

Private &amp; Confidential – Not for Circulation

**SHELF DISCLOSURE DOCUMENT***[As per SEBI (Issue & Listing of Debt Securities)(Amendment) Regulations, 2012]***Shriram Transport Finance Company Limited**

A Public Limited Company Incorporated under the Companies Act, 1956 (Registered as a Non-Banking Financial Company within the meaning of the Reserve Bank of India Act, 1934 (2 of 1934)) and validly existing under the Companies Act, 2013

**Registered Office:** Mookambika Complex, 3<sup>rd</sup> Floor, No. 4, Lady Desika Road, Mylapore, Chennai, Tamil Nadu- 600004 **Tel No:** +91 44 2499 0356 **Fax:** +91 44 2499 3272 **Corporate Office:** 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:** +91 22 4095 9596/97 **Website:** www.stfc.in  
 Contact Person: Mr. Parag Sharma – Chief Financial Officer; E-mail: [parag@stfc.in](mailto:parag@stfc.in)

**DISCLOSURE UNDER SCHEDULE I OF SEBI (ISSUE AND LISTING OF DEBT SECURITIES) (AMENDMENT) REGULATIONS, 2008 (amended upto March, 2015) (“DEBT REGULATIONS”)**

**ISSUE:**

Disclosure Document for Private Placement of Unsecured Redeemable Non-Convertible Subordinated Debt in the Nature of debentures for cash at par aggregating upto Rs. 1035 crores.

**GENERAL RISKS:**

For taking an investment decision, investors must rely on their own examination of the Issue and the Disclosure Document including the risks involved. The Issue has not been recommended or approved by Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this Disclosure Document.

**CREDIT RATING:**

Rating to be referred as per term sheet. 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.

The above rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other rating. The rating obtained is subject to revision at any point of time in the future. The rating agencies have a right to suspend, withdraw the rating at any time on the basis of new information etc.

**ISSUER’S ABSOLUTE RESPONSIBILITY:**

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Disclosure Document contains all information with regard to the Issuer and the Issue, which is material in the context of the Issue, that the information contained in this Disclosure Document 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 document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

**LISTING:**

The Debentures are proposed to be listed on the Wholesale Debt Market (WDM) segment of the BSE Limited (“BSE” or the “Stock Exchange”).

**DEBENTURE TRUSTEE****Catalyst Trusteeship Limited**

Office No. 83 – 87, 8th floor, ‘Mittal Tower’, ‘B’ Wing, Nariman Point, Mumbai – 400021,  
 Tel: +91 22 4922 0555  
 Website: [catalysttrustee.com](http://catalysttrustee.com)

**REGISTRAR TO THE ISSUE****Integrated Registry Management Services PVT LTD.**

2nd Floor, "Kences Towers"  
 No. 1 Ramakrishna Street,  
 North Usman Road  
 T Nagar, Chennai - 600 017  
 Phone: 044-28140801 to 28140803  
 Fax : 044-28142479  
 Email: [stfcipo@integratedindia.in](mailto:stfcipo@integratedindia.in)

This schedule prepared in conformity with SEBI (Issue & Listing of Debt Securities) (Amendment) Regulations, 2015 issued vide circular no. LAD-NRO/GN/2014-15/25/539 dated March 24, 2015(referred in this document “SEBI guidelines”) for private placement and is neither a prospectus nor a statement in lieu of prospectus and does not constitute an offer to the public generally to subscribe for or otherwise acquire the debentures to be issued by the Issue.

**DEFINITIONS AND ABBREVIATIONS**

The Company / Issuer / We / Our Company/ Us	Shriram Transport Finance Company Limited having its Registered Office at Mookambika Complex, No. 4, Lady Desika Road, Mylapore, Chennai – 600 004, Tamil Nadu, India.
Application Form	The form in which an investor can apply for subscription to the Debentures
Allotment Intimation	An advice informing the allottee of the number of Letter(s) of Allotment/ Debenture(s) allotted to him in Electronic (Dematerialised) Form
Allot/Allotment/Allotted	Unless the context otherwise requires or implies, the allotment of the Debentures pursuant to the Issue
Articles	Articles of Association of the Company
Board	Board of Directors of the Company or a Committee thereof
Credit Rating Agency (s)	Credit Analysis and Research Limited/ India Ratings and Research Private Limited/ CRISIL Limited or any other Rating Agency, appointed from time to time
Coupon Payment Date	Date of payment of interest on the Debentures
Date of Allotment	The date on which Allotment for the Issue is made, which shall be deemed to take place on the same day as the Pay-in Date.
Debentures/ NCDs/Bonds	Unsecured Redeemable Non-Convertible Subordinated Debt in the nature of Debentures of face value of Rs.10 Lakhs each aggregating to Rs. 1035 crores to be issued by Shriram Transport Finance Company Limited.
Debenture Holder	The investors who are Allotted Debentures
Debenture Trustee	Trustee for the Debenture holders, in this case being in this case being Catalyst Trusteeship Limited
Depository/ies	National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL)
DP	Depository Participant
FEMA Regulations	The Regulations framed by the RBI under the provisions of the Foreign Exchange Management Act, 1999, as amended from time to time
FII	Foreign Institutional Investor (as defined under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995) registered with SEBI
I.T. Act	The Income-tax Act, 1961 as amended from time to time
Disclosure Document	Disclosure Document dated 28 <sup>th</sup> March 2018 for Private Placement of Unsecured Redeemable Non-Convertible Subordinated Debt in the nature of Debentures of face value of Rs.10,00,000/- each for cash aggregating to Rs. 1035 Crores to be issued by Shriram Transport Finance Company Limited.
Issue	Issue of Rated, Unsecured, Redeemable, Taxable Non-Convertible Subordinated Debt in the nature of Debentures on a Private Placement basis
ISIN	International Securities Identification Number
Memorandum / MoA	Memorandum of Association of the Company
Material Adverse Effect	means a material adverse effect on or a material adverse change (in the judgement of Debenture Trustee acting on the instructions of Majority Debenture Holders) in (a) the business, operations, property, assets, condition (financial or otherwise) or prospects of the Issuer ; (b) the ability of the Issuer /Company to enter into and to perform its obligations under this Agreement or any other related document to which the Issuer /Company is or will be a party; or (c) the validity or enforceability of the Debenture Documents or any other related document or the rights or remedies of Debenture Holders thereunder; which in the opinion of Debenture Trustee (acting on the instructions of Majority Debenture Holders )could adversely affect the Debentures.
NBFC	Non-Banking Finance Company
NRI	A person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the FEMA Regulations.
Registrar/Registrar to the Issue	Registrar to the Issue, in this case being
ROC	The Registrar of Companies, Tamil Nadu

RTGS	Real Time Gross Settlement, an electronic funds transfer facility provided by RBI
RBI	The Reserve Bank of India
SEBI	Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992 (as amended from time to time).
SEBI Regulations/ Guidelines	The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (as amended from time to time), issued by SEBI.
Stock Exchange	BSE Limited (BSE)/National Stock Exchange of India Limited (NSE)
The Act	The Companies Act, 2013 or The Companies Act, 1956, as may be applicable

## Contents

<b>A. ISSUER INFORMATION.....</b>	<b>6</b>
<i>a. Name And Address Of The Following:.....</i>	<i>6</i>
<i>b. Brief Summary Of The Business / Activities Of The Issuer And Its Line Of Business.....</i>	<i>7</i>
<i>c. History, Main Objects and Key Agreements .....</i>	<i>23</i>
<i>d. A Brief History Of The Company Since Its Incorporation Giving Details Of Its Following Activities:.....</i>	<i>31</i>
<i>e. Details Of Shareholding Of The Company As On Latest Quarter End:.....</i>	<i>35</i>
<i>f. Following Details Regarding The Directors Of The Company: .....</i>	<i>38</i>
<i>g. Following Details Regarding The Auditors Of The Company:.....</i>	<i>42</i>
<i>h. Details Of Borrowing Of The Company as On The Latest Quarter Ended:.....</i>	<i>42</i>
<i>i. Details Of Promoters Of The Company:.....</i>	<i>62</i>
<i>j. Abridged Version Of Audited Consolidated (Wherever Available) And Standalone Financial Information ( Like Profit &amp; Loss Statement, Balance Sheet And Cash Flow Statement) For At Least Last Three Years And Auditor Qualifications , If Any. ....</i>	<i>63</i>
<i>k. Abridged Version Of Latest Audited / Limited Review Half Yearly Consolidated (Wherever Available) And Standalone Financial Information (Like Profit &amp; Loss Statement, And Balance Sheet) And Auditors' Qualifications, If Any. ....</i>	<i>68</i>
<i>l. Any Material Event/ Development Or Change Having Implications On The Financials/Credit Quality (E.G. Any Material Regulatory Proceedings Against The Issuer/Promoters, Tax Litigations Resulting In Material Liabilities, Corporate Restructuring Event Etc) At The Time Of Issue Which May Affect The Issue Or The Investor's Decision To Invest / Continue To Invest In The Debt Securities.....</i>	<i>70</i>
<i>m. Name Of Debenture Trustee.....</i>	<i>89</i>
<i>n. Rating Rationale And Credit Rating Letter Adopted By Rating Agencies.....</i>	<i>89</i>
<i>o. Details/Copy Of Guarantee Letter Or Letter Of Comfort Or Any Other Document / Letter With Similar Intent, If Any .....</i>	<i>90</i>
<i>p. Consent Letter From The Trustee.....</i>	<i>90</i>
<i>q. Names Of All The Recognized Stock Exchanges Where The Debt Securities Are Proposed To Be Listed.....</i>	<i>90</i>
<i>r. Other Details .....</i>	<i>90</i>
<b>B. ISSUE DETAILS: .....</b>	<b>98</b>
<b>Declaration .....</b>	<b>102</b>
<b>C. ANNEXURE – I – CREDIT RATING LETTER FROM CRISIL .....</b>	<b>103</b>
<b>D. ANNEXURE – II – TRUSTEE CONSENT LETTER.....</b>	<b>107</b>

