversified alternatives funding sources as evidenced by the recent dollar bond issue of USD 400 million in February 2019 and of USD 500 million in April 2019.

#### Outlook: Stable

CRISIL believes STFCL will sustain its strong market position in the pre-owned CV financing segment, and its comfortable capitalisation and earnings profile, over the medium term. The outlook may be revised to 'Positive' if the company maintains its high scale while significantly de-risking business, improving asset quality and financial risk profile. Conversely, the outlook may be revised to 'Negative' if asset quality and earnings weaken significantly.

#### About the Company

STFCL, incorporated in 1979, is the flagship company of the Shriram group. It is registered with RBI as a deposit-taking, asset-financing non-banking financial company. STFCL provides financing for vehicles such as CVs (both pre-owned and new), tractors, and passenger vehicles. It has pan-India presence, with about 1,545 branches and 838 rural centres as on March 31, 2019. In April 2018, STFCL completed the sale of its majority stake in wholly owned subsidiary Shriram Automall to MXC Solutions India Pvt Ltd (MXC, owner of CarTrade.com) for Rs 156.38 crore.

STFCL's reported total income (net of interest expense) and profit after tax (PAT) of Rs.7908 crore and Rs.2564 crore respectively, for fiscal 2019 against Rs. 7015 crore and Rs. 2461 crore, respectively, for fiscal 2018.

#### Key Financial Indicators

Particulars	Unit	March 2019	March 2018
Total assets	Rs. Cr.	1,05,292	97,245
Total income (net of interest expenses)	Rs. Cr.	7,908	7,015
Profit after tax	Rs. Cr.	2,564	2,461
Gross NPA (per IGAAP)	%	8.29	9.15
Overall capital adequacy ratio	%	20.27	17.38
Return on average managed assets	%	2.5	2.7

Any other information: Not applicable.

#### Note on complexity levels of the rated instrument:

CRISIL complexity levels are assigned to various types of financial instruments. The CRISIL complexity levels are available on [www.crisil.com/complexity/levels](http://www.crisil.com/complexity/levels). Users are advised to refer to the CRISIL complexity levels for instruments that they consider for investment. Users may also call the Customer Service Helpdesk with queries on specific instruments.

#### Annexure - Details of Instrument(s)

ISIN	Name of the Instrument	Date of Allotment	Coupon rate (%)	Maturity Date	Amount (Rs. crore)	Rating assigned with Outlook
INE721A07MO1	Debentures	18-Jul-17	0%	18-Jul-22	750	CRISIL AA+/Stable
INE721A07MO6	Debentures	27-Jun-17	0%	26-Jun-20	10	CRISIL AA+/Stable
INE468MO8102	Debentures	12-Aug-14	10.60%	12-Aug-24	10	CRISIL AA+/Stable
INE721A07ME7	Debentures	29-May-17	7.95%	29-May-20	5	CRISIL AA+/Stable
INE721A07MY5	Debentures	19-Sep-17	7.60%	17-Sep-21	50	CRISIL AA+/Stable

05/28/2019

## Rating Rationale

INE721A07M22	Debentures	13-Nov-17	0.0773	13-Nov-20	80	CRISIL AA+/Stable
INE721A07NA3	Debentures	30-Nov-17	0.88	30-Nov-22	70	CRISIL AA+/Stable
INE721A07NH8	Debentures	20-Mar-18	8.155	16-Sep-19	750	CRISIL AA+/Stable
INE721A07NN6	Debentures	28-Mar-18	BENCHMARK RATE LINKED (REFER REMARKS)	23-Sep-19	750	CRISIL AA+/Stable
INE721A08DB0	Debentures	28-Mar-18	0.0895	28-Apr-25	40	CRISIL AA+/Stable
INE721A07NW7	Debentures	12-Jul-18	9.30%	12-Jul-23	3648.519	CRISIL AA+/Stable
INE721A07NX5	Debentures	12-Jul-18	9.40%	12-Jul-28	3648.519	CRISIL AA+/Stable
INE721A07NY3	Debentures	12-Jul-18	Zero Interest	12-Jul-21	3648.519	CRISIL AA+/Stable
INE721A07NZ0	Debentures	12-Jul-18	Zero Interest	12-Jul-23	3648.519	CRISIL AA+/Stable
INE721A08DD6	Debentures	12-Dec-18	10.51%	12-Dec-28	10	CRISIL AA+/Stable
INE721A07OM6	Debentures	06-Feb-19	9.12%	06-Feb-24	87.701	CRISIL AA+/Stable
INE721A07NT3	Debentures	27-Jul-18	8.93	27-Jul-23	5000	CRISIL AA+/Stable
INE721A07BK7	Debentures	14-Sep-11	10.80%	13-Sep-21	125	CRISIL AA+/Stable
INE721A07FT9	Debentures	05-Jul-13	9.80%	05-Jul-23	50	CRISIL AA+/Stable
INE721A07FZ6	Debentures	15-Jul-13	9.60%	15-Jul-23	10	CRISIL AA+/Stable
INE721A07GD1	Debentures	14-Aug-13	10.50%	14-Aug-23	26	CRISIL AA+/Stable
INE721A07GD1	Debentures	14-Aug-13	10.50%	14-Aug-23	4	CRISIL AA+/Stable
INE721A07GD1	Debentures	14-Aug-13	10.50%	14-Aug-23	1	CRISIL AA+/Stable
INE721A07GE9	Debentures	21-Aug-13	10.75%	21-Aug-28	1000	CRISIL AA+/Stable
INE721A07GF6	Debentures	27-Aug-13	10.50%	27-Aug-23	5	CRISIL AA+/Stable
INE721A07GF6	Debentures	27-Aug-13	10.50%	27-Aug-23	1	CRISIL AA+/Stable
INE721A07GF6	Debentures	27-Aug-13	10.50%	27-Aug-23	13	CRISIL AA+/Stable
INE721A07GH2	Debentures	13-Sep-13	10.60%	13-Sep-20	5	CRISIL AA+/Stable
INE721A07GN0	Debentures	30-Sep-13	10.75%	30-Sep-23	5	CRISIL AA+/Stable
INE721A07GN0	Debentures	30-Sep-13	10.75%	30-Sep-23	5	CRISIL AA+/Stable
INE721A07GO8	Debentures	30-Sep-13	10.75%	30-Sep-23	15	CRISIL AA+/Stable
INE721A07GQ3	Debentures	09-Oct-13	10.75%	09-Oct-23	10	CRISIL AA+/Stable
INE721A07HE7	Debentures	28-Mar-14	10.60%	28-Mar-24	10	CRISIL AA+/Stable
INE721A07JS3	Debentures	04-Dec-15	8.80% p.a.	04-Dec-20	15	CRISIL AA+/Stable
INE721A07JW5	Debentures	18-Mar-16	9.25% p.a.	18-Mar-21	25	CRISIL AA+/Stable
INE721A07JW5	Debentures	18-Mar-16	9.25% p.a.	18-Mar-21	10	CRISIL AA+/Stable
INE721A07JW5	Debentures	18-Mar-16	9.25% p.a.	18-Mar-21	15	CRISIL AA+/Stable
INE721A07JW5	Debentures	18-Mar-16	9.25% p.a.	18-Mar-21	30	CRISIL AA+/Stable
INE721A07JW5	Debentures	18-Mar-16	9.25% p.a.	18-Mar-21	5	CRISIL AA+/Stable
INE721A07JW5	Debentures	18-Mar-16	9.25% p.a.	18-Mar-21	5	CRISIL AA+/Stable

INE721A07JW5	Debentures	18-Mar-16	9.25% p.a.	18-Mar-21	10	CRISIL AA+/Stable
INE721A07JX3	Debentures	18-Mar-16	9.30% p.a.	18-Mar-26	30	CRISIL AA+/Stable
INE721A07JX3	Debentures	18-Mar-16	9.30% p.a.	18-Mar-26	5	CRISIL AA+/Stable
INE721A07JX3	Debentures	18-Mar-16	9.30% p.a.	18-Mar-26	15	CRISIL AA+/Stable
INE721A07JX3	Debentures	18-Mar-16	9.30% p.a.	18-Mar-26	35	CRISIL AA+/Stable
INE721A07JX3	Debentures	18-Mar-16	9.30% p.a.	18-Mar-26	15	CRISIL AA+/Stable
INE721A07KA9	Debentures	29-Mar-16	9.25% p.a.	29-Mar-21	25	CRISIL AA+/Stable
INE721A07KA9	Debentures	29-Mar-16	9.25% p.a.	29-Mar-21	15	CRISIL AA+/Stable
INE721A07KA9	Debentures	29-Mar-16	9.25% p.a.	29-Mar-21	35	CRISIL AA+/Stable
INE721A07KB7	Debentures	29-Mar-16	9.30% p.a.	27-Mar-26	90	CRISIL AA+/Stable
INE721A07KB7	Debentures	29-Mar-16	9.30% p.a.	27-Mar-26	25	CRISIL AA+/Stable
INE721A07KB7	Debentures	29-Mar-16	9.30% p.a.	27-Mar-26	25	CRISIL AA+/Stable
INE721A07KB7	Debentures	29-Mar-16	9.30% p.a.	27-Mar-26	5	CRISIL AA+/Stable
INE721A07KC5	Debentures	13-Apr-16	9.15% p.a.	13-Apr-21	95	CRISIL AA+/Stable
INE721A07KC5	Debentures	13-Apr-16	9.15% p.a.	13-Apr-21	50	CRISIL AA+/Stable
INE721A07KC5	Debentures	13-Apr-16	9.15% p.a.	13-Apr-21	50	CRISIL AA+/Stable
INE721A07KC5	Debentures	13-Apr-16	9.15% p.a.	13-Apr-21	50	CRISIL AA+/Stable
INE721A07KC5	Debentures	13-Apr-16	9.15% p.a.	13-Apr-21	50	CRISIL AA+/Stable
INE721A07KC5	Debentures	13-Apr-16	9.15% p.a.	13-Apr-21	40	CRISIL AA+/Stable
INE721A07KC5	Debentures	13-Apr-16	9.15% p.a.	13-Apr-21	30	CRISIL AA+/Stable
INE721A07KC5	Debentures	13-Apr-16	9.15% p.a.	13-Apr-21	25	CRISIL AA+/Stable
INE721A07KC5	Debentures	13-Apr-16	9.15% p.a.	13-Apr-21	25	CRISIL AA+/Stable
INE721A07KC5	Debentures	13-Apr-16	9.15% p.a.	13-Apr-21	19	CRISIL AA+/Stable
INE721A07KC5	Debentures	13-Apr-16	9.15% p.a.	13-Apr-21	15	CRISIL AA+/Stable
INE721A07KC5	Debentures	13-Apr-16	9.15% p.a.	13-Apr-21	10	CRISIL AA+/Stable
INE721A07KC5	Debentures	13-Apr-16	9.15% p.a.	13-Apr-21	10	CRISIL AA+/Stable
INE721A07KC5	Debentures	13-Apr-16	9.15% p.a.	13-Apr-21	10	CRISIL AA+/Stable
INE721A07KC5	Debentures	13-Apr-16	9.15% p.a.	13-Apr-21	5	CRISIL AA+/Stable
INE721A07KC5	Debentures	13-Apr-16	9.15% p.a.	13-Apr-21	5	CRISIL AA+/Stable
INE721A07KC5	Debentures	13-Apr-16	9.15% p.a.	13-Apr-21	2	CRISIL AA+/Stable
INE721A07KC5	Debentures	13-Apr-16	9.15% p.a.	13-Apr-21	25	CRISIL AA+/Stable
INE721A07KC5	Debentures	13-Apr-16	9.15% p.a.	13-Apr-26	94	CRISIL AA+/Stable
INE721A07KC5	Debentures	13-Apr-16	9.15% p.a.	13-Apr-26	35	CRISIL AA+/Stable
INE721A07KC5	Debentures	13-Apr-16	9.15% p.a.	13-Apr-26	30	CRISIL AA+/Stable
INE721A07KC5	Debentures	13-Apr-16	9.15% p.a.	13-Apr-26	10	CRISIL AA+/Stable
INE721A07KC5	Debentures	13-Apr-16	9.15% p.a.	13-Apr-26	10	CRISIL AA+/Stable
INE721A07KE1	Debentures	22-Apr-16	9.20% p.a.	22-Apr-26	9	CRISIL AA+/Stable

01/28/2019

## Rating Rationale

INE721A07KE1	Debentures	22-Apr-16	9.20% p.a.	22-Apr-26	2	CRISIL AA+/Stable
INE721A07KE1	Debentures	22-Apr-16	9.20% p.a.	22-Apr-26	10	CRISIL AA+/Stable
INE721A07KE1	Debentures	22-Apr-16	9.20% p.a.	22-Apr-26	5	CRISIL AA+/Stable
INE721A07KFB	Debentures	29-Apr-16	9.05% p.a.	29-Apr-21	15	CRISIL AA+/Stable
INE721A07KG6	Debentures	25-May-16	9.05% p.a.	25-May-23	50	CRISIL AA+/Stable
INE721A07KI2	Debentures	09-Jun-16	9.05% p.a.	09-Jun-23	13	CRISIL AA+/Stable
INE721A07KJ0	Debentures	10-Jun-16	Zero Coupon @8.92% p.a.	10-Jun-21	5	CRISIL AA+/Stable
INE721A07JSS	Debentures	04-Dec-15	8.60% p.a.	04-Dec-20	15	CRISIL AA+/Stable
INE721A07JW5	Debentures	18-Mar-16	9.25% p.a.	18-Mar-21	25	CRISIL AA+/Stable
INE721A07JW5	Debentures	18-Mar-16	9.25% p.a.	18-Mar-21	10	CRISIL AA+/Stable
INE721A07JW5	Debentures	18-Mar-16	9.25% p.a.	18-Mar-21	15	CRISIL AA+/Stable
INE721A07JW5	Debentures	18-Mar-16	9.25% p.a.	18-Mar-21	30	CRISIL AA+/Stable
INE721A07JW5	Debentures	18-Mar-16	9.25% p.a.	18-Mar-21	5	CRISIL AA+/Stable
INE721A07JW5	Debentures	18-Mar-16	9.25% p.a.	18-Mar-21	5	CRISIL AA+/Stable
INE721A07JW5	Debentures	18-Mar-16	9.25% p.a.	18-Mar-21	10	CRISIL AA+/Stable
INE721A07JX3	Debentures	18-Mar-16	9.30% p.a.	18-Mar-26	30	CRISIL AA+/Stable
INE721A07JX3	Debentures	18-Mar-16	9.30% p.a.	18-Mar-26	5	CRISIL AA+/Stable
INE721A07JX3	Debentures	18-Mar-16	9.30% p.a.	18-Mar-26	15	CRISIL AA+/Stable
INE721A07JX3	Debentures	18-Mar-16	9.30% p.a.	18-Mar-26	35	CRISIL AA+/Stable
INE721A07JX3	Debentures	18-Mar-16	9.30% p.a.	18-Mar-26	15	CRISIL AA+/Stable
INE721A07KA9	Debentures	29-Mar-16	9.25% p.a.	29-Mar-21	25	CRISIL AA+/Stable
INE721A07KA9	Debentures	29-Mar-16	9.25% p.a.	29-Mar-21	15	CRISIL AA+/Stable
INE721A07KA9	Debentures	29-Mar-16	9.25% p.a.	29-Mar-21	35	CRISIL AA+/Stable
INE721A07KB7	Debentures	29-Mar-16	9.30% p.a.	27-Mar-26	90	CRISIL AA+/Stable
INE721A07KB7	Debentures	29-Mar-16	9.30% p.a.	27-Mar-26	25	CRISIL AA+/Stable
INE721A07KB7	Debentures	29-Mar-16	9.30% p.a.	27-Mar-26	25	CRISIL AA+/Stable
INE721A07KB7	Debentures	29-Mar-16	9.30% p.a.	27-Mar-26	5	CRISIL AA+/Stable
INE721A07KCS	Debentures	13-Apr-16	9.15% p.a.	13-Apr-21	35	CRISIL AA+/Stable
INE721A07KCS	Debentures	13-Apr-16	9.15% p.a.	13-Apr-21	50	CRISIL AA+/Stable
INE721A07KCS	Debentures	13-Apr-16	9.15% p.a.	13-Apr-21	50	CRISIL AA+/Stable
INE721A07KCS	Debentures	13-Apr-16	9.15% p.a.	13-Apr-21	50	CRISIL AA+/Stable
INE721A07KCS	Debentures	13-Apr-16	9.15% p.a.	13-Apr-21	40	CRISIL AA+/Stable
INE721A07KCS	Debentures	13-Apr-16	9.15% p.a.	13-Apr-21	30	CRISIL AA+/Stable
INE721A07KCS	Debentures	13-Apr-16	9.15% p.a.	13-Apr-21	25	CRISIL AA+/Stable
INE721A07KCS	Debentures	13-Apr-16	9.15% p.a.	13-Apr-21	25	CRISIL AA+/Stable
INE721A07KCS	Debentures	13-Apr-16	9.15% p.a.	13-Apr-21	19	CRISIL AA+/Stable

INE721A07KC5	Debentures	13-Apr-16	9.15% p.a.	13-Apr-21	15	CRISIL AA+/Stable
INE721A07KC5	Debentures	13-Apr-16	9.15% p.a.	13-Apr-21	10	CRISIL AA+/Stable
INE721A07KC5	Debentures	13-Apr-16	9.15% p.a.	13-Apr-21	10	CRISIL AA+/Stable
INE721A07KC5	Debentures	13-Apr-16	9.15% p.a.	13-Apr-21	10	CRISIL AA+/Stable
INE721A07KC5	Debentures	13-Apr-16	9.15% p.a.	13-Apr-21	5	CRISIL AA+/Stable
INE721A07KC5	Debentures	13-Apr-16	9.15% p.a.	13-Apr-21	5	CRISIL AA+/Stable
INE721A07KC5	Debentures	13-Apr-16	9.15% p.a.	13-Apr-21	2	CRISIL AA+/Stable
INE721A07KC5	Debentures	13-Apr-16	9.15% p.a.	13-Apr-21	25	CRISIL AA+/Stable
INE721A07KD3	Debentures	13-Apr-16	9.22% p.a.	13-Apr-26	94	CRISIL AA+/Stable
INE721A07KD3	Debentures	13-Apr-16	9.22% p.a.	13-Apr-26	35	CRISIL AA+/Stable
INE721A07KD3	Debentures	13-Apr-16	9.22% p.a.	13-Apr-26	30	CRISIL AA+/Stable
INE721A07KD3	Debentures	13-Apr-16	9.22% p.a.	13-Apr-26	10	CRISIL AA+/Stable
INE721A07KD3	Debentures	13-Apr-16	9.22% p.a.	13-Apr-26	10	CRISIL AA+/Stable
INE721A07KE1	Debentures	22-Apr-16	9.20% p.a.	22-Apr-26	9	CRISIL AA+/Stable
INE721A07KE1	Debentures	22-Apr-16	9.20% p.a.	22-Apr-26	2	CRISIL AA+/Stable
INE721A07KE1	Debentures	22-Apr-16	9.20% p.a.	22-Apr-26	10	CRISIL AA+/Stable
INE721A07KE1	Debentures	22-Apr-16	9.20% p.a.	22-Apr-26	5	CRISIL AA+/Stable
INE721A07KFB	Debentures	29-Apr-16	9.05% p.a.	29-Apr-21	15	CRISIL AA+/Stable
INE721A07KG6	Debentures	25-May-16	9.05% p.a.	25-May-23	50	CRISIL AA+/Stable
INE721A07KI2	Debentures	09-Jun-16	9.05% p.a.	09-Jun-23	13	CRISIL AA+/Stable
INE721A07KJ0	Debentures	10-Jun-16	Zero Coupon @8.92% p.a.	10-Jun-21	5	CRISIL AA+/Stable
INE721A07KK8	Debentures	30-Jun-16	9.05%	30-Jun-21	75	CRISIL AA+/Stable
INE721A07KK8	Debentures	30-Jun-16	9.05%	30-Jun-21	10	CRISIL AA+/Stable
INE721A07KM4	Debentures	05-Jul-16	9.00%	05-Jul-19	25	CRISIL AA+/Stable
INE721A07KM4	Debentures	05-Jul-16	9.00%	05-Jul-19	25	CRISIL AA+/Stable
INE721A07KM4	Debentures	05-Jul-16	9.00%	05-Jul-19	25	CRISIL AA+/Stable
INE721A07KM4	Debentures	05-Jul-16	9.00%	05-Jul-19	5	CRISIL AA+/Stable
INE721A07KN2	Debentures	05-Jul-16	9.00%	05-Aug-19	44	CRISIL AA+/Stable
INE721A07KN2	Debentures	05-Jul-16	9.00%	05-Aug-19	1	CRISIL AA+/Stable
INE721A07KN2	Debentures	05-Jul-16	9.00%	05-Aug-19	3	CRISIL AA+/Stable
INE721A07KN2	Debentures	05-Jul-16	9.00%	05-Aug-19	1	CRISIL AA+/Stable
INE721A07KN2	Debentures	05-Jul-16	9.00%	05-Aug-19	2	CRISIL AA+/Stable
INE721A07KN2	Debentures	05-Jul-16	9.00%	05-Aug-19	10	CRISIL AA+/Stable
INE721A07KN2	Debentures	05-Jul-16	9.00%	05-Aug-19	15	CRISIL AA+/Stable
INE721A07KN2	Debentures	05-Jul-16	9.00%	05-Aug-19	5	CRISIL AA+/Stable
INE721A07KN2	Debentures	05-Jul-16	9.00%	05-Aug-19	5	CRISIL AA+/Stable

02/20/19

## Rating Rationale

INE721A07MY1	Debentures	15-Jul-16	8.81%	15-Jul-19	700	CRISIL AA+/Stable
INE721A07KP7	Debentures	19-Jul-16	9.05%	19-Jul-23	75	CRISIL AA+/Stable
INE721A07KR3	Debentures	28-Jul-16	Zero Coupon	28-Sep-19	15	CRISIL AA+/Stable
INE721A07KS1	Debentures	28-Jul-16	Zero Coupon	20-Sep-19	10	CRISIL AA+/Stable
INE721A07KV5	Debentures	29-Jul-16	8.80%	29-Jul-19	375	CRISIL AA+/Stable
INE721A07KX1	Debentures	01-Aug-16	8.82%	27-Apr-20	20	CRISIL AA+/Stable
INE721A07KX1	Debentures	01-Aug-16	8.82%	27-Apr-20	22	CRISIL AA+/Stable
INE721A07KX1	Debentures	01-Aug-16	8.82%	27-Apr-20	8	CRISIL AA+/Stable
INE721A07KY9	Debentures	02-Aug-16	8.80%	02-Aug-19	160	CRISIL AA+/Stable
INE721A07KZ6	Debentures	03-Aug-16	8.85%	03-Aug-21	50	CRISIL AA+/Stable
INE721A07KZ6	Debentures	03-Aug-16	8.85%	03-Aug-21	15	CRISIL AA+/Stable
INE721A07KZ6	Debentures	03-Aug-16	8.85%	03-Aug-21	160	CRISIL AA+/Stable
INE721A07KZ6	Debentures	03-Aug-16	8.85%	03-Aug-21	10	CRISIL AA+/Stable
INE721A07KZ6	Debentures	03-Aug-16	8.85%	03-Aug-21	50	CRISIL AA+/Stable
INE721A07KZ6	Debentures	03-Aug-16	8.85%	03-Aug-21	10	CRISIL AA+/Stable
INE721A07KZ6	Debentures	03-Aug-16	8.85%	03-Aug-21	5	CRISIL AA+/Stable
INE721A07KZ6	Debentures	03-Aug-16	8.85%	03-Aug-21	80	CRISIL AA+/Stable
INE721A07KZ6	Debentures	03-Aug-16	8.85%	03-Aug-21	10	CRISIL AA+/Stable
INE721A07KZ6	Debentures	03-Aug-16	8.85%	03-Aug-21	25	CRISIL AA+/Stable
INE721A07KZ6	Debentures	03-Aug-16	8.85%	03-Aug-21	25	CRISIL AA+/Stable
INE721A07KZ6	Debentures	03-Aug-16	8.85%	03-Aug-21	5	CRISIL AA+/Stable
INE721A07KZ6	Debentures	03-Aug-16	8.85%	03-Aug-21	5	CRISIL AA+/Stable
INE721A07LD1	Debentures	08-Aug-16	8.87%	08-Aug-26	50	CRISIL AA+/Stable
INE721A07LD1	Debentures	08-Aug-16	8.87%	08-Aug-26	50	CRISIL AA+/Stable
INE721A07LD1	Debentures	08-Aug-16	8.87%	08-Aug-26	10	CRISIL AA+/Stable
INE721A07LE9	Debentures	16-Aug-16	8.50%	16-Aug-21	25	CRISIL AA+/Stable
INE721A07LF6	Debentures	19-Aug-16	8.50%	19-Aug-19	50	CRISIL AA+/Stable
INE721A07LF6	Debentures	19-Aug-16	8.50%	19-Aug-19	100	CRISIL AA+/Stable
INE721A07LG4	Debentures	22-Aug-16	Zero Coupon @ XIRR 8.50%	23-Jul-19	25	CRISIL AA+/Stable
INE721A07LH2	Debentures	30-Aug-16	8.45%	30-Aug-21	20	CRISIL AA+/Stable
INE721A07LJ8	Debentures	14-Sep-16	Zero Coupon @ XIRR 8.35%	12-Sep-19	70	CRISIL AA+/Stable
INE721A07LK6	Debentures	22-Sep-16	8.25%	20-Sep-19	30	CRISIL AA+/Stable
INE721A07LK6	Debentures	22-Sep-16	8.25%	20-Sep-19	100	CRISIL AA+/Stable
INE721A07LL4	Debentures	30-Sep-16	8.15%	30-Sep-19	10	CRISIL AA+/Stable
INE721A07LND	Debentures	30-Sep-16	8.25%	27-Sep-19	100	CRISIL AA+/Stable
INE721A07LND	Debentures	30-Sep-16	8.25%	27-Sep-19	200	CRISIL AA+/Stable

[https://www.crisil.com/handwshare/Ratings/RatingList/RatingDocs/Shriram\\_Transport\\_Finance\\_Company\\_Limited\\_June\\_26\\_2019\\_RR.html](https://www.crisil.com/handwshare/Ratings/RatingList/RatingDocs/Shriram_Transport_Finance_Company_Limited_June_26_2019_RR.html)