## DISCLAIMER

### GENERAL DISCLAIMER

This document is neither a “Prospectus” nor a “Statement in Lieu of Prospectus” but a “Shelf Disclosure Document” prepared in accordance with Securities and Exchange Board of India (Issue & Listing of Debt Securities) (Amendment) Regulations, 2012 issued vide circular no. LAD-NRO/GN/2012-13/19/5392 dated October 12, 2012 and Section 42 and rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014. This document does not constitute an offer to the public generally to subscribe for or otherwise acquire the Debentures to be issued by Shriram Transport Finance Company Limited.

The Disclosure Document is for the exclusive use to whom it is delivered and it should not be circulated or distributed to third party/ (ies). The Issuer certifies that the disclosures made in this Disclosure Document are generally adequate and are in conformity with the SEBI Regulations. The Company shall comply with applicable provisions of RBI circular no. DNBR (PD) CC No. 021/03.10.001/2014-15 dated February 20, 2015 and clarifications thereto issued by the Reserve Bank of India in issue of Debentures under this Shelf Disclosure Document. This requirement is to facilitate investors to take an informed decision for making investment in the proposed Issue.

Apart from the Shelf Disclosure Document, no offer document or prospectus has been prepared in connection with this Issue and no prospectus in relation to the Issuer or the Debentures relating to this offer has been delivered for registration nor is such a document required to be registered under the applicable laws.

This Shelf Disclosure Document is issued by the Company and has been prepared by the Company to provide general information on the Company to potential investors to whom it is addressed and who are eligible and willing to subscribe to the Debentures and does not purport to contain all the information a potential investor may require. Where this Shelf Disclosure Document summarizes the provisions of any other document, that summary should not be solely relied upon and the relevant document should be referred to for the full effect of the provisions. Neither this Shelf Disclosure Document, nor any other information supplied in connection with the Debentures is intended to provide the basis of any credit or other evaluation. Any recipient of this Shelf Disclosure Document should not consider such receipt a recommendation to purchase the Debentures. Each potential investor contemplating the purchase of any Debentures should make its own independent investigation of the financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness of the Issuer. Potential investors should consult their own legal, regulatory, tax, financial, accounting, and/or other professional advisors as to the risks and investment considerations arising from an investment in the Debentures and should possess the appropriate resources to analyze such investment and the suitability of such investment to such potential investor's particular circumstances.

This Shelf Disclosure Document shall not be considered as a recommendation to purchase the Debentures and recipients are urged to determine, investigate and evaluate for themselves, the authenticity, origin, validity, accuracy, completeness, adequacy or otherwise the relevance of information contained in this Disclosure Document. The recipients are required to make their own independent valuation and judgment of the Company and the Debentures. It is the responsibility of potential investors to ensure that if they sell/ transfer these Debentures, they shall do so in strict accordance with this Shelf Disclosure Document and other applicable laws, so that the sale does not constitute an offer to the public, within the meaning of The Act. The potential investors should also consult their own tax advisors on the tax implications relating to acquisition, ownership, sale or redemption of the Debentures and in respect of income arising thereon. Investors are also required to make their own assessment regarding their eligibility for making investment(s) in the Debentures. The Company or any of its directors, employees, advisors, affiliates; subsidiaries or representatives do not accept any responsibility and/ or liability for any loss or damage however arising and of whatever nature and extent in connection with the said information.

### DISCLAIMER OF THE RESERVE BANK OF INDIA

The Securities have not been recommended or approved by the RBI nor does RBI guarantee the accuracy or adequacy of this Disclosure Document. It is to be distinctly understood that this Disclosure Document should not, in any way, be deemed or construed that the securities have been recommended for investment by the RBI. RBI does not take any responsibility either for the financial soundness of the Issuer Company, or the securities being issued by the Issuer Company or for the correctness of the statements made or opinions expressed in this Disclosure Document. Potential investors may make investment decision in the securities offered in terms of this Disclosure Document solely on the basis of their own analysis and RBI does not accept any responsibility about servicing/ repayment of such investment.

### DISCLAIMER OF THE SECURITIES & EXCHANGE BOARD OF INDIA

This Shelf Disclosure Document has not been filed with SEBI. The Debentures have not been recommended or approved by SEBI nor does SEBI guarantee the accuracy or adequacy of this Disclosure Document. It is to be distinctly understood that this Disclosure Document should not, in any way, be deemed or construed that the same has been cleared or vetted 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 this Disclosure Document. The issue of Debentures being made on private placement basis, filing of this Disclosure Document is not required with SEBI; however SEBI reserves the right to take up at any point of time, with the Issuer Company, any irregularities or lapses in this Disclosure Document.

## A. ISSUER INFORMATION

### a. *Name and Address of the following:*

Sr.No.	Particulars	Details		
1.	Date of Incorporation	June 30, 1979. Our Company was incorporated as a public limited company under the provisions of the Companies Act, 1956.		
2.	Registered Office	Mookambika Complex, No. 4, Lady Desika Road, Mylapore, Chennai – 600004		
3.	Corporate Office	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: +91-22-4095 9597/96 Website: <a href="http://www.stfc.in">www.stfc.in</a>		
4.	Registration	Corporate Identification Number: L65191TN1979PLC007874 issued by the Registrar of Companies, Tamil Nadu. The 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)		
5.	Compliance Officer	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: +91 22 4095 9596/97 Email id: <a href="mailto:vivekmadhukar.a@stfc.in">vivekmadhukar.a@stfc.in</a>		
6.	Chief Finance Officer (CFO)	Mr. Parag Sharma 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: <a href="mailto:parag@stfc.in">parag@stfc.in</a>		
7.	Arranger, if any	-		
8.	Trustee to the Issue	Catalyst Trusteeship Limited Office No. 83 – 87, 8th floor , ‘Mittal Tower’, ‘B’ Wing, Nariman Point, Mumbai – 400021, India Tel: +91 22 4922 0555 Website: <a href="http://www.catalysttrustee.com">www.catalysttrustee.com</a>		
9.	Registrar to the Issue	Integrated Registry Management Services PVT LTD. 2nd Floor, "Kences Towers" No. 1 Ramakrishna Street, North Usman Road, T Nagar, Chennai - 600 017 Phone: 044-28140801 to 28140803 Fax : 044-28142479 Email: <a href="mailto:anusha@integratedindia.in">anusha@integratedindia.in</a>		
10.	Credit Rating Agency (s) of the Issue	<table><tr><td>CRISIL Limited CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai- 400 076 Tel: +91 22 3342 3000, Fax: +91 22 4040 5800 Website : <a href="http://www.crisil.com">www.crisil.com</a></td><td>India Ratings &amp; Research Private Limited Wockhardt Tower, Level 4, West Wing, BKC,Bandra (East) , Mumbai- 400 051 Tel: +91 22 4000 1700, Fax: +91 22 4000 1701 Website :<a href="http://www.indiaratings.co.in">www.indiaratings.co.in</a></td></tr></table>	CRISIL Limited CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai- 400 076 Tel: +91 22 3342 3000, Fax: +91 22 4040 5800 Website : <a href="http://www.crisil.com">www.crisil.com</a>	India Ratings & Research Private Limited Wockhardt Tower, Level 4, West Wing, BKC,Bandra (East) , Mumbai- 400 051 Tel: +91 22 4000 1700, Fax: +91 22 4000 1701 Website : <a href="http://www.indiaratings.co.in">www.indiaratings.co.in</a>
CRISIL Limited CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai- 400 076 Tel: +91 22 3342 3000, Fax: +91 22 4040 5800 Website : <a href="http://www.crisil.com">www.crisil.com</a>	India Ratings & Research Private Limited Wockhardt Tower, Level 4, West Wing, BKC,Bandra (East) , Mumbai- 400 051 Tel: +91 22 4000 1700, Fax: +91 22 4000 1701 Website : <a href="http://www.indiaratings.co.in">www.indiaratings.co.in</a>			
11.	Auditor(s) of the Issuer	<table><tr><td>M/s. Haribhakti &amp; Co.LLP Chartered Accountants 701 Leela Business Park, Andheri –Kurla Road, Andheri ( East) –Mum -400 059 Email- <a href="mailto:rakesh.rathi@haribhakti.co.in">rakesh.rathi@haribhakti.co.in</a> Tel: +91 22 66729999, Fax: +91 22 66729777</td><td>M/s. Pijush Gupta &amp; Co. Chartered Accountants P 199, CIT Road, Scheme IV-M, Kolkata, West Bengal – 700010 Email: <a href="mailto:pijush@pijushgupta.com">pijush@pijushgupta.com</a> Tel: +91 033- 23536859</td></tr></table>	M/s. Haribhakti & Co.LLP Chartered Accountants 701 Leela Business Park, Andheri –Kurla Road, Andheri ( East) –Mum -400 059 Email- <a href="mailto:rakesh.rathi@haribhakti.co.in">rakesh.rathi@haribhakti.co.in</a> Tel: +91 22 66729999, Fax: +91 22 66729777	M/s. Pijush Gupta & Co. Chartered Accountants P 199, CIT Road, Scheme IV-M, Kolkata, West Bengal – 700010 Email: <a href="mailto:pijush@pijushgupta.com">pijush@pijushgupta.com</a> Tel: +91 033- 23536859
M/s. Haribhakti & Co.LLP Chartered Accountants 701 Leela Business Park, Andheri –Kurla Road, Andheri ( East) –Mum -400 059 Email- <a href="mailto:rakesh.rathi@haribhakti.co.in">rakesh.rathi@haribhakti.co.in</a> Tel: +91 22 66729999, Fax: +91 22 66729777	M/s. Pijush Gupta & Co. Chartered Accountants P 199, CIT Road, Scheme IV-M, Kolkata, West Bengal – 700010 Email: <a href="mailto:pijush@pijushgupta.com">pijush@pijushgupta.com</a> Tel: +91 033- 23536859			