INE721A07L08	Debentures	25-Nov-16	7.92%	25-Nov-19	50	CRISIL AA+/Stable
INE721A07L08	Debentures	25-Nov-16	7.92%	25-Nov-19	5	CRISIL AA+/Stable
INE721A07L08	Debentures	25-Nov-16	7.92%	25-Nov-19	10	CRISIL AA+/Stable
INE721A07L08	Debentures	25-Nov-16	7.92%	25-Nov-19	10	CRISIL AA+/Stable
INE721A07L08	Debentures	25-Nov-16	7.92%	25-Nov-19	109	CRISIL AA+/Stable
INE721A07LPS	Debentures	27-Feb-17	8.00%	27-Feb-20	15	CRISIL AA+/Stable
INE721A07LPS	Debentures	27-Feb-17	8.00%	27-Feb-20	25	CRISIL AA+/Stable
INE721A07LQ3	Debentures	27-Feb-17	Zero Coupon @ 8%	16-Apr-20	100	CRISIL AA+/Stable
INE721A07L59	Debentures	24-Mar-17	8.10%	24-Mar-20	10	CRISIL AA+/Stable
INE721A07KLS	Debentures	05-Jul-16	8.30%	05-Jun-21	800	CRISIL AA+/Stable
INE721A07LR1	Debentures	23-Mar-17	8.10%	23-Mar-22	600	CRISIL AA+/Stable
INE721A07MB3	Debentures	30-Mar-17	8.15%	30-Mar-22	5	CRISIL AA+/Stable
INE721A07MD9	Debentures	31-Mar-17	8.15%	31-Mar-22	45	CRISIL AA+/Stable
INE721A07GT7	Debentures	24-Oct-13	Individual - 11.75% and Non Individual 10.75%	24-Oct-20	78	CRISIL AA+/Stable
INE721A07GW1	Debentures	24-Oct-13	NA	24-Oct-20	14	CRISIL AA+/Stable
INE721A07H18	Debentures	15-Jul-14	(\$) 10.00% per annum. (Note: NCD Holders who are Individuals on any Record Date shall receive an additional incentive on Coupon @ 1.25% p.a. for the amount outstanding) (!)	15-Jul-19	384	CRISIL AA+/Stable
INE721A07HJ6	Debentures	15-Jul-14	(\$) 10.15% per annum. (Note: NCD Holders who are Individuals on any Record Date shall receive an additional incentive on Coupon @ 1.35% p.a. for the amount outstanding) (!)	15-Jul-21	136	CRISIL AA+/Stable

8/29/2019

Rating Rationale

INE721A07HK4	Debentures	15-Jul-14	<p>(\$\$) 9.57% per annum. (*)          (Note: NCD Holders who are Individuals on any Record Date shall receive an additional incentive on Coupon @ 1.14% p.a. for the amount outstanding) (*)</p> <p>(Note: NCD Holders who are Non- Individuals on any Record Date the interest will be calculated on Coupon @ 9.57% p.a. for the amount outstanding)</p>	15-Jul-19	28	CRISIL AA+/Stable
INE721A07HL2	Debentures	15-Jul-14	<p>(\$\$) 9.71% per annum. (*)          (Note: NCD Holders who are Individuals on any Record Date shall receive an additional incentive on Coupon @ 1.23% p.a. for the amount outstanding) (*)</p> <p>(Note: NCD Holders who are Non- Individuals on any Record Date the interest will be calculated on Coupon @ 9.71% p.a. for the amount outstanding)</p>	15-Jul-21	35	CRISIL AA+/Stable
INE721A07HN6	Debentures	15-Jul-14	NA	15-Jul-19	15	CRISIL AA+/Stable

8/28/2019

Rating Rationale

INE721A07HQ6	Debentures	15-Jul-14	NA	15-Jul-21	28	CRISIL AA+/Stable
NA	Debentures#	NA	NA	NA	10003	CRISIL AA+/Stable
INE721A089Z7	Subordinated debt	03-May-10	10.75%	03-May-20	1	CRISIL AA+/Stable
INE721A08AD2	Subordinated debt	29-May-10	10.75%	28-May-20	50	CRISIL AA+/Stable
INE721A08AE0	Subordinated debt	04-Jun-10	10.60%	04-Jun-20	5	CRISIL AA+/Stable
INE721A08AE0	Subordinated debt	04-Jun-10	10.60%	04-Jun-20	5	CRISIL AA+/Stable
INE721A08AE0	Subordinated debt	04-Jun-10	10.60%	04-Jun-20	10	CRISIL AA+/Stable
INE721A08AE0	Subordinated debt	04-Jun-10	10.60%	04-Jun-20	5	CRISIL AA+/Stable
INE721A08AH3	Subordinated debt	30-Aug-10	11.00%	30-Aug-25	0.2	CRISIL AA+/Stable
INE721A08AH3	Subordinated debt	30-Aug-10	11.00%	30-Aug-25	11	CRISIL AA+/Stable
INE721A08AH3	Subordinated debt	30-Aug-10	11.00%	30-Aug-25	18	CRISIL AA+/Stable
INE721A08A11	Subordinated debt	09-Sep-10	11.00%	09-Sep-25	25	CRISIL AA+/Stable
INE721A08A11	Subordinated debt	31-Mar-11	11.50%	31-Mar-21	25	CRISIL AA+/Stable
INE721A08AK7	Subordinated debt	15-Oct-10	11.05%	15-Oct-28	3	CRISIL AA+/Stable
INE721A08AK7	Subordinated debt	15-Oct-10	11.05%	15-Oct-28	2	CRISIL AA+/Stable
INE721A08AK7	Subordinated debt	15-Oct-10	11.05%	15-Oct-28	20	CRISIL AA+/Stable
INE721A08BS8	Subordinated debt	07-Mar-13	10.65%	07-Mar-23	33	CRISIL AA+/Stable
INE721A08BT6	Subordinated debt	08-Mar-13	10.65%	08-Mar-23	2.5	CRISIL AA+/Stable
INE721A08BY2	Subordinated debt	13-Mar-13	10.65%	13-Mar-23	1.5	CRISIL AA+/Stable
INE721A08CC0	Subordinated debt	28-Mar-13	10.65%	28-Mar-23	0.1	CRISIL AA+/Stable
INE721A08CC0	Subordinated debt	28-Mar-13	10.65%	28-Mar-23	0.4	CRISIL AA+/Stable
INE721A08CC0	Subordinated debt	28-Mar-13	10.65%	28-Mar-23	0.2	CRISIL AA+/Stable
INE721A08CE6	Subordinated debt	02-May-13	10.65%	02-May-23	2	CRISIL AA+/Stable
INE721A08CE6	Subordinated debt	02-May-13	10.65%	02-May-23	0.1	CRISIL AA+/Stable
INE721A08CE6	Subordinated debt	02-May-13	10.65%	02-May-23	0.1	CRISIL AA+/Stable
INE721A08CE6	Subordinated debt	02-May-13	10.65%	02-May-23	1	CRISIL AA+/Stable
INE721A08CE6	Subordinated debt	02-May-13	10.65%	02-May-23	0.1	CRISIL AA+/Stable
INE721A08CE6	Subordinated debt	02-May-13	10.65%	02-May-23	0.1	CRISIL AA+/Stable
INE721A08CE6	Subordinated debt	02-May-13	10.65%	02-May-23	0.1	CRISIL AA+/Stable
INE721A08CE6	Subordinated debt	02-May-13	10.65%	02-May-23	5	CRISIL AA+/Stable
INE721A08CE6	Subordinated debt	02-May-13	10.65%	02-May-23	5	CRISIL AA+/Stable
INE721A08CE6	Subordinated debt	02-May-13	10.65%	02-May-23	10	CRISIL AA+/Stable
INE721S08BF9	Subordinated debt	30-Jan-13	10.65%	30-Jan-23	2.7	CRISIL AA+/Stable
INE721A08BZ3	Subordinated debt	28-Mar-13	10.65%	28-Mar-23	25	CRISIL AA+/Stable
INE721A08BZ3	Subordinated debt	28-Mar-13	10.65%	28-Mar-23	10	CRISIL AA+/Stable
INE721A08C17	Subordinated debt	20-May-13	10.25%	20-May-23	10	CRISIL AA+/Stable
INE721A08C15	Subordinated debt	21-May-13	10.25%	19-May-23	20	CRISIL AA+/Stable

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INE721A08CK3	Subordinated debt	29-May-13	10.00%	29-May-28	15	CRISIL AA+/Stable
INE721A08CM9	Subordinated debt	24-Jun-13	10.15%	24-Jun-23	50	CRISIL AA+/Stable
INE721A08CO5	Subordinated debt	05-Jul-13	10.25%	05-Jul-23	25	CRISIL AA+/Stable
INE721A08CU2	Subordinated debt	30-Sep-15	10.10%	29-Sep-23	67	CRISIL AA+/Stable
INE721A08CV0	Subordinated debt	01-Dec-16	8.50%	30-May-24	40	CRISIL AA+/Stable
INE721A08CW8	Subordinated debt	01-Dec-16	8.50%	01-Dec-26	60	CRISIL AA+/Stable
INE721A08CX6	Subordinated debt	29-Dec-16	8.50%	29-Dec-26	75	CRISIL AA+/Stable
NA	Subordinated debt#	NA	NA	NA	2711.107	CRISIL AA+/Stable
NA	Subordinated debt#	NA	NA	NA	1000	CRISIL AA+/Stable
NA	Subordinated debt#	NA	NA	NA	1000	CRISIL AA+/Stable
NA	Commercial paper	NA	NA	Upto 365 days	7500	CRISIL A1+
NA	Long-Term Bank Facility@	NA	NA	NA	12593.3	CRISIL AA+/Stable
NA	Cash Credit & Working Capital demand loan	NA	NA	NA	5927.5	CRISIL AA+/Stable
NA	Proposed Long Term Bank Loan Facility	NA	NA	NA	13,858.29	CRISIL AA+/Stable
NA	Short-Term Bank Facility	NA	NA	NA	1799.3	CRISIL A1+
NA	Bank Guarantee	NA	NA	NA	1029.63	CRISIL A1+
NA	Bank Guarantee	NA	NA	NA	1035	CRISIL AA+/Stable
NA	Fixed Deposit Programme	NA	NA	NA	0	CRISIL FAAA/Stable
NA	Long Term Principal Protected Market Linked Debentures#	NA	NA	NA	500	CRISIL PP-MLD-AA+/Stable

@Long term bank facilities of Rs. 1243 crore transferred from Shriram Equipment Finance Company Limited to Shriram Transport Finance Company Limited upon amalgamation of the former with latter  
#rated but unutilized

#### Annexure - Details of Rating Withdrawn

ISIN	Name of the instrument	Date of Allotment	Coupon rate (%)	Maturity Date	Amount (Rs. crore)
INE721A07KH4	Debentures	09-Jun-16	8.85% p.a.	10-Jun-19	20
INE721A07KH4	Debentures	09-Jun-16	8.85% p.a.	10-Jun-19	20

#### Annexure - Rating History for last 3 Years

Instrument	Type	Outstanding Amount	Current		2019 (History)		2018		2017		2016		Start of 2016
			Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating	
Commercial Paper	ST	7500.00	CRISIL A1+	10-05-19	CRISIL A1+	14-12-18	CRISIL A1+						

				28-03-18	CRISIL A1+						
				27-03-18	CRISIL A1+						
				21-03-18	CRISIL A1+						
Fixed Deposits	FD	0.00	FAAA/Stable	10-05-19	FAAA/Stable	14-12-18	FAAA/Stable	31-10-17	FAAA/Stable	31-12-16	FAAA/Stable
						13-12-18	FAAA/Stable	31-07-17	FAAA/Stable	07-11-16	FAAA/Stable
						06-08-18	FAAA/Stable	11-07-17	FAAA/Stable	05-07-16	FAAA/Stable
						31-07-18	FAAA/Stable	23-08-17	FAAA/Stable	18-03-16	FAAA/Stable
						08-08-18	FAAA/Stable	05-06-17	FAAA/Stable	16-02-16	FAAA/Stable
						20-03-18	FAAA/Stable				
						27-03-18	FAAA/Stable				
						21-03-18	FAAA/Stable				
						01-03-18	FAAA/Stable				
Long Term Principal Protected Market Linked Debentures	LT	500.00	CRISIL PP-MLO AA+/Stable	10-05-19	CRISIL PP-MLO AA+/Stable						
Non Convertible Debentures	LT	3119.78	CRISIL AA+/Stable	10-05-19	CRISIL AA+/Stable	14-12-18	CRISIL AA+/Stable	31-10-17	CRISIL AA+/Stable	31-12-16	CRISIL AA+/Stable
						13-12-18	CRISIL AA+/Stable	31-07-17	CRISIL AA+/Stable	07-11-16	CRISIL AA+/Stable
						08-08-18	CRISIL AA+/Stable	11-07-17	CRISIL AA+/Stable	05-07-16	CRISIL AA+/Stable
						31-07-18	CRISIL AA+/Stable	23-08-17	CRISIL AA+/Stable	18-03-16	CRISIL AA+/Stable
						08-08-18	CRISIL AA+/Stable	05-06-17	CRISIL AA+/Stable	16-02-16	CRISIL AA+/Stable
						28-03-18	CRISIL AA+/Stable				
						27-03-18	CRISIL AA+/Stable				
						21-03-18	CRISIL AA+/Stable				
						01-03-18	CRISIL AA+/Stable				
Short Term Debt	ST					01-03-18	CRISIL A1+	31-10-17	CRISIL A1+	31-12-16	CRISIL A1+
								31-07-17	CRISIL A1+	07-11-16	CRISIL A1+
								11-07-17	CRISIL A1+	05-07-16	CRISIL A1+
								23-08-17	CRISIL A1+	18-03-16	CRISIL A1+
								05-06-17	CRISIL A1+	16-02-16	CRISIL A1+
Subordinated Debt	LF	5362.21	CRISIL AA+/Stable	10-05-19	CRISIL AA+/Stable	14-12-18	CRISIL AA+/Stable	31-10-17	CRISIL AA+/Stable	31-12-16	CRISIL AA+/Stable
						13-12-18	CRISIL AA+/Stable	31-07-17	CRISIL AA+/Stable	07-11-16	CRISIL AA+/Stable