As per the Resolution passed by the Banking and Finance Committee on March 26, 2018, the following officials are authorized to sign the Shelf Disclosure Document and the Addendums, if any:

Sr. No.	Name	Designation
1	Mr. Umesh Revankar	Managing Director & CEO
2	Mr. Parag Sharma	Executive Director & CFO



## Brief summary of the business / activities of the Issuer and its line of business

### i. Overview

We believe that we are one of the largest asset financing non-banking finance companies (NBFC) in the organised sector in India that cater to first time users (FTU) and small road transport operators (SRTOs) for financing pre-owned commercial vehicles. In addition, we provide commercial vehicle finance for new commercial vehicles. We are among the leading NBFCs in the organised sector for the commercial vehicle industry in India for FTUs and SRTOs. We also provide financing for passenger commercial vehicles, multi-utility vehicles, three wheelers and tractors as well as ancillary equipment and vehicle parts finance, such as loans for tyres and engine replacements, and provide working capital facility for FTUs and SRTOs. We offer financial services to commercial vehicle operators, thereby providing comprehensive financing solutions to the road logistics industry in India.

Our Company was established in 1979 and we have a long track record of over three decades in the commercial vehicle financing industry in India. The Company has been registered as a deposit-taking NBFC with the Reserve Bank of India (RBI) since 4 September 2000 under Section 45IA of the Reserve Bank of India Act, 1934. We are a part of the Shriram group of companies, which has a strong presence in financial services in India, including commercial vehicle financing, consumer finance, life and general insurance, stock broking, chit funds and distribution of financial products, such as life and general insurance products and mutual fund products. Notably, our Company registered with Insurance Regulatory and Development Authority of India as a corporate agent to deal in general insurance and life insurance in 2013.

Our widespread network of branches across India has been a key driver of our growth over the years. As of 31 December 2017, we had 1,121 branches across India, including most of the major commercial vehicle hubs along various road transportation routes in India. We have also established our presence in 930 rural centres as of 31 December 2017, with a view towards increasing our market share in the pre-owned commercial vehicle market and reaching out to a relatively newer customer segment in rural areas. We have also strategically expanded our marketing network and operations by entering into partnership and co-financing arrangements with private financiers in the unorganised sector involved in commercial vehicle financing. As of 31 December 2017, the total number of our employees was 22,967.

We have demonstrated consistent growth in our business and in our profitability. Our Assets Under Management has grown from ₹ 7,340,661.70 lacs (comprising assets under management in the books of our Company of ₹ 6,254,033.30 lacs and loan assets securitised and assigned of ₹ 1,086,628.40 lacs) as of 31 March 2016 on an unconsolidated basis to ₹ 7,948,959.40 lacs (comprising assets under management in the books of our Company of ₹ 6,619,485.20 lacs and loan assets securitised and assigned of ₹ 1,329,474.20 lacs) as of 31 March 2017 on an unconsolidated basis. Our Assets Under Management as of 31 December 2017 was ₹ 9,082,505.10 lacs (comprising assets under management in the books of our Company of ₹ 7,569,142.90 lacs and loan assets securitised and assigned of ₹ 1,513,362.20 lacs). Our capital adequacy ratio as of 31 December 2017 and 31 March 2017 computed on the basis of applicable RBI requirements was 16.15 per cent. and 16.94 per cent., respectively, on an unconsolidated basis, compared to the RBI stipulated minimum requirement of 15.00 per cent. Our Tier I capital as of 31 December 2017 and 31 March 2017 was ₹ 1,104,998.00 lacs and ₹ 1,006,142.40 lacs, respectively, on an unconsolidated basis. Our Gross NPAs as a percentage of Total Loan Assets was 7.99 per cent. and 8.17 per cent. as of 31 December 2017 and 31 March 2017, respectively. Our Net NPAs as a percentage of Net Loan Assets was 2.45 per cent. and 2.66 per cent. as of 31 December 2017 and 31 March 2017, respectively, on an unconsolidated basis.

Our total income on an unconsolidated basis increased from ₹ 1,024,526.10 lacs in fiscal 2016 to ₹ 1,083,061.20 lacs in fiscal 2017. Our total income on an unconsolidated basis for the nine months ending 31 December 2017 is ₹ 896,778.50 lacs. Our net profit after tax increased from ₹ 117,819.70 lacs in fiscal 2016 to ₹ 125,734.20 lacs in fiscal 2017. Our net profit after tax for the nine months ending 31 December 2017 is ₹ 142,341.60 lacs. A summary of our key operational and financial parameters for the last three completed fiscal years, as specified below, are as follows: –

(₹ In lacs)

Particulars	As at and for the financial year ended March 31, 2017	As at and for the financial year ended March 31, 2016	As at and for the financial year ended March 31, 2015
Net worth*	1,129,216.35	1,013,177.81	920,106.99
Total Debt			
of which	3,370,018.31	3,026,967.38	3,157,076.48
- Non-Current Maturities of Long			

Term Borrowing			
- Short Term Borrowing	498,313.75	333,035.34	266,140.59
- Current Maturities of Long Term Borrowing	1,442,677.77	1,619,067.68	1,004,401.00
Net Fixed Assets	8,377.61	10,106.30	10,072.37
Non-Current Assets	4,932,721.68	4,468,500.10	3,238,745.02
Cash and Cash Equivalents	444,068.53	236,385.69	472,339.89
Current Investments	5220.97	10,399.52	221,292.13
Current Assets	2,508,308.93	2,327,830.08	2,693,970.18
Current Liabilities	2,420,309.94	2,353,329.04	1,596,057.59
Assets Under Management	7,948,959.34	7,340,661.71	5,962,728.53
Off Balance Sheet Assets	1,329,474.16	1,086,628.40	983,000.35
Interest Income	1,074,875.50	1,010,956.51	821,681.33
Interest Expense	504,863.47	494,307.63	420,874.76
Provisioning & Write-offs	244,432.05	210,679.48	128,915.27
PAT	125,734.25	117,819.76	123,780.98

\*Net worth= Share capital + Reserves & Surplus – Miscellaneous Expenditure (to the extent not written off or adjusted)

The following table sets forth, as of the dates indicated, data regarding our NPAs and Capital Adequacy Ratios on an unconsolidated basis:

Particulars	As at and for the financial year ended March 31, 2017	As at and for the financial year ended March 31, 2016	As at and for the financial year ended March 31, 2015
Gross NPA (₹ in lacs)	540,843.57	387,023.84	189,413.90
Net NPA (₹ in lacs)	165,899.14	114,369.70	37,912.06
Total Loan Assets (₹ in lacs)	6,619,485.18	6,254,033.31	4,979,728.18
Net Loan Assets(1) (₹ in lacs)	6,244,540.75	5,981,379.17	4,828,226.34
% of Gross NPA to Total Loan Assets	8.17%	6.19%	3.80%
% of Net NPA to Net Loan Assets	2.66%	1.91%	0.79%
Tier I Capital Adequacy Ratio (%)	15.20%	14.71%	16.40%
Tier II Capital Adequacy Ratio (%)	1.74%	2.85%	4.12%

## RECENT DEVELOPMENTS

On 24 January 2018, our Company, Shriram Automall India Limited (SAMIL) and MXC Solutions India Private Limited (MXC) (the Parties) entered into definitive agreements including a share purchase agreement (the SPA). Pursuant to the terms and conditions of the SPA, our Company had on 7 February 2018 transferred 16,630,435 equity shares of face value of INR 10 each fully paid-up held by our Company in SAMIL to MXC for an aggregate consideration of INR 1,563.76 million. Following the completion of the sale of the majority stake of our Company in SAMIL to MXC, SAMIL ceased to be our wholly-owned subsidiary and is now an associate of our Company.

## OUR STRENGTHS

We believe that the following are our key strengths:

### *One of the largest asset financing NBFCs in India*

We believe that we are one of the largest NBFCs in the organised sector in India that cater to FTUs and SRTOs for financing pre-owned commercial vehicles. Our widespread network of 1,121 branches across India and presence in 930 rural centres as of 31 December 2017 enables us to access a large base of approximately 1.71 million customers, including most major and minor commercial vehicle hubs along various road transportation routes in India. We believe that our widespread branch network enables us to service and support our existing customers from proximate locations that provide customers with easy access to our services. We also have strategically expanded our marketing and customer origination network by entering into partnership and co-financing arrangements with



private financiers involved in commercial vehicle financing. We believe our relationship with these partners is a critical factor in sourcing new customers and enhancing reach and market share with a low upfront capital cost. We believe that the relationships we have developed with our customers provide us with opportunities for repeat business and to cross sell our other products as well as derive benefit from customer referrals.

Our Assets Under Management on an unconsolidated basis as of 31 December 2017 and 31 March 2017 was ₹ 9,082,505.10 lacs (comprising assets under management in the books of our Company of ₹ 7,569,142.90 lacs and loan assets securitised and assigned of ₹ 1,513,362.20 lacs) and ₹ 7,948,959.40 lacs (comprising assets under management in the books of our Company of ₹ 6,619,485.20 lacs and loan assets securitised and assigned of ₹ 1,329,474.20 lacs), respectively. As of 31 December 2017, our share capital was ₹ 22,690.70 lacs and reserves and surplus was ₹ 1,220,080.30 lacs on an unconsolidated basis. Our capital adequacy ratio as of 31 December 2017 and 31 March 2017 computed on the basis of applicable RBI requirements was 16.15 per cent. and 16.94 per cent., respectively, on an unconsolidated basis, compared to the RBI stipulated minimum requirement of 15.00 per cent. Our Tier I capital as of 31 December 2017 and 31 March 2017 was ₹ 1,104,998.00 lacs and ₹ 1,006,142.40 lacs, respectively, on an unconsolidated basis.

### *Access to a range of cost effective funding sources*

We fund our capital requirements through a variety of sources. As of 31 December 2017, 83.85 per cent. of our borrowed funds consisted of funds raised from financial institutions and banks (including public issues of non-convertible debentures), while the remaining 16.15 per cent. consisted of funds raised through retail borrowings on an unconsolidated basis. We meet our funding requirements predominantly through term loans from banks (including cash credit), the issue of redeemable non-convertible debentures and fixed deposits, which constituted 33.68 per cent., 38.06 per cent. and 14.13 per cent. of our total borrowings, respectively, as of 31 December 2017 on an unconsolidated basis. We access funds from a number of credit providers, including 56 banks and institutions comprising nationalised banks, private Indian banks and foreign banks, and we believe our track record of debt servicing has allowed us to establish and maintain strong relationships with these financial institutions, some of which we have worked with for more than ten years. As a deposit-taking NBFC, we are also able to mobilise fixed deposits. We have raised secured and unsecured non-convertible debentures at competitive rates. We have also raised subordinated loans eligible for Tier II capital. We undertake securitisation and assignment transactions as a cost-effective source of funds.

In relation to our long-term debt instruments, we currently have long term ratings of 'CARE AA+/Stable' from Credit Analysis and Research Ltd. (CARE), 'IND AA+/Stable Outlook' from India Ratings and Research and 'CRISIL AA+/Stable' from CRISIL Limited (CRISIL). In relation to our short-term debt instruments, we have also received short-term ratings of "CRISIL A1+" from CRISIL, "IND A1+" from India Ratings & Research Private Limited, "CARE A1+" from CARE Ratings Ltd.

We believe that we have been able to achieve a relatively stable cost of funds despite the difficult conditions in the global and Indian economy and the resultant reduced liquidity and an increase in interest rates, primarily due to our improved credit ratings, effective treasury management and innovative fund raising programs. We believe we are able to borrow from a range of sources at competitive rates.

The RBI currently mandates commercial banks operating in India to maintain an aggregate of 40.00 per cent. of adjusted net bank credit or credit equivalent amount of off-balance sheet exposure, whichever is higher as "priority sector advances". These include advances to agriculture, micro and small enterprises (including SRTOs, which constitute the largest proportion of our loan portfolio), micro enterprises within the micro and small enterprises sector, export credit, advances to weaker sections where the Government seeks to encourage flow of credit for developmental reasons. Banks in India that have traditionally been constrained or unable to meet these requirements organically have relied on specialised institutions such as us that are better positioned to or exclusively focus on originating such assets through purchase of assets or securitised and assigned pools to comply with these targets. We believe our securitised and assigned asset pools are particularly attractive to these banks as such transactions provide them with an avenue to increase their asset base through low-cost investments and limited risk. We believe that we can negotiate competitive interest rates with banks, NBFCs and other lenders since the majority of our loan portfolio is classified as priority sector lending. During the nine months ended 31 December 2017, the total book value of loan assets securitised and assigned on an unconsolidated basis was ₹ 905,629.80 lacs. In fiscals 2016 and 2017, the total book value of loan assets securitised and assigned on an unconsolidated basis was ₹ 899,175.20 lacs and ₹ 1,121,430.10 lacs, respectively.

***Unique business model with a strong brand name and a track record of strong financial performance***

We believe that FTUs and SRTOs are not a focus segment for commercial banks in India as these customers lack substantial credit histories and other financial documentation on which many banks rely to identify and target new customers. As the market for commercial vehicle financing, especially pre-owned commercial vehicle financing, is fragmented, we believe our credit evaluation techniques, relationship-based approach, extensive branch network and strong valuation skills make our business model unique and sustainable as compared to other financiers. In addition, we believe that our business model is easily scalable at local levels throughout India, since we can recruit staff from India's abundant labour markets. We have an established track record of developing and training recruits on our internally developed valuation techniques, substantial customer knowledge and relationship culture we have developed over the past three decades. We believe this is a key strength that is difficult to replicate and constitutes a high barrier to entry which enables us to provide finance to pre-owned commercial vehicle operators at favourable interest rates and repayment terms as compared to private financiers in the unorganised sector.

Our targeted focus on the otherwise fragmented nature of this market segment, our widespread branch network, particularly in commercial vehicle hubs across India, as well as our large customer base has enabled us to build a strong brand. We believe that our efficient credit approval procedures, credit delivery process and relationship-based loan administration and monitoring methodology have also aided in increasing customer loyalty and earning repeat business and customer referrals. As a result, we received the "India No. 1 Brand Award" for the best vehicle finance company category from the Indian Brand Convention in 2015, and accordingly we believe that our "Shriram" brand is synonymous with pre-owned commercial vehicle financing in the Indian mass market.

***Extensive experience and expertise in credit appraisal and collection processes***

We believe that we have developed a unique business model that addresses the needs of a specific market segment with increasing demand. We focus on closely monitoring our assets and borrowers through relationship executives who develop long-term relationships with FTUs and SRTOs, which enable us to capitalise on local knowledge. We follow stringent credit policies, including limits on customer exposure, to ensure the asset quality of our loans and the security provided for such loans. Further, we have nurtured a culture of accountability by making our relationship executives responsible for loan administration and monitoring as well as recovery of the loans they originate.

Extensive expertise in asset valuation is a pre-requisite for any NBFC providing loans for pre-owned assets. Over the years, we have developed expertise in valuing pre-owned vehicles, which enables us to accurately determine a recoverable loan amount for commercial vehicle purchases. We believe a tested valuation technique for these assets is a crucial entry barrier for others seeking to enter our market segment. Furthermore, our entire recovery and collection operation is administered in-house and we do not outsource loan recovery and collection operations. We believe that our loan recovery procedure is particularly well suited to our target market in the commercial vehicle financing industry, as reflected by our high loan recovery ratios compared to others in the financial services industry, and we believe that this knowledge and relationship-based recovery procedure is difficult to replicate in the short to medium term.

Our Gross NPAs as a percentage of Total Loan Assets was 7.99 per cent. and 8.17 per cent. as of 31 December 2017 and 31 March 2017, respectively. Our Net NPAs as a percentage of Net Loan Assets was 2.45 per cent. and 2.66 per cent. as of 31 December 2017 and 31 March 2017, respectively, on an unconsolidated basis.

***Positive long-term industry prospects***

We believe the market we serve enjoys positive long-term prospects as a result of favourable macro and microeconomic factors, including the favourable inflation and interest rate environment in India, further liberalisation initiatives and the opening of the economy by the Government, leading to increased business for our customers, which would in turn lead to a higher demand for the vehicles we finance.

The overall Commercial Vehicles segment grew by 15.19 percent in April-December 2017 as compared to the same period last year. Medium & Heavy Commercial Vehicles (M&HCVs) increased by 9.27 percent and Light Commercial Vehicles grew by 19.29 percent in April-December 2017 over the same period last year. We expect this growth which was due primarily to growth in the commercial vehicle industry, as well as the corresponding growth in commercial vehicle financing will continue following further modernisation of India's trucking industry, a structural shift to a hub-and-spoke model for trucking services, an improvement of road infrastructure and growing freight capacity.