8/28/2016

Rating Rationale

				04-05-18	CRISIL AA+/Stable	11-07-17	CRISIL AA+/Stable	05-07-16	CRISIL AA+/Stable		
				31-07-18	CRISIL AA+/Stable	23-06-17	CRISIL AA+/Stable	18-03-16	CRISIL AA+/Stable		
				06-06-18	CRISIL AA+/Stable	05-06-17	CRISIL AA+/Stable	18-02-16	CRISIL AA+/Stable		
				28-03-18	CRISIL AA+/Stable						
				27-03-18	CRISIL AA+/Stable						
				21-03-18	CRISIL AA+/Stable						
				01-03-18	CRISIL AA+/Stable						
<b>Fund-based Bank Facilities</b>	LIST	34978.37	CRISIL AA+/Stable/ CRISIL A1+	10-05-18	CRISIL AA+/Stable/ CRISIL A1+	14-12-16	CRISIL AA+/Stable/ CRISIL A1+	31-10-17	CRISIL AA+/Stable/ CRISIL A1+	31-12-16	CRISIL AA+/Stable/ CRISIL A1+
						13-12-16	CRISIL AA+/Stable/ CRISIL A1+	31-07-17	CRISIL AA+/Stable/ CRISIL A1+	07-11-16	CRISIL AA+/Stable/ CRISIL A1+
						09-05-18	CRISIL AA+/Stable/ CRISIL A1+	11-07-17	CRISIL AA+/Stable/ CRISIL A1+	06-07-16	CRISIL AA+/Stable/ CRISIL A1+
						31-07-18	CRISIL AA+/Stable/ CRISIL A1+	23-01-17	CRISIL AA+/Stable/ CRISIL A1+	18-03-16	CRISIL AA+/Stable/ CRISIL A1+
						06-06-18	CRISIL AA+/Stable/ CRISIL A1+	03-09-17	CRISIL AA+/Stable/ CRISIL A1+	18-02-16	CRISIL AA+/Stable/ CRISIL A1+
						28-03-18	CRISIL AA+/Stable/ CRISIL A1+				
						27-03-18	CRISIL AA+/Stable/ CRISIL A1+				
						21-03-18	CRISIL AA+/Stable/ CRISIL A1+				
						01-03-18	CRISIL AA+/Stable/ CRISIL A1+				
<b>Non Fund-based Bank Facilities</b>	LIST	2084.63	CRISIL AA+/Stable/ CRISIL A1+	10-05-18	CRISIL AA+/Stable/ CRISIL A1+	14-12-16	CRISIL AA+/Stable/ CRISIL A1+	31-10-17	CRISIL AA+/Stable/ CRISIL A1+	31-12-16	CRISIL AA+/Stable/ CRISIL A1+
						13-12-16	CRISIL AA+/Stable/ CRISIL A1+	31-07-17	CRISIL AA+/Stable/ CRISIL A1+	07-11-16	CRISIL AA+/Stable/ CRISIL A1+
						09-09-18	CRISIL AA+/Stable/ CRISIL A1+	11-07-17	CRISIL AA+/Stable/ CRISIL A1+	05-07-16	CRISIL AA+/Stable/ CRISIL A1+
						31-07-18	CRISIL AA+/Stable/ CRISIL A1+	23-06-17	CRISIL AA+/Stable/ CRISIL A1+	18-03-16	CRISIL AA+/Stable/ CRISIL A1+
						06-06-18	CRISIL AA+/Stable/ CRISIL A1+	05-06-17	CRISIL AA+/Stable/ CRISIL A1+	18-02-16	CRISIL AA+/Stable/ CRISIL A1+

8/28/2016

Rating Rationale

				AA+/Stable/ CRISIL A1+	AA+/Stable/ CRISIL A1+
			28-03-18	CRISIL AA+/Stable CRISIL A1+	
			27-03-18	CRISIL AA+/Stable CRISIL A1+	
			21-03-18	CRISIL AA+/Stable CRISIL A1+	
			01-03-18	CRISIL AA+/Stable CRISIL A1+	

All amounts are in Rs.Cr.

**Annexure - Details of various bank facilities**

Current facilities			Previous facilities		
Facility	Amount (Rs.Crore)	Rating	Facility	Amount (Rs.Crore)	Rating
Bank Guarantee	1029.63	CRISIL A1+	Bank Guarantee	1029.63	CRISIL A1+
Bank Guarantee	1035	CRISIL AA+/Stable	Bank Guarantee	1035	CRISIL AA+/Stable
Cash Credit & Working Capital demand loan	5927.5	CRISIL AA+/Stable	Cash Credit & Working Capital demand loan	5927.5	CRISIL AA+/Stable
Long Term Bank Facility@	12593.28	CRISIL AA+/Stable	Long Term Bank Facility@	12593.28	CRISIL AA+/Stable
Proposed Long Term Bank Loan Facility	13858.29	CRISIL AA+/Stable	Proposed Long Term Bank Loan Facility	13858.29	CRISIL AA+/Stable
Short Term Bank Facility	1799.3	CRISIL A1+	Short Term Bank Facility	1799.3	CRISIL A1+
<b>Total</b>	<b>36243</b>	<b>--</b>	<b>Total</b>	<b>36243</b>	<b>-</b>

@Long term bank facilities of Rs 1243 crore transferred from Shriram Equipment Finance Company Limited to Shriram Transport Finance Company Limited upon amalgamation of the former with latter

**Links to related criteria**[Rating Criteria for Banks and Financial Institutions](#)[Rating Criteria for Finance Companies](#)**For further information contact:**

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029/2018

Rating Rationale

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## **ANNEXURE B – INDIA RATINGS RATING AND RATIONALE**

For the annexure, please see the next page.

**Mr. Parag Sharma**  
Executive Director & CFO  
Shriram Transport Finance Company Limited  
C-2, Level 3, West Wing, Wockhardt Towers,  
Bandra Kurla Complex, Bandra (E),  
2, NSC Bose Road,  
Mumbai-400 051

June 25, 2019

Dear Sir,

**Re: Rating of Shriram Transport Finance Company Limited (STFCL) of Retail Non-convertible debentures**

India Ratings (see definition below) assigns the following ratings:

INR 100billion of Retail Non-Convertible Debentures: IND AA+; Outlook Stable

This takes the total quantum of Non-Convertible Debentures rated by India Ratings to INR345billion: IND AA+; Outlook Stable

Out of the above rated amount STFCL has already raised INR 214.24billion

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction.

The manner of India Ratings' factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors.

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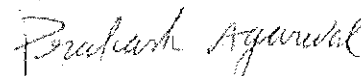
We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please contact us at 91 22 4000 1700.

Sincerely,

India Ratings



Rakesh Valecha  
Senior Director



Prakash Agarwal  
Director

Log in

# India Ratings & Research

A Fitch Group Company

## India Ratings Assigns Shriram Transport Finance Company's Retail NCDs 'IND AA+'; Outlook Stable

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# 25

JUN 2019

By [Karan Gupta](#)

India Ratings and Research (Ind-Ra) has rated Shriram Transport Finance Company Limited's (STFC) public issue of non-convertible debentures as follows:

Instrument Type	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (million)	Rating/Outlook	Rating Action
Retail NCDs*	-	-	-	INR100,000	IND AA+/Stable	Assigned

\*Details in Annexure

### KEY RATING DRIVERS

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**Market Dominance in Used CV Financing Spaces:** STFC is the largest financier of used vehicles in India. Ind-Ra estimates the company to have three-fourths of the market share in the organised used vehicle financing segment. STFC has experience in managing loan portfolios over multiple business cycles, marked by numerous headwinds. The company is skilled in financing commercial vehicles (CVs) through its vast experience and efficient management of credit costs despite operating mainly in an arguably weak credit profile customer category in the used vehicle financing segment. STFC's expertise lies in the valuation of used assets, and an effective collection mechanism enables the company to manage its credit costs. However, STFC faces tough competition, as many non-banking finance companies are trying to expand into the used CV financing space.

**Credit Cost Moderated in FY19 but Sustainability Remains to be Seen:** STFC adopted Indian Accounting Standards from 1QFY19, leading to the softening of credit cost (FY19: 2.5%; FY18: 4.1%; FY17: 3.6%) based on the probability of default and loss given default estimates. Gross NPA also declined to 8.37% in FY19 (FY18: 9.39%) on Ind AS basis, and to 8.29% (9.15%) on IGAAP basis.

However, it remains to be seen whether lower provisioning on loans is a permanent structural shift. STFC's profile has been shifting towards newer used vehicles, leading to an increasing focus on customers with strong credit profiles. This transition has resulted in pressure on yields. At the same time, STFC has been concentrating on deeper rural geographies to grow its books; this could result in higher yields. However, the company's ability to manage credit cost remains to be seen.

The Indian Meteorological Department (IMD) has forecast normal monsoons for 2019, which bodes well for the rural economy. However, the South West Monsoon has been delayed, and overall rainfall deficiency has been pegged at 43% in the first half of June. The agency believes that, while it is too early to factor in the impact of the monsoon, rainfall deficiency in certain geographies would affect rural cash flows, which would impact STFC's portfolio growth as well as asset quality.

**Capitalisation Remains at Reasonable Levels:** STFC's tier I ratio was at 15.6% in FY19 (FY18: 14.2%). The capital adequacy ratio (CAR) also improved to 20.3% in FY19 from 16.9% in FY18, mainly because of an increase in tier II capital; the increase in tier I capital was due to higher internal accrual with an improvement in profitability on a yoy basis. Given the continuing tight liquidity conditions in the capital markets and elevated premium for longer term funds, STFC's growth plans would be calibrated. Ind-Ra believes internal accruals would be largely sufficient to support modest growth over the medium term. The company plans to operate with a moderate leverage, with a policy to maintain tier I ratio above 14%, on a steady state basis.

**Reasonable Liquidity:** STFC had a positive cumulative surplus in the one-year time frame of structural liquidity statement as on 31 March 2019. The company also maintains sizeable unutilised bank lines (INR28.8 billion of cash credit limits as of mid-June 2019) from a variety of banks. The on-balance sheet liquidity (liquid investments and unencumbered cash) stood at INR68.1 billion as of mid-June 2019 against a scheduled debt repayment of INR117.9 billion during June 2019-August 2019. STFC can also mobilise funds by way of securitisation; however, the pricing in this market has hardened. Having said that, in the current tight liquidity environment, excessive reliance on short-term debt could lead to asset-liability mismatch, giving rise to a refinancing risk.

STFC has diluted its policy of maintaining large on-balance sheet liquidity by way of cash and investment in liquid mutual funds, which could have provided strong buffers in the event of a sudden liquidity crisis. The company endeavours to maintain a matched asset-liability maturity profile by restricting its reliance on short-term borrowings to a maximum of 7%-8% of the total borrowings.

**Moderate Profitability:** STFC's profitability recovered modestly in FY19 after having been under pressure over the past few years (pre-provisioning operating profit/credit costs in FY19: 2.6x; FY18: 1.8x; FY17: 1.8x; FY11-FY16: average 3.2x), primarily due to a decline in credit costs. Ind-Ra believes the slowdown in AUM growth on a yoy basis in the new vehicles segment provided tailwinds to yields in FY19. The company's net interest margin was under pressure in FY19,

as it faced challenges with respect to borrowing costs owing to the hardening of interest rates in capital markets and costlier bank funding, the agency believes that STFC's accelerated expansion in rural geographies that offer higher yields could support margins over the near-to-medium term.

## RATING SENSITIVITIES

**Positive:** A significantly strengthened stable funding profile that could emerge through enhanced granular retail funding, or/and significantly increased credit costs absorbing buffers, while maintaining the dominant franchise in the used CV financing segment, could be positive for the ratings.

**Negative:** Through-the-cycle rise in credit cost, leading to depletion in operating and/or capital buffers, reduced resource raising ability impacting the liquidity, and/or a significant loss of franchise could result in a negative rating action.

## COMPANY PROFILE

STFC is the largest non-banking finance company in the asset finance segment in India. It is the flagship company of Chennai-based Shriram Group, which operates in consumer finance and insurance segments.