Currently, India has the second largest road network in the world, totalling approximately 5.4 million kilometres according to the National Highways Authority of India. This road network transports more than 60 per cent. of all goods in the country and 85 per cent. of India's total passenger traffic. Road transportation has gradually increased over the years with the improvement in connectivity between cities, towns and villages in the country. The Indian roads carry almost 90 per cent. of the country's passenger traffic and around 65 per cent. of its freight. In India, sales of automobiles and movement of freight by roads are growing at a rapid rate.

The Indian Government is currently considering proposals, taking into account the views of the National Green Tribunal (NGT), to ban commercial vehicles older than ten years to reduce pollution. If these proposals are enacted by the Indian Government, this may result in a change in the Asset Under Management (AUM) portfolio of our Company and the percentage of loans financed for the purchase of new vehicles may gradually increase.

### ***Experienced senior management team***

As of the date of this Offering Circular, our board of directors (the **Board**) consists of nine directors with extensive experience in the automotive and/or financial services sectors. Our Company offers robust internal training programmes and has availed itself to an organically developed pool of talented members. Our senior and middle management personnel have significant experience and in-depth industry knowledge and expertise. Certain members of our senior management team have more than 15 years of experience with our Company. Our management promotes a result-oriented culture that rewards our employees on the basis of merit. In order to strengthen our credit appraisal and risk management systems, and to develop and implement our credit policies, we have hired a number of senior managers who have extensive experience in and knowledge of the Indian banking and financial services sector and in specialised lending finance firms providing loans to retail customers. We believe that the in-depth industry knowledge and loyalty of our management and professionals provide us with a distinct competitive advantage.

### **Our Strategies**

Our key strategic priorities are as follows:

#### ***Further expand operations by growing our branch network, penetration into rural centres and increasing partnership and co-financing arrangements with private financiers***

We intend to continue to strategically expand our operations in target markets that are large commercial vehicle hubs by establishing additional branches. Our marketing and customer origination and servicing efforts strategically focus on building long-term relationships with our customers and address specific issues and local business requirements of potential customers in a particular region. We also intend to increase our operations in certain regions in India where we historically had relatively limited operations, such as in eastern and northern parts of India, and to further consolidate our position and operations in western and southern parts of India. We have also adopted a strategy of establishing our presence in rural centres with a view towards increasing our presence in the pre-owned commercial vehicle market and reaching out to a relatively newer customer segment in rural areas. We have had a presence in 930 rural centres as of 31 December 2017 and propose to continue to increase our presence in such rural centres across India. We also provide loans for new commercial vehicles, in addition to our policy of providing finance for vehicles which are between five to 12 years old with a view of expanding our reach and diversifying our portfolio.

The pre-owned commercial vehicle financing industry in India is dominated by private financiers in the unorganised sector. We intend to continue to strategically expand our marketing and customer origination network by entering into partnership and co-financing arrangements with private financiers across India involved in commercial vehicle financing. However, the hypothecations granted in connection with these co-financing arrangements will remain solely in our favour.

#### ***Optimise funding costs***

We believe that we can increase our profitability by optimising our funding costs. This would include use of new products available to us in the international capital markets, including through the issue of NCDs, as well as ensuring that we favourably match our short-term and long-term sources of funds with their deployment. We have a diversified source for funding which comprises capital market instruments, bank borrowings with a lender base of 56 banks and institutions, securitisation and retail borrowings. Our portfolio qualifies for the priority sector advances for scheduled commercial banks (as investors in our securitised loans), which helps reduce our borrowing costs. We have also focused on gradually increasing the proportion of retail borrowings to diversify our funding source. We have effectively tapped the retail investor segment in the past six years through our fixed deposit programme and

regular public issue of non-convertible debentures. Our institutional debenture issuance has a varied investor base including mutual funds, banks, foreign portfolio investors, insurance companies, financial institutions, trusts and body corporates. We believe that our ability to diversify our resource profile will enable us to further optimise our funding cost.

### ***Cross-sell our product portfolio***

By offering additional downstream products, such as ancillary loans and freight bill discounting, we maintain contact with the customer throughout the product lifecycle and increase our revenues. We believe the relationships we have developed with our customers provide us with opportunities for repeat business and to cross-sell our other products and products of our affiliates. We seek to continue consolidating our product portfolio so as to create greater synergies with our primary business of commercial vehicle financing.

### ***Continue to implement advanced processes and systems***

Our information technology strategy is designed to increase our operational and managerial efficiency. We aim to increasingly use technology in streamlining our credit approval, administration and monitoring processes to meet customer requirements on a real-time basis. We aim to continue to implement technology-led processing systems to make our appraisal and collection processes more efficient, to facilitate rapid delivery of credit to our customers and to augment the benefits of our relationship-based approach. We also believe that deploying strong technology systems will enable us to respond to market opportunities and challenges swiftly, improve the quality of services to our customers, and improve our risk management capabilities.

## **Our Company's Financial Products**

### ***Commercial Vehicle Finance***

We are principally engaged in the business of providing commercial vehicle financing to FTUs and SRTOs. FTUs are principally former truck drivers who purchase trucks for use in commercial operations and SRTOs are principally small transport operators owning between one and four used commercial vehicles. Our financing products are principally targeted at the financing of pre-owned trucks and other commercial vehicles, although we also provide financing for new commercial vehicles. The pre-owned commercial vehicles we finance are typically between five and 12 years old. We also provide financing for other kinds of pre-owned and new commercial vehicles, including passenger vehicles, multi-utility vehicles, tractors and three wheelers.

### ***Vehicle Parts Finance and other ancillary activities***

Our customers also require financing for the purchase of vehicle parts in connection with the operation of their trucks and other commercial vehicles. We also offer financing for the acquisition of new and pre-owned vehicle equipment and accessories, such as tyres and other vehicle parts. We also provide working capital loans.

Our Company deals in life insurance and general insurance products.

## **Our Company's Operations**

### ***Customer Origination***

#### ***Customer Base***

Our customer base is predominantly FTUs and SRTOs and other commercial vehicle operators, and smaller construction equipment operators. We also provide trade finance to commercial vehicle operators. These customers typically have limited access to bank loans for commercial vehicle financing and limited credit histories. Our loans are secured by a hypothecation of the asset financed.

#### ***Branch Network***

As of 31 December 2017, we have a wide network of 1,121 branches across India and 22,967 employees. We have established branches at most major commercial vehicle hubs along various road transportation routes across India. A typical branch comprises 15 to 20 employees, including a branch manager. As of 31 December 2017, all of our branch offices were connected to servers at our corporate office to enable real-time information with respect to our loan disbursement and recovery administration. Our customer origination efforts strategically focus on building long-term relationships with our customers and address specific issues and local business requirements of potential customers in a specific region.

### *Partnership and Co-financing Arrangements with Private Financiers*

SRTOs and FTUs generally have limited banking habits and credit history as well as inadequate legal documentation for verification of creditworthiness. In addition, because of the mobile nature of the hypothecated assets, SRTOs and FTUs have limited access to bank financing for pre-owned and new commercial vehicle financing. As a result, the pre-owned truck financing market in India is dominated by private financiers in the unorganised sector. We have strategically expanded our marketing and customer origination network by entering into partnership and co-financing arrangements with private financiers across India involved in commercial vehicle financing.

We enter into strategic partnership agreements with private financiers ranging from individual financiers to small local private financiers, including other NBFCs. We have established a stable relationship with our partners through our extensive branch network. As a result of the personnel-intensive requirements of our business model, we rely on partnership arrangements to effectively leverage the local knowledge, infrastructure and personnel base of our partners.

Our partners source applications for pre-owned and new commercial vehicle financing based on certain assessment criteria we specify, and are generally responsible for ensuring the authenticity of the customer information and documentation. The decision to approve a loan is, however, at our discretion. In the event that we reject an application, our partners may directly arrange financing for such customer or approach another financier in connection with the proposed financing.

Our partners are responsible for obtaining all necessary documentation in connection with the loan proposals they originate. Partners are responsible for collection of instalments and penalties for all customers they originate. Partners are also responsible for any repossession of vehicles in the event of a default of a loan by customers they originate. However, the hypothecation of the vehicles financed are in the favour of our Company and not in the favour of our partners.

A typical co-financing or partnership agreement stipulates the revenue-sharing ratio, amounts payable as quarterly advance payments to the partner, and details related to the retention of earnest money. Specifically, we typically stipulate a certain income-sharing arrangement on the interest on the loan, net of our cost of funding. Since the partner's share of income is only determined upon settlement of the individual loan contracts, we typically release quarterly advance payments to our partner. These payments are net of the earnest money deposit, which represents a pre-agreed percentage of the partner's revenue share. We allocate the earnest money towards a loan loss pool, as well as for business expansion purposes. Loan loss is typically calculated as our loss on principal and reimbursed expenses on loans from customers sourced by the partner, with interest at the rate of our cost of funds. The loss is shared between the parties in the same proportion as income. The parties usually stipulate that the amount available as earnest money deposit is in excess of a certain percentage of future receivables and may be withdrawn by the partner.