## FINANCIAL SUMMARY

Particulars	FY19	FY18
Total tangible assets (INR million)	1,052,168	828,418
Total tangible equity (INR million)	157,606	121,433
Net income (INR million)	25,640	15,680
Return on average assets (%)	2.53	2.05
Tier 1 capital (%)	15.62	14.24
Source: STFC, Ind-Ra		

Note: All financial numbers for FY18 are on IGAAP basis and for FY19 on IND AS basis



## RATING HISTORY

Instrument Type	Current Rating/Outlook			Historical Rating/Outlook		
	Rating Type	Rated Limits (million)	Rating	24 December 2018	25 December 2018	31 March 2017
Issuer rating	Long-term/Short-term	-	IND AA+/Stable/IND A1+	IND AA+/Stable/IND A1+	IND AA+/Stable/IND A1+	IND AA+/Stable/IND A1+
NCDs*	Long-term	INR315,000	IND AA+/Stable	IND AA+/Stable	IND AA+/Stable	IND AA+/Stable
Bank loans	Long-term/Short-term	INR130,000	IND AA+/Stable/IND A1+	IND AA+/Stable/IND A1+	IND AA+/Stable/IND A1+	IND AA+/Stable/IND A1+
Subordinated debt*	Long-term	INR66,200	IND AA+/Stable	IND AA+/Stable	IND AA+/Stable	IND AA+/Stable
Short-term debt/CP programme*	Short-term	INR75,000	IND A1+	IND A1+	IND A1+	IND A1+
Term deposit	Long-term	-	IND tAA+/Stable	IND tAA+/Stable	IND tAA+/Stable	IND tAA+/Stable

\*Details in annexure

## ANNEXURE

### SUBORDINATED DEBT

ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (million)	Rating/Outlook
INE721A08CV0	1 December 2016	8.50	30 May 2024	INR400	IND AA+/Stable
INE721A08CW8	1 December 2016	8.50	1 December 2026	INR600	IND AA+/Stable
INE721A08CX6	29 December 2016	8.50	29 December 2026	INR750	IND AA+/Stable
INE721A08CY4	17 October 2017	8.20	15 October 2027	INR3,940	IND AA+/Stable
INE721A08DA2	28 March 2018	9.70	28 March 2028	INR9,950	IND AA+/Stable
INE721A08DB0	28 March 2018	8.95	28 April 2025	INR400	IND AA+/Stable

INE721A08DCS	26 November 2018	10.25	26 April 2024	INR17,750	IND AA+/Stable
INE721A08DD6	12 December 2018	10.51	12 December 2028	INR350	IND AA+/Stable
			Total utilised	INR34,140	
			Total unutilised	INR32,060	
			Total	INR66,200	

NCDs

ISIN	Date of - Allotment	Coupon (%)	Maturity Date	Size of Issue (million)	Rating/Outlook
INE721A07JP9	17 April 2015	9.15	13 March 2019	INR 3,000.00	WD (paid in full)
INE721A07JW7	15 March 2016	9.1	15 March 2019	INR 100.00	WD (paid in full)
INE721A07KC2	31 March 2017	8.00 <sup>A</sup>	28 March 2019	INR 500.00	WD (paid in full)
INE721A07JT1	14 December 2015	8.75 <sup>A</sup>	11 April 2019	INR 350.00	WD (paid in full)
INE721A07KH4	9 June 2016	8.85	10 June 2019	INR 200.00	WD (paid in full)
INE721A07ML2	16 June 2017	7.92	14 June 2019	INR 1,000.00	WD (paid in full)
INE721A07KM4	05 July 2016	9	05 July 2019	INR 900.00	IND AA+/Stable
INE721A07HJ8	15 July 2014	10	15 July 2019	INR 3,841.00	IND AA+/Stable
INE721A07HK4	15 July 2014	9.57	15 July 2019	INR 278.00	IND AA+/Stable
INE721A07HN8	15 July 2014	10.00 <sup>A</sup>	15 July 2019	INR 152.00	IND AA+/Stable
INE721A07HP3	21 July 2014	10	19 July 2019	INR 5,000.00	IND AA+/Stable
INE721A07HQ1	5 August 2014	10	5 August 2019	INR 5,000.00	IND AA+/Stable
INE721A07KN2	5 July 2016	9	5 August 2019	INR 850.00	IND AA+/Stable
INE721A07HR9	28 August 2014	10	28 August 2019	INR 2,500.00	IND AA+/Stable
INE721A07HV1	12 September 2014	10	12 September 2019	INR 1,250.00	IND AA+/Stable
INE721A07HZ2	19 September 2014	9.75	19 September 2019	INR 500.00	IND AA+/Stable
INE721A07J55	26 November 2014	9.95	28 November 2019	INR 750.00	IND AA+/Stable
INE721A07JC7	19 January 2015	9.35	17 January 2020	INR 150.00	IND AA+/Stable
INE721A07JE3	4 February 2015	9.15	4 February 2020	INR 300.00	IND AA+/Stable

INE721A07L59	24 March 2017	8.1	24 March 2020	INR 100.00	IND AA+/Stable
INE721A07LX9	29 March 2017	8.1	27 March 2020	INR 2,500.00	IND AA+/Stable
INE721A07NR7	27 March 2018	8.45	27 March 2020	INR 5,600.00	IND AA+/Stable
INE721A07MA5	30 March 2017	1st year coupon= 8.10% p.a. 2nd and 3rd year coupon = 1 year CD rate +1.50% p.a.	30 March 2020	INR 2,500.00	IND AA+/Stable
INE721A07LZ4	30 March 2017	8.1	29 May 2020	INR 1,250.00	IND AA+/Stable
INE721A07MN8	27 June 2017	7.84	26 June 2020	INR 350.00	IND AA+/Stable
INE721A07J53	4 December 2015	8.8	4 December 2020	INR 150.00	IND AA+/Stable
INE721A07JW5	18 March 2016	9.25	18 March 2021	INR 1,000.00	IND AA+/Stable
INE721A07KA9	29 March 2016	9.25	29 March 2021	INR 750.00	IND AA+/Stable
INE721A07KC5	13 April 2016	9.15	13 April 2021	INR 5,160.00	IND AA+/Stable
INE721A07KF0	29 April 2016	9.05	29 April 2021	INR 150.00	IND AA+/Stable
INE721A07KJ0	10 June 2016	8.92^	10 June 2021	INR 50.00	IND AA+/Stable
INE721A07KK9	30 June 2016	9.05	30 June 2021	INR 850.00	IND AA+/Stable
INE721A07NV9	12 July 2018	9.1	12 July 2021	INR 22,130.00	IND AA+/Stable
INE721A07NY3	12 July 2018	9.10^	12 July 2021	INR 724.00	IND AA+/Stable
INE721A07M16	15 July 2014	10.15	15 July 2021	INR 1,361.00	IND AA+/Stable
INE721A07HL2	15 July 2014	9.71	15 July 2021	INR 352.00	IND AA+/Stable
INE721A07HO6	15 July 2014	10.15^	15 July 2021	INR 281.00	IND AA+/Stable
INE721A07KZ6	3 August 2016	8.85	3 August 2021	INR 4,500.00	IND AA+/Stable
INE721A07LH2	30 August 2016	8.45	30 August 2021	INR 200.00	IND AA+/Stable
INE721A07IA3	19 September 2014	9.85	19 September 2021	INR 500.00	IND AA+/Stable
INE721A07OD5	2 November 2018	9.4	2 November 2021	INR 2,077.70	IND AA+/Stable
INE721A07OG8	2 November 2018	9.40^	2 November 2021	INR 766.20	IND AA+/Stable
INE721A07IB9	5 January 2015	Benchmark + Spread (payable monthly), i.e. 10.00%-0.10% resulting into yield of 9.90% payable monthly	5 January 2022	INR 5,000.00	IND AA+/Stable
INE721A07DO2	6 February 2019	9.40	6 February 2022	INR 1,799.98	IND AA+/Stable
INE721A07OR5	6 February 2019	Cumulative (Effective Yield (per annum)-9.40%)	6 February 2022	INR 670.39	IND AA+/Stable
INE721A07MB3	30 March 2017	8.15	30 March 2022	INR 50.00	IND AA+/Stable

INE721A07MD9	31 March 2017	8.15	31 March 2022	INR 450.00	IND AA+/Stable
INE721A07OJ2	6 December 2018	9.85	15 April 2022	INR 1,500.00	IND AA+/Stable
INE721A07MY7	22 August 2017	7.73	22 August 2022	INR 2,750.00	IND AA+/Stable
INE721A07NAS	30 November 2017	8	30 November 2022	INR 700.00	IND AA+/Stable
INE721A07NL0	22 March 2018	8.72	22 March 2023	INR 2,415.00	IND AA+/Stable
INE721A07N55	27 March 2018	8.72	27 March 2023	INR 9,200.00	IND AA+/Stable
INE721A07KG6	25 May 2016	9.05	25 May 2023	INR 500.00	IND AA+/Stable
INE721A07K12	9 June 2016	9.05	9 June 2023	INR 125.00	IND AA+/Stable
INE721A07NT3	12 July 2018	8.93	12 July 2023	INR 1,504.00	IND AA+/Stable
INE721A07NW7	12 July 2018	9.3	12 July 2023	INR 5,402.00	IND AA+/Stable
INE721A07NZ8	12 July 2018	9.30^	12 July 2023	INR 903.00	IND AA+/Stable
INE721A07KP7	19 July 2016	9.05	19 July 2023	INR 750.00	IND AA+/Stable
INE721A07OB9	2 November 2018	9.12	2 November 2023	INR 946.30	IND AA+/Stable
INE721A07OE3	2 November 2018	9.5	2 November 2023	INR 1,143.20	IND AA+/Stable
INE721A07OH6	2 November 2018	9.50^	2 November 2023	INR 421.30	IND AA+/Stable
INE721A07OM6	6 February 2019	9.12	6 February 2024	INR 877.02	IND AA+/Stable
INE721A07OP9	6 February 2019	9.50	6 February 2024	INR 1,001.12	IND AA+/Stable
INE721A07OS3	6 February 2019	Cumulative (Effective Yield (per annum)- 9.50%)	6 February 2024	INR 419.39	IND AA+/Stable
INE721A07ODF1	22 January 2019	9.9	21 June 2024	INR 5,000.00	IND AA+/Stable
INE721A07HY5	18 September 2014	10.25	18 September 2024	INR 3,000.00	IND AA+/Stable
INE721A07IG0	10 October 2014	10.25	10 October 2024	INR 4,750.00	IND AA+/Stable
INE721A07II6	31 October 2014	10.1	31 October 2024	INR 250.00	IND AA+/Stable
INE721A07J04	13 November 2014	10	13 November 2024	INR 3,580.00	IND AA+/Stable
INE721A07JR7	28 November 2014	9.9	28 November 2024	INR 1,000.00	IND AA+/Stable
INE721A07N04	26 March 2018	8.72	26 May 2025	INR 350.00	IND AA+/Stable
INE721A07JX3	18 March 2016	9.3	18 March 2026	INR 1,000.00	IND AA+/Stable
INE721A07KB7	29 March 2016	9.3	27 March 2026	INR 1,450.00	IND AA+/Stable
INE721A07K03	13 April 2016	9.22	13 April 2026	INR 1,790.00	IND AA+/Stable
INE721A07KE1	22 April 2016	9.2	22 April 2026	INR 260.00	IND AA+/Stable
INE721A07LD1	8 August 2016	8.87	8 August 2026	INR 1,100.00	IND AA+/Stable

INE721A07HU1	12 July 2018	9.03	12 July 2028	INR 499.00	IND AA+/Stable
INE721A07HX5	12 July 2018	9.4	12 July 2028	INR 5,323.00	IND AA+/Stable
INE721A07DC7	2 November 2018	9.3	2 November 2028	INR 323.40	IND AA+/Stable
INE721A07OF9	2 November 2018	9.7	2 November 2028	INR 369.80	IND AA+/Stable
INE721A07DN4	6 February 2019	9.3	6 February 2029	INR 263.80	IND AA+/Stable
INE721A07DQ7	6 February 2019	9.7	6 February 2029	INR 341.49	IND AA+/Stable
	Total			INR 143,871.09	
	NCDs raised under the rated limit but redeemed			INR 70,358.26	
	Unutilised NCD limit			INR 130,760.65	
	Total rated Limit			INR 345,000.00	

\* Zero coupon bond

Instrument Type	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (million)	Rating
CP	7 February 2019	8.48	15 July 2019	INR 1,400	IND A1+
CP	8 February 2019	8.48	15 July 2019	INR 1,350	IND A1+
CP	15 May 2019	7.95	14 August 2019	INR 7,050	IND A1+
CP	24 May 2019	7.3	29 July 2019	INR 5,000	IND A1+
CP	28 May 2019	7.3	27 August 2019	INR 1,350	IND A1+
		Total		INR 16,150.00	
		Unutilised		INR 50,850.00	
		Total limit Rated		INR 75,000.00	

## COMPLEXITY LEVEL OF INSTRUMENTS

For details on the complexity level of the instruments, please visit <https://www.indiaratings.co.in/complexity-indicators>.

## SOLICITATION DISCLOSURES

Additional information is available at [www.indiaratings.co.in](http://www.indiaratings.co.in). The ratings above were solicited by, or on behalf of, the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

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Ind-Ra currently maintains coverage of corporate issuers, financial institutions (including banks and insurance companies), finance and leasing companies, managed funds, urban local bodies and project finance companies.

Headquartered in Mumbai, Ind-Ra has seven branch offices located in Ahmedabad, Bengaluru, Chennai, Delhi, Hyderabad, Kolkata and Pune. Ind-Ra is recognised by the Securities and Exchange Board of India, the Reserve Bank of India and National Housing Bank.

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## Applicable Criteria

[Financial Institutions Rating Criteria](#)

[Non-Bank Finance Companies Criteria](#)

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## **ANNEXURE C – CARE RATING AND RATIONALE**

For the annexure, please see the next page.



No. CARE/HO/RL/2019-20/1738  
Mr. Parag Sharma  
Executive Director & CFO  
Shriram Transport Finance Co. Ltd.  
Wockhardt Towers, Level 3  
West Wing, C-2, G Block  
Bandra Kurla Complex, Bandra (East)  
Mumbai – 400 051

June 28, 2019

**Confidential**

Dear Sir,

**Credit rating for proposed Public Issue of Non-Convertible Debentures**

Please refer to your request for rating of proposed public issue of non-convertible debentures (NCD) aggregating to Rs.10,000 crore of your company.

The following ratings have been assigned by our Rating Committee:

Instrument	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Proposed Non-Convertible Debentures (Public Issue)	10,000 (Rs. Ten Thousand crore only)	CARE AA+; Stable (Double A Plus; Outlook: Stable)	Assigned

- Please arrange to get the rating revalidated, in case the proposed issue is not made within a period of six months from the date of our initial communication of rating to you (that is June 28, 2019).
- In case there is any change in the size or terms of the proposed issue, please get the rating revalidated.

<sup>1</sup> Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications.

5. Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

Instrument type	ISIN	Issue Size (Rs cr)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Debenture Trustee	Details of top 10 investors
-----------------	------	--------------------	-------------	----------------------	---------------------	-----------------	---	-----------------------------

6. Kindly arrange to submit to us a copy of each of the documents pertaining to the NCD issue, including the offer document and the trust deed.
7. The rationale for the rating will be communicated to you separately. A write-up (press release) on the above rating is proposed to be issued to the press shortly, a draft of which is enclosed for your perusal as Annexure. We request you to peruse the annexed document and offer your comments if any. We are doing this as a matter of courtesy to our clients and with a view to ensure that no factual inaccuracies have inadvertently crept in. Kindly revert as early as possible. In any case, if we do not hear from you by July 01, 2019, we will proceed on the basis that you have no any comments to offer.
8. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
9. CARE reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE so as to enable it to carry out continuous monitoring of the rating of the debt instrument, CARE shall carry out the review on the basis of best available information throughout the life time of such instrument. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.

Page 2 of 8

CARE Ratings Limited  
(Formerly known as Credit Analysis & Research Limited)

10. Users of this rating may kindly refer our website [www.careratings.com](http://www.careratings.com) for latest update on the outstanding rating.

11. CARE ratings are **not** recommendations to buy, sell or hold any securities.

If you need any clarification, you are welcome to approach us in this regard. We are indeed, grateful to you for entrusting this assignment to CARE.

Thanking you,

Yours faithfully,



[Ashwitha Nandagopalan]

Analyst

[ashwitha.n@careratings.com](mailto:ashwitha.n@careratings.com)



[Aditya Acharekar]

Associate Director

[aditya.acharekar@careratings.com](mailto:aditya.acharekar@careratings.com)

Encl.: As above

**Disclaimer**

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating/outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

**Annexure – Press Release**  
**Shriram Transport Finance Company Limited**

**Ratings**

Instruments	Amount (Rs. crore)	Ratings <sup>2</sup>	Rating Action
Proposed Non-convertible debentures (Public Issue)	10,000 (Rs. Ten Thousand crore only)	<b>CARE AA+; Stable</b> [Double A Plus; <b>Outlook: Stable</b> ]	Assigned

*Details of instruments/facilities in Annexure-1*

**Detailed Rationale & Key Rating Drivers**

The ratings assigned to the various debt instruments of Shriram Transport Finance Company Limited (STFCL) factor in the company's leadership position and more than three decades of experience in the pre-owned commercial vehicle (CV) financing segment, experienced management team, adequate capitalization levels, comfortable liquidity profile and good resource raising capabilities with diversified funding profile. The rating is constrained by STFCL's moderate asset quality and the underlying industry risk linked with its target customer segment of small truck operators, who have relatively high vulnerability to economic downturns. Asset quality, capital adequacy and profitability are key rating sensitivities.

**Detailed description of the key rating drivers**

**Key Rating Strengths**

**Leadership position and over three decades of experience in the pre-owned Commercial Vehicle (CV) financing segment:** STFCL is one of the largest asset financing NBFCs in India with assets under management (AUM) of Rs.1,04,482 crore as on March 31, 2019 (AUM as on March 31, 2018: Rs.96,261 crore) with a mix of 83% Used CV financing; 11% of New CV and 6% of other loans. Over its 38 years of experience in CV financing, STFCL has garnered a significant market share in used (pre-owned) CV financing and developed a strong relationship with its customers where in major part of its lending is being done through 'reference based' model.

**Experienced management team:** STFCL is a part of the Shriram group and is led by Mr. Umesh Revankar (Managing Director), who has been with the Shriram group for more than 28 years. The management team includes Mr. Parag Sharma (Executive Director and Chief Financial Officer) and several others, who have been associated with STFCL for several years. The senior management of the company is equipped with a rich experience of operating the CV financing business.

**Adequate capitalization levels:** STFCL's tangible net-worth stood at Rs.15,759 crore as on March 31, 2019. STFCL reported total Capital Adequacy Ratio (CAR) of 20.27% [P.Y.: 17.38%] with Tier I CAR of 15.62% as on March 31, 2019 [P.Y.: 14.47%]. To augment further business growth and maintain operating

<sup>1</sup> Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE publications.

leverage levels, the management plans to maintain Tier I capital above 14% on a steady state basis. As on March 31, 2018, the company contingent liabilities by way of guarantees given amounting to Rs.1,000 crore [P.Y.: Rs.2,214 crore]. In October, 2018, STFCL terminated the guarantee having redemption value of Rs.995 crore given to SVL Limited (unlisted holding company for the non-financial businesses of the Shriram group).

**Good resource raising capabilities and diversified funding profile:** STFCL has continuously been diversifying its resource profile which has a mix of retail/wholesale borrowings that include bonds [35.0% of total borrowings], term loans & working capital from banks [20.5%], subordinated debt [7.1%], public deposits (FDs) [11.7%], Commercial Paper [4%] and other borrowings [1.5%] as on March 31, 2019. The borrowing profile is further diversified with securitization route available to the company which constituted 20.2% of the total borrowings. STFCL being a deposit taking NBFC, has over the years, developed a strong depositor base of over 2 lakh depositors till date. However, the company has a diversified funding profile and its dependence on FDs is limited. STFCL's overall gearing stood at 5.58 times as on March 31, 2019 [P.Y.: 6.07 times].

**Adequate liquidity profile:** STFCL's liquidity profile was comfortable with well-matched asset liability maturity profile as the company's loan portfolio has a relatively shorter tenure as compared to the tenure of its borrowings. The asset liability maturity (ALM) profile as on March 31, 2019, had no negative mismatches up to one year. Furthermore, STFCL has good resource raising abilities/capacity to match any immediate requirements in the future.

**Financial performance:** STFC reported Profit after Tax (PAT) of Rs.2,564 crore on a total income of Rs.15,546 crore as on March 31, 2019 as against PAT of Rs.2,461 crore on a total income of Rs.13,362 crore. The company is in a transition phase to move towards financing lower vintage used vehicles and vehicles with higher capacity. As a result of this transition and increasing competition in this segment, the yields are expected to be lower. The company's strong competitive position in the high yielding used CV segment helps it to maintain stable margins. Correspondingly, the Net Interest Margin (including off-balance sheet assets) [NIM] and Return on Total Assets (ROTA) (including off-balance sheet assets) was 7.69% and 2.51% respectively during FY19.

#### Key Rating Weaknesses

**Moderate but improving asset quality:** STFCL has historically maintained comfortable asset quality due to its relationship-based model. However, over the past few years, STFCL has seen a rise in slippages on account of overall economic slowdown. The company reported Gross NPA and Net NPA ratio of 8.42% [P.Y.: 9.29%] and 5.68% [P.Y.: 6.27%] respectively as on March 31, 2019. The Net NPA to tangible net-worth stood at 35.55% as on March 31, 2019 (March 31, 2018: 42.83%). With a pick-up in the economic activity, the credit costs are expected to decline over a medium term resulting into further improvement in the asset quality.

**Underlying industry risk linked with its target customer segment of small truck operators:** STFCL is primarily into financing of pre-owned commercial vehicles. In an environment of economic slowdown, STFCL's asset quality comes under pressure since it has high exposure to small fleet operators and first-

time buyers who are more vulnerable to the negative effects of an economic downturn. However, past cyclical behaviour suggests that the used CV sales pick-up before new CV sales in an improving cycle.

**Analytical approach:** Standalone

**Applicable Criteria:**

Criteria on assigning Outlook to Credit Ratings

CARE Policy on Default Recognition

CARE's criteria on Short Term Instruments

Rating Methodology- Non-Banking Finance Companies

Financial ratios - Financial Sector

**Liquidity profile**

The liquidity profile of STFCL was comfortable with well-matched maturity profile of assets and liabilities. The ALM profile as on March 31, 2019 had no negative cumulative mismatches up to 1 year. As per the ALM profile as on March 31, 2019, STFCL had debt repayments of Rs.27,357 crore due to be paid in the next one year, against inflows from loan portfolio of Rs.36,655 crore. STFCL also had unutilized bank limits amounting Rs.840 crore, and cash and cash equivalents of Rs.1,029 crore as on March 31, 2019.

**About the Company**

Shriram Transport Finance Company Ltd (STFCL) is the flagship company of the Chennai-based Shriram Group and was founded by Mr R. Thyagarajan, Mr T. Jayaraman and Mr. A. V. S. Raja. It is classified as a deposit-taking Asset Financing NBFC. The company was incorporated in 1979, with an objective to provide hire purchase and lease finance for the medium and heavy commercial vehicles to individual truck operators. It is the largest asset financing NBFC in India, concentrated mainly in the pre-owned vehicle financing business. Presently, STFCL has a network of 1,301 branches with a mix of 50:50 rural and urban areas and 864 rural centres (with 500+ private financiers).

On February 06, 2018 STFCL has sold the controlling stake in its wholly owned subsidiary, Shriram Automall India Limited (SAMIL) to the extent of 16,630,435 equity shares (representing 55.44% of paid-up capital) @ Rs.94.03 per share for a total consideration of Rs.156.38 crore to MXC Solutions India Private Limited (MXC). Consequently, SAMIL has ceased to be a subsidiary and is now an associate of the Company from February 07, 2018.

Brief Financials (Rs. crore) (as per IndAS)	FY18 (A)	FY19 (A)
Total income	13,506	15,546
PAT	2,549	2,576
Total Assets (tangible)	97,306	1,05,341
Net NPA (%)	6.27	5.68
ROTA (%)	2.86	2.54

A: Audited

**Status of non-cooperation with previous CRA:** Not Applicable

**Any other information:** Not Applicable

Rating History for last three years: Please refer Annexure-2

**Note on complexity levels of the rated instrument:** CARE has classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.

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**\*\*For detailed Rationale Report and subscription information, please contact us at [www.careratings.com](http://www.careratings.com)**

**About CARE Ratings:**

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

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**Annexure-1: Details of Instruments/Facilities**

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Non Convertible Debentures – Proposed	-	-	-	10000.00	CARE AA+; Stable

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
1.	Debt-Subordinate Debt	LT	1493.90	CARE AA+; Stable	-	1)CARE AA+; Stable (08-Jan-19)	1)CARE AA+; Stable (23-Mar-18) 2)CARE AA+; Stable (08-Feb-18) 3)CARE AA+; Stable (04-Oct-17) 4)CARE AA+; Stable (14-Jul-17)	1)CARE AA+ (16-Nov-16)
2.	Debentures-Non Convertible Debentures	LT	2905.34	CARE AA+; Stable	-	1)CARE AA+; Stable (08-Jan-19)	1)CARE AA+; Stable (23-Mar-18) 2)CARE AA+; Stable (08-Feb-18) 3)CARE AA+; Stable (04-Oct-17) 4)CARE AA+; Stable (14-Jul-17)	1)CARE AA+ (16-Nov-16)
3.	Commercial Paper	ST	7500.00	CARE A1+	-	1)CARE A1+ (08-Jan-19)	1)CARE A1+ (23-Mar-18) 2)CARE A1+ (08-Feb-18) 3)CARE A1+ (04-Oct-17)	-
4.	Debentures-Non Convertible Debentures	LT	10000.00	CARE AA+; Stable	-	-	-	-



**Shriram Transport Finance Company Limited**

June 29, 2019

**Ratings**

Instruments	Amount (Rs. crore)	Ratings <sup>1</sup>	Rating Action
Proposed Non-convertible debentures (Public Issue)	10,000 (Rs. Ten Thousand crore only)	CARE AA+; Stable [Double A Plus; Outlook: Stable].	Assigned

*Details of instruments/facilities in Annexure-1*
**Detailed Rationale & Key Rating Drivers**

The ratings assigned to the various debt instruments of Shriram Transport Finance Company Limited (STFCL) factor in the company's leadership position and more than three decades of experience in the pre-owned commercial vehicle (CV) financing segment, experienced management team, adequate capitalization levels, comfortable liquidity profile and good resource raising capabilities with diversified funding profile. The rating is constrained by STFCL's moderate asset quality and the underlying industry risk linked with its target customer segment of small truck operators, who have relatively high vulnerability to economic downturns. Asset quality, capital adequacy and profitability are key rating sensitivities.