### *Other Marketing Initiatives*

We continue to develop innovative marketing and customer origination initiatives specifically targeted at FTUs and SRTOs.

### *Branding/ advertising*

We use the brand name "Shriram" for marketing our products pursuant to a license agreement dated 18 March 2016 with Shriram Ownership Trust (SOT). Our brand is well recognised in India given its association with the brand of our promoter and our own brand promotion efforts. We have launched various publicity campaigns through print and other media specifically targeted at our target customer profile, FTUs and SRTOs, to create awareness of our product features, including our speedy loan approval process, with the intention of creating and enhancing our product identity. We believe that our emphasis on product promotion will be a significant contributor to our results of operations in the future.

### *Customer Evaluation, Credit Appraisal and Disbursement*

Due to our customer profile, in addition to a credit evaluation of the borrower, we rely on guarantor arrangements, the availability of security, referrals from existing relationships and close client relationships in order to manage our asset quality. All customer origination and evaluation, loan disbursement, loan administration and monitoring as well as loan recovery processes are carried out by our relationship executives. We do not utilise or engage direct selling or other marketing and distribution agents or appraisers to carry out these processes. We follow certain



procedures for the evaluation of the creditworthiness of potential borrowers. The typical credit appraisal process is described below:

#### *Initial Evaluation*

When a customer is identified and the requisite information for a financing proposal is received, a branch manager or relationship executive meets with the customer to assess the customer's loan requirements and creditworthiness. The proposal form requires the customer to provide information on the customer's age, address, employment details and annual income, as well as information on outstanding loans and the number of commercial vehicles owned. The customer is required to provide proof of identification and residence for verification purposes. In connection with the loan application, the customer is also required to furnish a guarantor, typically another commercial vehicle owner, preferably an existing or former customer. Detailed information relating to the guarantor is also required.

For pre-owned commercial vehicles, our executives prepare a vehicle inspection and evaluation report to ascertain, among other matters, the registration details of the vehicle, as well as its condition and market value. A field investigation report is also prepared relating to the place of residence and of various movable and immovable properties of the customer and the guarantor. Each application also requires two independent references to be provided.

#### *Credit Policies*

We follow stringent credit policies to ensure the asset quality of our loans and the security provided for those loans. Any deviation from such credit policies in connection with a loan application requires prior approval. Our credit policies include the following:

*Vehicle type.* We only finance vehicles that are used for commercial purposes. As these are income-generating assets, we believe that this asset type reduces our credit risk.

*Hypothecation.* Our loans include hypothecations in our favour.

*Guarantor requirement.* Loans must be secured by the personal guarantee of the borrower as well as at least one third party guarantor. The guarantor must be a commercial vehicle owner, preferably our existing or former customer, and preferably operating in the same locality as the borrower.

*Insurance.* Comprehensive insurance is required.

*Loan approval guidelines.* From time to time, our management lays down loan approval parameters which are typically linked to the value of the vehicle and loan amount.

*Age limit for pre-owned vehicles.* We typically extend loans to vehicles that are less than 12 years but age limit may vary as per usability in specific geographies.

*Period.* The maximum period for repayment in case of assets shall not be more than 84 months.

*Release of documents on full repayment.* Security received from the borrower is released on repayment of all dues or on collection of the entire outstanding loan amount, provided no other existing right or lien for any other claim exists against the borrower.

*RTO records.* In the case of pre-owned vehicle financing, Regional Transport Office (**RTO**) records are inspected for non-payment of road tax, pending court cases, and other issues, and the records retained as part of the loan documentation.

*Physical inspection and trade reference.* In the case of all pre-owned vehicle financing, the branch manager must physically inspect the vehicle and assess its value. The branch manager's determination regarding the condition of the vehicle is recorded in the evaluation report of the vehicle. The branch manager must also conduct contact point verification as well as a trade reference check of the borrower before an actual disbursement is made, and such determination is recorded in the proposal evaluation records.

#### *Approval Process*

The branch manager evaluates the loan proposal based on supporting documentation and various other factors. The primary criteria for approval of a loan proposal is based on the guarantee provided by another commercial vehicle



operator, preferably an existing or previous customer, as well as the valuation of the asset to be secured by the loan. In addition, our branch managers may also consider other factors in the approval process, such as length of residence, past repayment record and income sources.

The branch manager is authorised to approve a loan if the proposal meets the criteria established for the approval of a loan. We inform the customer of the outcome of the approval process, as well as the amount of loan approved, the terms and conditions of such financing, including the rate of interest (annualised) and the application of such interest during the tenure of the loan. A sanction letter is issued to the borrower incorporating all the financial details such as the loan amount, tenure and rate of interest and the loan disbursement takes place only on getting the sanction letter duly accepted by the borrower.

A chassis print of the vehicle is also obtained and maintained in the loan file. The relevant RTO endorsement forms are also required to be executed by the borrower prior to the disbursement of the loan. Prior to the loan disbursement, the loan officer ensures that a KYC checklist is completed by the Applicant. The loan officer verifies such information provided and includes such records in the relevant loan file. The loan officer is also required to ensure that the contents of the loan documents are explained in detail to the borrower, either in English or in the local language of the borrower, and a statement to such effect is included as part of the loan documentation. The borrower is provided with a copy of the loan documents executed by him.

#### *Disbursement*

Margin money and other charges are collected prior to loan disbursements. The disbursing officer retains evidence of the customer's acceptance of the terms and conditions of the loan as part of the loan documentation. Our Company has initiated steps to encourage the customers to make payments of loan instalments through internet banking and card payment. For pre-owned vehicles, an endorsement of the registration certificate as well as the insurance policy must be executed in our favour.

#### *Loan administration and monitoring*

The borrower and the relevant guarantor are required to execute a standard form of Loan cum Hypothecation Agreement setting out the terms of the loan. A loan repayment schedule is attached as a schedule to the Loan cum Hypothecation Agreement, which generally sets out monthly repayment terms. The Loan cum Hypothecation Agreement also requires a promissory note to be executed containing an unconditional promise of payment to be signed by both the borrower and the relevant guarantor. A power of attorney authorising, among others, the repossession of the hypothecated vehicle upon loan payment default, is also required to be executed.

We provide payment options: cash, cheque, demand draft, mobile wallets, UPI, NACH and USSD. Repayments are made in monthly instalments. Loans disbursed are recovered from the customer in accordance with the loan terms and conditions agreed with the customer. As a service to our customers, our relationship executives offer to visit the customers on the payment date to collect the instalments due. We track loan repayment schedules of our customers, on a monthly basis, based on the outstanding tenure of the loans, the number of instalments due and defaults committed, if any. This data is analysed based on the vehicles financed and location of the customer.

Our management information system (MIS) department and centralised operating team monitors compliance with the terms and conditions for credit facilities. We monitor the completeness of documentation and creation of security through regular visits to our branches by our regional as well as head office executives and internal auditors. All borrower accounts are reviewed at least once a year, with a higher frequency for larger exposures and delinquent borrowers. Our lending team reviews collections regularly, personally contacts borrowers that have defaulted on their loan payments and conducts day-to-day operations including collection of instalments from 150 to 200 borrowers each, depending on territorial dispersal. Each branch customarily limits its commercial vehicle financing loans to approximately 1,500 customers, which enables closer monitoring of receivables. A new branch is opened to handle additional customers beyond that limit to ensure appropriate risk management. Close monitoring of debt servicing efficiency enables us to maintain high recovery ratios.

#### *Collection and Recovery*

We believe that our loan recovery procedure is particularly well suited to our target market in the commercial vehicle financing industry, as reflected by our high loan recovery ratios. The entire collection operation is administered in-house and we do not outsource loan recovery and collection operations. In the case of default, the reasons for the default are identified by the local relationship executive and appropriate action is initiated, such as requiring partial repayment and/or seeking additional guarantees or collateral.

For every 30 days of delay in loan instalment payments, the matter is escalated to our branch managers. In the event of a default on three loan instalments, the branch manager is required to make a personal visit to the borrower to determine the gravity of the loan recovery problem and provide suitable solutions.

We may initiate the process for repossession of the vehicle in the event of a default. Branch managers are trained to repossess vehicles and no external agency is involved in such repossession. Repossessed vehicles are held at designated secured facilities for eventual sale. The notice to the customer specifies the outstanding amount to be paid within a specified period, failing which the vehicle may be disposed of. In the event that there is a shortfall in the recovery of the outstanding amount from the sale of the vehicle, legal proceedings against the customer may be initiated.

The laws governing the registration of motor vehicles in India effectively establish vehicle ownership, as well as the claims of lenders. As a result, vehicle repossession in the event of default is a relatively uncomplicated procedure, such that the possibility of repossession provides an effective deterrent against default.

### **Asset Quality**

We maintain our asset quality through the establishment of prudent credit norms, the application of stringent credit evaluation tools, limiting customer and vehicle exposure, and direct interaction with customers. In addition to our credit evaluation and recovery mechanism, our asset-backed lending model and adequate asset cover has helped maintain low Gross NPA and Net NPA levels. We believe that we provide finance to pre-owned commercial vehicle operators at a reasonable interest rate, making repayment more manageable for FTUs and SRTOs.

### **Classification of Assets**

***As per Master Directions on Non Banking Financial Company Systemically Important Non-Deposit Taking Company and Deposit Taking Company (Reserve Bank) Directions, 2016***

***Standard assets.*** An asset in respect of which no default in repayment of principal or payment of interest is perceived and which does not disclose any problem nor carry more than normal risk attached to the business.

***Non-performing assets*** — A Non-Performing Asset will be classified as under:

***Sub-standard assets*** — An asset which has been classified as an NPA for a period not exceeding 18 months, provided that the period 'not exceeding 18 months' shall be 'not exceeding 16 months for the financial year ending 31 March 2016 (14 months for the financial year ending 31 March 2017 and 12 months for financial year ending 31 March 2018 and thereafter) or where the terms of the agreement regarding interest and/or principal have been renegotiated or rescheduled or restructured after commencement of operations, until the expiry of one year of satisfactory performance under the renegotiated or rescheduled or restructured terms;

***Doubtful assets*** — An asset which remains a sub-standard asset for a period exceeding 18 months for the financial year ended 31 March 2015, exceeding 16 months for the financial year ending 31 March 2016, 14 months for the financial year ending 31 March 2017 and 12 months for the financial year ending 31 March 2018 and thereafter; and

***Loss assets*** — (a) An asset which has been identified as a loss asset by the NBFC or its internal or external auditor or by the RBI during the inspection of the NBFC, to the extent that it is not written off by the NBFC; and (b) an asset which is adversely affected by a potential threat of non-recoverability due to either erosion in the value of security or non-availability of security or due to any fraudulent act or omission on the part of the borrower.

### **Provisioning and Write-offs**

The Company is required, after taking into account the time lag between an account becoming non-performing and its recognition as such, the realisation of the security, and the erosion over time in value of the security charged, to make provisions against sub-standard, doubtful and loss assets in accordance with the directions issued by RBI. The RBI mandates 100.00 per cent. provision coverage for loss assets that remain on the accounting books of NBFCs, 100.00 per cent. for unsecured doubtful assets and between 20.00 per cent. to 50.00 per cent. for secured doubtful assets depending upon the period for which the asset has remained doubtful and a general provision of 10 per cent. for sub-standard assets. Provision coverage refers to the ratio of NPA provision over the Gross NPA. During the year ended 31 March 2016, the Company has revised its estimate for provision on non-performing assets from 80.00 per cent. to 70.00 per cent. As of 31 December 2017, we maintain provision coverage of 71.04 per cent. for our NPAs. Due to an RBI circular dated 27 March 2015 on the tightening of NPA norms, the Company has started reducing its provision coverage ratio, which has consequently increased the Net NPA of the Company. We also consider field reports and collection patterns at regular intervals to anticipate the need of higher provisioning.

### Provisioning of Standard Assets:

The provision on standard assets is not reckoned for arriving at Net NPAs. The provisions towards standard assets are not needed to be netted from gross advances but shown separately as “Contingent Provisions against Standard Assets” in the balance sheet. In terms of the RBI requirements, our Company is allowed to include the “General Provisions on Standard Assets” in Tier II capital which together with other “general provisions/loss reserves” will be admitted as Tier II capital only up to a maximum of 1.25 per cent. of the total risk-weighted assets.

The RBI currently mandates deposit-taking NBFCs to maintain provision coverage of 0.35 per cent. for standard assets. The RBI has recently mandated deposit-taking NBFCs to increase provision coverage for standard assets to 0.35 per cent. as of 31 March 2017, and 0.40 per cent. as of 31 March 2018. Our Company has made general provisioning at 0.35 per cent. of the outstanding standard assets as of 31 March 2017. The provisions towards standard assets are not needed to be netted from gross advances but shown separately as “contingent provisions against standard assets” in our Company’s balance sheet.

### Provisioning for Non-Performing Assets

Our Audit Committee has constituted a policy for making provisions as per management estimate, subject to the minimum provision prescribed by RBI. Our provisions for NPAs as of March 31, 2017 stood at ₹ 374,944.40 lacs on an unconsolidated basis.

The following table sets forth, as of the dates indicated, data regarding our NPAs on an unconsolidated basis:

As at	Gross NPA (₹ in lacs)	Net NPA (₹ in lacs)	Total Loan Assets (₹ in lacs)	Net Loan Assets <sup>(1)</sup> (₹ in lacs)	% of Gross NPA to Total Loan Assets	% of Net NPA to Net Loan Assets
March 31, 2012	69,378.62	9,772.12	2,208,493.24	2,148,886.76	3.14%	0.45%
March 31, 2013	98,204.53	18,431.98	3,198,655.10	3,118,882.55	3.07%	0.59%
March 31, 2014	145,050.35	30,291.24	3,731,410.21	3,616,651.10	3.89%	0.84%
March 31, 2015	189,413.90	37,912.06	4,979,728.18	4,828,226.34	3.80%	0.79%
March 31, 2016	387,023.84	114,369.70	6,254,033.31	5,981,379.17	6.19%	1.91%
March 31, 2017	540,844.00	165,900.00	6,619,485.18	6,244,540.75	8.17%	2.66%

Note: The information above excludes securitized and assigned assets.

(1) Net Loan Assets means Total Loan Assets as adjusted for provisions made.

Our Gross NPAs as a percentage of Total Loan Assets were 7.99 per cent. as of 31 December 2017. Our Net NPAs as a percentage of Net Loan Assets was 2.45 per cent. as of 31 December 2017 on an unconsolidated basis. We believe that our eventual write-offs are relatively low because of our relationship-based customer origination and customer support, prudent loan approval processes (including adequate collateral being obtained), and our ability to repossess and dispose of such collateral in a timely manner.

### Funding Sources

We have expanded our sources of funds in order to reduce our funding costs, protect interest margins and maintain a diverse funding portfolio that will enable us to achieve funding stability and liquidity. Our sources of funding comprise term loans (including term loans from banks and financial institutions), cash credit from banks, redeemable non-convertible debentures, subordinated bonds, short-term commercial paper and inter-corporate deposits. Our Company also mobilises fixed deposits.

As of 31 December 2017, we had an unconsolidated outstanding secured debt (gross of unamortised discount of ₹ 129.10 lacs of ₹ 4,679,457.00 lacs and unconsolidated unsecured debt (gross of unamortised discount of ₹ 596.10 lacs of ₹ 1,233,470.50 lacs. As of 31 March 2017, we had an unconsolidated outstanding secured debt (gross of unamortised discount of ₹ 0.10 lacs) of ₹ 4,086,623.70 lacs and unconsolidated unsecured debt of ₹ 1,224,386.20 lacs.

## Borrowings

The following table sets forth the principal components of our secured loans on an unconsolidated basis as of the dates indicated:

	As of March 31				
	₹ in lacs				
SECURED LOANS	2013	2014	2015	2016	2017
Redeemable non-convertible debentures (Net of unamortised discount)	1,233,643.14	1,355,949.70	1,777,634.18	1,637,595.10	1,909,768.23
Senior secured notes	-	-	-	-	135,000.00
Term loans:					
- Term loans from banks	973,581.82	1,305,431.08	1,569,023.93	1,796,756.12	1,576,778.61
- Term loans from financial institutions, foreign institutions and corporate	81,500.00	114,500.00	106,700.00	185,566.67	218,000.00
Cash credit from banks including working capital demand loans	98,108.20	35,213.34	17,022.32	201,410.34	247,076.82

The following table sets forth the principal components of our unsecured loans on an unconsolidated basis as of the dates indicated:

	As of March 31,				
	₹ in lacs				
UNSECURED LOANS	2013	2014	2015	2016	2017
Fixed deposits	134,639.32	230,424.30	536,009.87	779,696.67	847,418.19
Inter-corporate deposits	975.00	-	-	-	2,890.00
Subordinated debt	367,520.48	441,746.13	396,304.41	352,045.50	348,077.98
Redeemable non-convertible debentures	153,215.43	81,619.92	2,150.00	-	-
Commercial paper	37,053.74	15,376.59	-	-	-
Term loans:					
- Term loans from banks	20,000.00	12,200.00	22,000.00	26,000.00	26,000.00
- Term loans from corporate	-	-	773.36	-	-

Increasingly, we have depended on term loans from banks and the issue of redeemable non-convertible debentures as the primary sources of our funding. We believe that we have developed stable long term relationships with our lenders, and established a track record of timely servicing of our debts, and have been able to secure fixed rate long term loans of three to five years tenure to stabilize our cost of borrowings.

In fiscal 2017, net reduction of bank borrowings on an unconsolidated basis was ₹ 174,311.10 lacs. As of 31 December 2017, loans from banks, including cash credit on an unconsolidated basis, aggregated ₹ 1,991,079.90 lacs, as compared to ₹ 1,895,673.70 lacs as of 31 December 2016 on an unconsolidated basis.