**Detailed description of the key rating drivers**
**Key Rating Strengths**
**Leadership position and over three decades of experience in the pre-owned Commercial Vehicle (CV) financing segment:**

STFCL is one of the largest asset financing NBFCs in India with assets under management (AUM) of Rs.1,04,482 crore as on March 31, 2019 (AUM as on March 31, 2018: Rs.96,261 crore) with a mix of 83% Used CV financing; 11% of New CV and 6% of other loans. Over its 38 years of experience in CV financing, STFCL has garnered a significant market share in used (pre-owned) CV financing and developed a strong relationship with its customers where in major part of its lending is being done through 'reference based' model.

**Experienced management team:** STFCL is a part of the Shriram group and is led by Mr. Umesh Revankar (Managing Director), who has been with the Shriram group for more than 28 years. The management team includes Mr. Parag Sharma (Executive Director and Chief Financial Officer) and several others, who have been associated with STFCL for several years. The senior management of the company is equipped with a rich experience of operating the CV financing business.

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**Good resource raising capabilities and diversified funding profile:** STFCL has continuously been diversifying its resource profile which has a mix of retail/wholesale borrowings that include bonds [35.0% of total borrowings], term loans & working capital from banks [20.5%], subordinated debt [7.1%], public deposits (FDs) [11.7%], Commercial Paper [4%] and other borrowings [1.5%] as on March 31, 2019. The borrowing profile is further diversified with securitization route available to the company which constituted 20.2% of the total borrowings. STFCL being a deposit taking NBFC, has over the years, developed a strong depositor base of over 2 lakh depositors till date. However, the company has a diversified funding profile and its dependence on FDs is limited. STFCL's overall gearing stood at 5.58 times as on March 31, 2019 [P.Y.: 6.07 times].

<sup>1</sup> Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE publications.

**Adequate liquidity profile:** STFCL's liquidity profile was comfortable with well-matched asset liability maturity profile as the company's loan portfolio has a relatively shorter tenure as compared to the tenure of its borrowings. The asset liability maturity (ALM) profile as on March 31, 2019, had no negative mismatches up to one year. Furthermore, STFCL has good resource raising abilities/capacity to match any immediate requirements in the future.

**Financial performance:** STFC reported Profit after Tax (PAT) of Rs.2,564 crore on a total income of Rs.15,546 crore as on March 31, 2019 as against PAT of Rs.2,461 crore on a total income of Rs.13,362 crore. The company is in a transition phase to move towards financing lower vintage used vehicles and vehicles with higher capacity. As a result of this transition and increasing competition in this segment, the yields are expected to be lower. The company's strong competitive position in the high yielding used CV segment helps it to maintain stable margins. Correspondingly, the Net Interest Margin (including off-balance sheet assets) [NIM] and Return on Total Assets (ROTA) (including off-balance sheet assets) was 7.69% and 2.51% respectively during FY19.

### Key Rating Weaknesses

**Moderate but improving asset quality:** STFCL has historically maintained comfortable asset quality due to its relationship-based model. However, over the past few years, STFCL has seen a rise in slippages on account of overall economic slowdown. The company reported Gross NPA and Net NPA ratio (as per IndAS) of 8.4% [P.Y.: 9.4%] and 5.68% [P.Y.: 6.27%] respectively as on March 31, 2019. The Net NPA to tangible net-worth stood at 35.55% as on March 31, 2019 (March 31, 2018: 42.83%). With a pick-up in the economic activity, the credit costs are expected to decline over a medium term resulting into further improvement in the asset quality.

**Underlying industry risk linked with its target customer segment of small truck operators:** STFCL is primarily into financing of pre-owned commercial vehicles. In an environment of economic slowdown, STFCL's asset quality comes under pressure since it has high exposure to small fleet operators and first-time buyers who are more vulnerable to the negative effects of an economic downturn. However, past cyclical behaviour suggests that the used CV sales pick-up before new CV sales in an improving cycle.

**Analytical approach:** Standalone

### Applicable Criteria:

[Criteria on assigning Outlook to Credit Ratings](#)

[CARE Policy on Default Recognition](#)

[CARE's criteria on Short Term Instruments](#)

[Rating Methodology- Non-Banking Finance Companies](#)

[Financial ratios - Financial Sector](#)

### Liquidity profile

The liquidity profile of STFCL was comfortable with well-matched maturity profile of assets and liabilities. The ALM profile as on March 31, 2019 had no negative cumulative mismatches up to 1 year. As per the ALM profile as on March 31, 2019, STFCL had debt repayments of Rs.34,253 crore due to be paid in the next one year, against inflows from loan portfolio of Rs.36,655 crore. STFCL also had unutilized bank limits amounting Rs.840 crore, cash and cash equivalents of Rs.1,029 crore.

### About the Company

Shriram Transport Finance Company Ltd (STFCL) is the flagship company of the Chennai-based Shriram Group and was founded by Mr R. Thyagarajan, Mr T. Jayaraman and Mr. A. V. S. Raja. It is classified as a deposit-taking Asset Financing NBFC. The company was incorporated in 1979, with an objective to provide hire purchase and lease finance for the medium and heavy commercial vehicles to individual truck operators. It is the largest asset financing NBFC in India, concentrated mainly in the pre-owned vehicle financing business. Presently, STFCL has a network of 1,301 branches with a mix of 50:50 rural and urban areas and 864 rural centres (with 500+ private financiers).

On February 06, 2018 STFCIL has sold the controlling stake in its wholly owned subsidiary, Shriram Automall India Limited (SAMIL) to the extent of 16,630,435 equity shares (representing 55.44% of paid-up capital) @ Rs.94.03 per share for a total consideration of Rs.156.38 crore to MXC Solutions India Private Limited (MXC). Consequently, SAMIL has ceased to be a subsidiary and is now an associate of the Company from February 07, 2018.

Brief Financials (Rs. crore) (as per IndAS)	FY18 (A)	FY19 (A)
Total income	13,506	15,546
PAT	2,549	2,576
Total Assets (tangible)	97,306	1,05,341
Net NPA (%)	6.27	5.68
ROTA (%)	2.86	2.54

A: Audited

**Status of non-cooperation with previous CRA:** Not Applicable

**Any other information:** Not Applicable

**Rating History for last three years:** Please refer Annexure-2

**Note on complexity levels of the rated instrument:** CARE has classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.

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**\*\*For detailed Rationale Report and subscription information, please contact us at [www.careratings.com](http://www.careratings.com)**

**About CARE Ratings:**

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

**Disclaimer**

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

**Annexure-1: Details of Instruments/Facilities**

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Non Convertible Debentures – Proposed				10000.00	CARE AA+; Stable

**Annexure-2: Rating History of last three years**

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
1.	Debt-Subordinate Debt	LT	1493.90	CARE AA+; Stable	-	1)CARE AA+; Stable (08-Jan-19)	1)CARE AA+; Stable (23-Mar-18) 2)CARE AA+; Stable (08-Feb-18) 3)CARE AA+; Stable (04-Oct-17) 4)CARE AA+; Stable (14-Jul-17)	1)CARE AA+ (16-Nov-16)
2.	Debentures-Non Convertible Debentures	LT	2905.34	CARE AA+; Stable	-	1)CARE AA+; Stable (08-Jan-19)	1)CARE AA+; Stable (23-Mar-18) 2)CARE AA+; Stable (08-Feb-18) 3)CARE AA+; Stable (04-Oct-17) 4)CARE AA+;	1)CARE AA+ (16-Nov-16)

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
							Stable (14-Jul-17)	
3.	Commercial Paper	ST	7500.00	CARE A1+	-	1)CARE A1+ (08-Jan-19)	1)CARE A1+ (23-Mar-18) 2)CARE A1+ (08-Feb-18) 3)CARE A1+ (04-Oct-17)	-
4.	Debentures-Non Convertible Debentures	LT	10000.00	CARE AA+; Stable				

**ANNEXURE D – DEBENTURE TRUSTEE CONSENT**

For the annexure, please see the next page.

Ref. No. CL/MUM/19-20/DEB/3740

Date: June 20, 2019

To,  
**Shriram Transport Finance Company Limited**  
 Wockhardt Towers, Level-3, West Wing  
 C-2, G- Block, Bandra Kurla Complex  
 Bandra (East), Mumbai- 400 051

Dear Sir/ Madam,

**Sub: Proposed public issue ("Issue") of secured, redeemable, non-convertible debentures ("NCDs") by Shriram Transport Finance Company Limited ("Company") for an amount not exceeding Rs. 10,000 crores (Rupees Ten Thousand Crores Only)**

We, the undersigned, hereby consent to act as the Debenture Trustee to the issue pursuant to Regulation 4(4) of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended from time to time and to our name being inserted as the Debenture Trustee to the Issue in the Draft Shelf Prospectus to be filed with the BSE Limited and National Stock Exchange of India Limited ("Stock Exchanges") and Securities and Exchange Board of India ("SEBI") and the Shelf Prospectus / Tranche Prospectus to be filed with the Registrar of Companies, Chennai, Tamil Nadu ("RoC"), Stock Exchanges and SEBI in respect of the Issue and in all related advertisements and in all the subsequent periodical communications to be sent to the holders of the NCDs issued pursuant to this Issue.

The following details with respect to us may be disclosed:

Name:	Catalyst Trusteeship Limited (Formerly GDA Trusteeship Limited)
Address:	'GDA House', Plot No 85, Bhusari Colony (Right), Kothrud, Pune – 411038
Tel:	022 - 49220543
Fax:	022 - 49220505
Email:	<a href="mailto:ComplianceCTL-Mumbai@ctitrustee.com">ComplianceCTL-Mumbai@ctitrustee.com</a>
Website:	<a href="http://www.catalysttrustee.com">www.catalysttrustee.com</a>
Contact Person:	Umesh Salvi
Investor Grievance e-mail:	<a href="mailto:grievance@ctitrustee.com">grievance@ctitrustee.com</a>
SEBI Registration No:	IND000000034

We confirm that we are registered with the SEBI and that such registration is valid as on date of this letter. We enclose a copy of our registration certificate and declaration regarding our registration with SEBI in the required format, attached herewith and marked as Annexure A. We also certify that we have not been prohibited from SEBI to act as an intermediary in capital market issues. We also authorize you to deliver a copy of this letter of consent to the RoC, pursuant to the provisions of Section 26 of the Companies Act, 2013 and other applicable laws or any other regulatory authority or stock exchanges as required by law.

We also agree to keep strictly confidential, until such time as the proposed transaction is publicly announced by the company in the form of a press release, (i) the nature and scope of this transaction; and (ii) our knowledge of the proposed transaction of the Company.

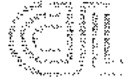


CATALYST TRUSTESHIP LIMITED (Formerly GDA Trusteeship Limited)

An ISO 9001 Company

Mumbai Office Office No. 81 - B2, 3rd Floor, West Wing, Wockhardt Tower, Bandra Kurla Complex, Mumbai 400 051 Tel: +91 (022) 4922 0543 Fax: +91 (022) 4922 0505  
 Regd. Office 'GDA House', Plot No. 85, Bhusari Colony (Right), Kothrud, Pune 411 038 Tel: +91 (020) 25480081 Fax: +91 (020) 25261125  
 Delhi Office Office No. 319, 3rd Floor, Haryana Building, Anand Bhawan, Connaught Place, New Delhi - 110091 Tel: +91 (011) 49220543  
 CIN No. U74999PN1987PLC110262 Email [desk@trustee.com](mailto:desk@trustee.com) Website [www.catalysttrustee.com](http://www.catalysttrustee.com)  
 Mumbai : Kothrud : Bangalore : Delhi : Chennai



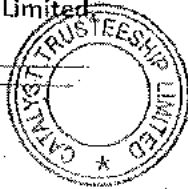


We shall immediately intimate the Company of any alterations in respect of the matters covered in this certificate till the date when the securities of the Company, offered, issued and allotted pursuant to the Issue, are traded on the Indian stock exchanges. In absence of any such communication from us, the above information should be taken as updated information until the listing and trading of the NCDs on the stock exchanges.

Yours faithfully,

For Catalyst Trusteeship Limited

Authorised Signatory





Annexure A

Date: June 20, 2019

To,  
Shriram Transport Finance Company Limited -  
Wockhardt Towers, Level-3, West Wing  
C-2, G-Block, Bandra Kurla Complex  
Bandra (East), Mumbai- 400 051

Dear Sir/ Madam,

Sub: Proposed public issue ("Issue") of secured, redeemable, non-convertible debentures ("NCDs") by Shriram Transport Finance Company Limited ("Company") for an amount not exceeding Rs. 10,000 crores (Rupees Ten Thousand Crores Only)

We hereby confirm that as on date the following details in relation to our registration with the Securities and Exchange Board of India as a Debenture Trustee are true and correct:

S. No.	Particulars	Details
1.	Registration Number	IND000000034
2.	Date of registration/ date of last renewal of registration/ date of application for renewal of registration	July 29, 2016
3.	Date of expiry of registration	Permanent Registration
4.	Details of any communication from SEBI prohibiting from acting as an intermediary	NIL
5.	Details of any pending inquiry/ investigation being conducted by SEBI	NIL
6.	Details of any penalty imposed by SEBI	NIL

We shall immediately intimate the Company of any changes, additions or deletions in respect of the matters covered in this certificate till the date when the securities of the Issuer, offered, issued and allotted pursuant to the Issue, are traded on the Stock Exchange. In the absence of any such communication from us, the above information should be taken as updated information until the listing and trading of the Non-convertible Debentures on the Stock Exchange.

Yours faithfully,

For Catalyst Trusteeship Ltd.

Authorised Signatory





## ANNEXURE E – CASH FLOWS FOR VARIOUS SERIES

### ILLUSTRATION FOR GUIDANCE IN RESPECT OF THE DAY COUNT CONVENTION AND EFFECT OF HOLIDAYS ON PAYMENTS.

**Investors should note that the below examples are solely for illustrative purposes and is not specific to the Issue.**

Set forth below is an illustration for guidance in respect of the day count convention and effect of holidays on payments. For the purpose of this illustration, we have considered effect of holidays on cash flows only for Series III, Series VII and Series X. The effect of holidays on cash flows for the other Series of NCDs shall be similar.

Face value per Bond (In Rs.)	1,000
Deemed Date of Allotment (assumed)	August 22, 2019
Day count convention	Actual / Actual

#### Series III Tranche 1 Issue

<b>Coupon Rate for all categories of Investors (per cent.)</b>	<b>9.31%</b>
<b>Tenor</b>	<b>84 months</b>
<b>Number of NCDs held (assumed)</b>	<b>1</b>
<b>Frequency of Interest payment</b>	<b>Monthly</b>
<b>Redemption Date/Maturity Date</b>	<b>August 22, 2026</b>

Cash Flows	Due Date of Payment	Actual Date of Payment	No. of days for Coupon period	Coupon payment for all categories of Investors (in Rs.)
Initial Amount	1,000			
1st Coupon/Interest Payment Date	October 1, 2019	October 1, 2019	40.00	10.20
2nd Coupon/Interest Payment Date	November 1, 2019	November 1, 2019	31.00	7.91
3rd Coupon/Interest Payment Date	December 1, 2019	December 2, 2019	30.00	7.65
4th Coupon/Interest Payment Date	January 1, 2020	January 1, 2020	31.00	7.89
5th Coupon/Interest Payment Date	February 1, 2020	February 1, 2020	31.00	7.89
6th Coupon/Interest Payment Date	March 1, 2020	March 2, 2020	29.00	7.38
7th Coupon/Interest Payment Date	April 1, 2020	April 1, 2020	31.00	7.89
8th Coupon/Interest Payment Date	May 1, 2020	May 1, 2020	30.00	7.63
9th Coupon/Interest Payment Date	June 1, 2020	June 1, 2020	31.00	7.89
10th Coupon/Interest Payment Date	July 1, 2020	July 1, 2020	30.00	7.63
11th Coupon/Interest Payment Date	August 1, 2020	August 1, 2020	31.00	7.89
12th Coupon/Interest Payment Date	September 1, 2020	September 1, 2020	31.00	7.89
13th Coupon/Interest Payment Date	October 1, 2020	October 1, 2020	30.00	7.63
14th Coupon/Interest Payment Date	November 1, 2020	November 2, 2020	31.00	7.89
15th Coupon/Interest Payment Date	December 1, 2020	December 1, 2020	30.00	7.63
16th Coupon/Interest Payment Date	January 1, 2021	January 1, 2021	31.00	7.91
17th Coupon/Interest Payment Date	February 1, 2021	February 1, 2021	31.00	7.91

18th Coupon/Interest Payment Date	March 1, 2021	March 1, 2021	28.00	7.14
19th Coupon/Interest Payment Date	April 1, 2021	April 1, 2021	31.00	7.91
20th Coupon/Interest Payment Date	May 1, 2021	May 1, 2021	30.00	7.65
21st Coupon/Interest Payment Date	June 1, 2021	June 1, 2021	31.00	7.91
22nd Coupon/Interest Payment Date	July 1, 2021	July 1, 2021	30.00	7.65
23rd Coupon/Interest Payment Date	August 1, 2021	August 2, 2021	31.00	7.91
24th Coupon/Interest Payment Date	September 1, 2021	September 1, 2021	31.00	7.91
25th Coupon/Interest Payment Date	October 1, 2021	October 1, 2021	30.00	7.65
26th Coupon/Interest Payment Date	November 1, 2021	November 1, 2021	31.00	7.91
27th Coupon/Interest Payment Date	December 1, 2021	December 1, 2021	30.00	7.65
28th Coupon/Interest Payment Date	January 1, 2022	January 1, 2022	31.00	7.91
29th Coupon/Interest Payment Date	February 1, 2022	February 1, 2022	31.00	7.91
30th Coupon/Interest Payment Date	March 1, 2022	March 1, 2022	28.00	7.14
31st Coupon/Interest Payment Date	April 1, 2022	April 1, 2022	31.00	7.91
32nd Coupon/Interest Payment Date	May 1, 2022	May 2, 2022	30.00	7.65
33rd Coupon/Interest Payment Date	June 1, 2022	June 1, 2022	31.00	7.91
34th Coupon/Interest Payment Date	July 1, 2022	July 1, 2022	30.00	7.65
35th Coupon/Interest Payment Date	August 1, 2022	August 1, 2022	31.00	7.91
36th Coupon/Interest Payment Date	September 1, 2022	September 1, 2022	31.00	7.91
37th Coupon/Interest Payment Date	October 1, 2022	October 1, 2022	30.00	7.65
38th Coupon/Interest Payment Date	November 1, 2022	November 1, 2022	31.00	7.91
39th Coupon/Interest Payment Date	December 1, 2022	December 1, 2022	30.00	7.65
40th Coupon/Interest Payment Date	January 1, 2023	January 2, 2023	31.00	7.91
41st Coupon/Interest Payment Date	February 1, 2023	February 1, 2023	31.00	7.91
42nd Coupon/Interest Payment Date	March 1, 2023	March 1, 2023	28.00	7.14
43rd Coupon/Interest Payment Date	April 1, 2023	April 1, 2023	31.00	7.91
44th Coupon/Interest Payment Date	May 1, 2023	May 1, 2023	30.00	7.65
45th Coupon/Interest Payment Date	June 1, 2023	June 1, 2023	31.00	7.91
46th Coupon/Interest Payment Date	July 1, 2023	July 1, 2023	30.00	7.65
47th Coupon/Interest Payment Date	August 1, 2023	August 1, 2023	31.00	7.91
48th Coupon/Interest Payment Date	September 1, 2023	September 1, 2023	31.00	7.91
49th Coupon/Interest	October 1, 2023	October 2, 2023	30.00	7.65

Payment Date				
50th Coupon/Interest Payment Date	November 1, 2023	November 1, 2023	31.00	7.91
51st Coupon/Interest Payment Date	December 1, 2023	December 1, 2023	30.00	7.65
52nd Coupon/Interest Payment Date	January 1, 2024	January 1, 2024	31.00	7.89
53rd Coupon/Interest Payment Date	February 1, 2024	February 1, 2024	31.00	7.89
54th Coupon/Interest Payment Date	March 1, 2024	March 1, 2024	29.00	7.38
55th Coupon/Interest Payment Date	April 1, 2024	April 1, 2024	31.00	7.89
56th Coupon/Interest Payment Date	May 1, 2024	May 1, 2024	30.00	7.63
57th Coupon/Interest Payment Date	June 1, 2024	June 1, 2024	31.00	7.89
58th Coupon/Interest Payment Date	July 1, 2024	July 1, 2024	30.00	7.63
59th Coupon/Interest Payment Date	August 1, 2024	August 1, 2024	31.00	7.89
60th Coupon/Interest Payment Date	September 1, 2024	September 2, 2024	31.00	7.89
61st Coupon/Interest Payment Date	October 1, 2024	October 1, 2024	30.00	7.63
62nd Coupon/Interest Payment Date	November 1, 2024	November 1, 2024	31.00	7.89
63rd Coupon/Interest Payment Date	December 1, 2024	December 2, 2024	30.00	7.63
64th Coupon/Interest Payment Date	January 1, 2025	January 1, 2025	31.00	7.91
65th Coupon/Interest Payment Date	February 1, 2025	February 1, 2025	31.00	7.91
66th Coupon/Interest Payment Date	March 1, 2025	March 1, 2025	28.00	7.14
67th Coupon/Interest Payment Date	April 1, 2025	April 1, 2025	31.00	7.91
68th Coupon/Interest Payment Date	May 1, 2025	May 1, 2025	30.00	7.65
69th Coupon/Interest Payment Date	June 1, 2025	June 2, 2025	31.00	7.91
70th Coupon/Interest Payment Date	July 1, 2025	July 1, 2025	30.00	7.65
71st Coupon/Interest Payment Date	August 1, 2025	August 1, 2025	31.00	7.91
72nd Coupon/Interest Payment Date	September 1, 2025	September 1, 2025	31.00	7.91
73rd Coupon/Interest Payment Date	October 1, 2025	October 1, 2025	30.00	7.65
74th Coupon/Interest Payment Date	November 1, 2025	November 1, 2025	31.00	7.91
75th Coupon/Interest Payment Date	December 1, 2025	December 1, 2025	30.00	7.65
76th Coupon/Interest Payment Date	January 1, 2026	January 1, 2026	31.00	7.91
77th Coupon/Interest Payment Date	February 1, 2026	February 2, 2026	31.00	7.91
78th Coupon/Interest Payment Date	March 1, 2026	March 2, 2026	28.00	7.14
79th Coupon/Interest Payment Date	April 1, 2026	April 1, 2026	31.00	7.91
80th Coupon/Interest Payment Date	May 1, 2026	May 1, 2026	30.00	7.65
81st Coupon/Interest Payment Date	June 1, 2026	June 1, 2026	31.00	7.91

82nd Coupon/Interest Payment Date	July 1, 2026	July 1, 2026	30.00	7.65
83rd Coupon/Interest Payment Date	August 1, 2026	August 1, 2026	31.00	7.91
84th Coupon/Interest Payment Date	August 22, 2026	August 22, 2026	21.00	5.36
Redemption of Principal	August 22, 2026	August 22, 2026	0.00	1000.00
<b>Total Cashflows</b>				<b>1651.70</b>

**Series VII Tranche 1 Issue**

<b>Coupon Rate for all categories of Investors (per cent.)</b>	<b>9.70%</b>
<b>Tenor</b>	<b>84 months</b>
<b>Number of NCDs held (assumed)</b>	<b>1</b>
<b>Frequency of Interest payment</b>	<b>Annual</b>
<b>Redemption Date/Maturity Date</b>	<b>August 22, 2026</b>

Cash Flows	Due Date of Payment	Actual Date of Payment	No. of days for Coupon period	Coupon payment for all categories of Investors (in Rs.)
Initial Amount	1,000			
1st Coupon/Interest Payment Date	August 22, 2020	August 22, 2020	366	97.00
2nd Coupon/Interest Payment Date	August 22, 2021	August 23, 2021	365	97.00
3rd Coupon/Interest Payment Date	August 22, 2022	August 22, 2022	365	97.00
4th Coupon/Interest Payment Date	August 22, 2023	August 22, 2023	365	97.00
5th Coupon/Interest Payment Date	August 22, 2024	August 22, 2024	366	97.00
6th Coupon/Interest Payment Date	August 22, 2025	August 22, 2025	365	97.00
7th Coupon/Interest Payment Date	August 22, 2026	August 22, 2026	365	97.00
Redemption of Principal	August 22, 2026	August 22, 2026		1,000.00
<b>Total Cash Flows</b>				<b>1679.00</b>

**Series X Tranche 1 Issue**

<b>Coupon Rate for all categories of Investors (per cent.)</b>	<b>Not Applicable</b>
<b>Tenor</b>	<b>84 months</b>
<b>Number of NCDs held (assumed)</b>	<b>1</b>
<b>Frequency of Interest payment</b>	<b>Not Applicable</b>
<b>Redemption Date/Maturity Date</b>	<b>August 22, 2026</b>

Cash Flows	Due Date of Payment	Actual Date of Payment	No. of days for Coupon period	Coupon payment for all categories of Investors (in Rs.)
Initial Amount	1,000			
Redemption of Principal	August 22, 2026	August 22, 2026	Not Applicable	1912.80
<b>Total Cash Flows</b>				<b>1912.80</b>

Assumptions:

1. The Deemed Date of Allotment is assumed to be August 22, 2019. If the Deemed Date of Allotment undergoes a change, the coupon payment dates, redemption dates, redemption amount and other cash flow working shall be changed accordingly.
2. Interest payable during the Financial Year 2020 and Financial Year 2024, being leap years, have been calculated for 366 days.
3. In the event the interest / redemption amount is a fraction and not an integer, such amount will be rounded off to the nearest integer. By way of illustration, if the redemption amount is Rs. 1297.70, then the amount shall be rounded off

to Rs. 1298. However, this rounding off to nearest integer at the time of payment of interest and/or redemption amount will be done per NCD Holder.

4. For the purpose of illustration, it is assumed that only Sundays are non-Working Days.

Note:

The Coupon/ Interest Payments are rounded-off to nearest rupee as per FIMMDA 'Handbook on market practices'.