In fiscal 2017, addition in redeemable non-convertible debentures (gross of unamortised discount) on an unconsolidated basis was ₹ 272,145.40 lacs. As of 31 December 2017, the aggregate outstanding amount of secured redeemable non-convertible debentures on an unconsolidated basis was ₹ 2,250,210.40 lacs as compared to ₹ 1,909,768.30 lacs as of 31 March 2017 on an unconsolidated basis.

Our short-term fund requirements are primarily funded by cash credit from banks, including working capital loans. Cash credit from banks outstanding, as of 31 December 2017, was ₹ 175,404.20 lacs on an unconsolidated basis.

As of 31 December 2017, our outstanding subordinated debt amounted to ₹ 339,848.20 lacs on an unconsolidated basis, compared to ₹ 348,078.00 lacs as of 31 March 2017 on an unconsolidated basis. The debt is subordinated to our present and future senior indebtedness. Based on the balance term to maturity, as of 31 December 2017, ₹ 166,914.60 lacs of the discounted book value of subordinated debt is considered as Tier II under the guidelines issued by the RBI for the purpose of capital adequacy computation.

We are registered as a deposit-taking NBFC with the RBI under Section 45IA of the Reserve Bank of India Act, 1934, which authorises us to accept deposits from the public. We do not, however, depend on deposits as our primary source of funding. As of 31 December 2017, we had fixed deposits outstanding of ₹ 835,427.30 lacs, compared to ₹ 847,418.20 lacs as of 31 March 2017, on an unconsolidated basis.

#### *Securitization and assignment of Portfolio against financing activities*

We also undertake securitization and assignment transactions to increase our capital adequacy ratio, increase the efficiency of our loan portfolio and as a cost effective source of funds. We sell part of our assets under financing activities from time to time through securitization and assignment transactions as well as direct assignment. Our securitization and assignment transactions involve provision of additional collateral and deposits or bank/ corporate guarantee. In fiscal 2017, total book value of loan assets securitized and assigned was ₹ 1,121,430.09 lacs on an unconsolidated basis.

We continue to provide administration services for the securitised and assigned portfolio, the expenses for which are provided for at the outset of each transaction. The gains arising out of securitisation and assignment, which vary according to a number of factors such as the tenor of the securitised and assigned portfolio, the yield on the portfolio securitised and assigned and the discounting rate applied, are treated as income over the tenure of agreements as per RBI guidelines on securitisation of standard assets. Loss, if any, is recognised upfront.

The following tables set forth certain information with respect to our securitization and assignment transactions on an unconsolidated basis:

	For the Financial Year Ended March 31,				
	₹ in lacs				
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Total number of loan assets securitized and assigned	268,004	298,022	154,302	441,180.00	404,650
Total book value of loan assets securitized and assigned	878,430.31	1,067,954.77	448,142.52	899,175.19	1,121,430.09
Sale consideration received for securitized and assigned assets	878,430.31	1,067,954.77	448,142.52	899,175.19	1,121,430.09
Gain on account of securitization and assignment	85,948.08	86,434.90	50,130.69	73,403.17	148,084.81

	As on March 31				
	₹ in lacs				
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Outstanding credit enhancement					
-Fixed Deposit	145,691.76	139,632.06	115,097.11	124,056.00	182,678.71
-Guarantees given by third parties	232,357.70	219,266.79	103,902.85	10,822.94	2,910.05
-Guarantees given by our Company	7,899.53	8,199.53	1,260.25	65,978.00	69,011.00
Outstanding liquidity facility					
-Fixed Deposit	6,201.37	303.45	Nil	Nil	Nil
Retained interest on securitisation	52,345.61	81,946.54	57,478.21	66,195.93	73,198.02

We are required to provide credit enhancement for the securitisation and assignment transactions by way of either fixed deposits or corporate guarantees and the aggregate credit enhancement amount outstanding as of 31 December 2017 was ₹ 316,338.30 lacs on an unconsolidated basis. In the event a relevant bank or institution does not realise the receivables due under such loan assets, such bank or institution would have recourse to such credit enhancement.

## Treasury Operations

Our treasury operations are mainly focused on meeting our funding requirements and managing short-term surpluses. Our fund requirements are currently predominantly met through loans and by issue of debentures to banks, financial institutions and mutual funds. We also place commercial paper and mobilise retail fixed deposits (including secured non-convertible debentures) and inter-corporate deposits. We have also raised subordinated loans eligible for Tier II capital. We believe that through our treasury operations, we are able to maintain our ability to repay borrowings as they mature and obtain new loans at competitive rates.

Our treasury department undertakes liquidity management by seeking to maintain an optimum level of liquidity and complying with the RBI requirement of asset liability management. The objective is to ensure the smooth functioning of all our branches and at the same time avoid the holding of excessive cash. Our treasury maintains a balance between interest-earning liquid assets and cash to optimise earnings.

Our treasury department also manages the collection and disbursement activities from our corporate office in Mumbai. We actively manage our cash and funds flow using various cash management services provided by banks. As part of our treasury activities, we also invest our surplus funds in fixed deposits with banks, liquid debt-based mutual funds and government securities. Our investments are made in accordance with the investment policy approved by the Board.

Our investments are predominantly in government securities, mutual funds, bank fixed deposits and certificates of deposit with banks.

## Capital Adequacy

We are subject to the capital adequacy ratio (CAR) requirements prescribed by the RBI. We are currently required to maintain a minimum CAR of 15.00 per cent., as prescribed under the Master Directions on Non Banking Financial Company Systemically Important Non Deposit Taking Company and Deposit Taking Company (Reserve Bank) Directions, 2016, based on our total capital to risk-weighted assets. All deposit taking NBFCs have to maintain a minimum capital ratio, consisting of Tier I and Tier II capital, which shall not be less than 15.00 per cent. of its aggregate risk-weighted assets on balance sheet and risk adjusted value of off-balance sheet items. As a part of our governance policy, we ordinarily maintain capital adequacy higher than the statutorily prescribed CAR. As of 31 December 2017, our capital adequacy ratio computed on the basis of applicable RBI requirements was 16.15 per cent. compared to the minimum capital adequacy requirement of 15.00 per cent. stipulated by the RBI. The total Tier I capital, at any point of time, shall not be less than 8.5 per cent. by 31 March 2016 and 10.0 per cent. by 31 March 2017.

The following table sets out our capital adequacy ratios computed on the basis of applicable RBI requirements as of the dates indicated:

	As of March 31,				
	2013	2014	2015	2016	2017
Capital adequacy ratio	20.74%	23.37%	20.52%	17.56%	16.94%
Tier I capital	16.70%	17.69%	16.40%	14.71%	15.20%

## Competition

We believe that we do not face any significant competition from organised players in our principal business line, the pre-owned commercial vehicle financing sector. Small NBFCs in the organised sector have not been able to increase their scale of operations to the level of our Company. Most of our customers are not a focus segment for banks or large NBFCs, as these customers lack substantial credit histories and other financial documentation on which many of such financial institutions rely to identify and target new customers. We believe our experience-based valuation methodology, our expanding product portfolio, growing customer base and relationship-based approach are key competitive advantages against new market entrants. Our primary competition comprises private unorganised financiers that principally operate in the local market. These private operators have significant local market expertise, but lack brand image and organisational structure. The small private financiers also have limited access to funds and may not be able to compete with us on interest rates extended to borrowers, which we are able to maintain at competitive levels because of our access to a variety of comparatively lower cost of funding sources and operational efficiencies from our scale of operations. However, private operators may attract certain clients who are unable to otherwise comply with our loan requirements, such as the absence of an acceptable guarantor or failure of the commercial vehicle to meet our asset valuation benchmarks. For new commercial vehicle financing, we compete with more conventional lenders, such as banks and other NBFCs.



Given the relatively minimal scale of our present operations in our other business lines, we do not directly compete with others in these segments. However, as our operations in our other business lines expand, we may face significant competition in these segments in future.

### Credit Rating

The following table sets forth certain information with respect to our credit ratings:

Credit Rating Agency	Instruments	Ratings
CARE	Non-Convertible Debentures	CARE AA+ /Stable
CARE	Subordinate Debt	CARE AA+/Stable
CARE	Commercial Paper	CARE A1+
CRISIL	Fixed Deposit	CRISIL FAAA/Stable
CRISIL	Subordinate Debts	CRISIL AA+/Stable
CRISIL	Non-Convertible Debentures	CRISIL AA+/ Stable
CRISIL	Short Term Debt	CRISIL A1+
CRISIL	Bank Loan Long Term	CRISIL AA+/Stable
CRISIL	Bank Loan Short Term	CRISIL A1+
ICRA	Fixed Deposit	MAA+ with Stable outlook
India Ratings & Research Private Limited	Non-Convertible Debentures	IND AA+/Stable
India Ratings & Research Private Limited	Lower Tier II Sub-Debt	IND AA+/Stable
India Ratings & Research Private Limited	Commercial Paper	IND A1+
Fitch Ratings	Long-Term Issuer Default Rating	BB+/Stable Outlook
Fitch Ratings	Short-Term Issuer Default Rating	B
Standard & Poor's Ratings	Long-Term Issuer credit rating	BB+/Stable
Standard & Poor's Ratings	Offshore Rupee Denominated Bond (Masala Bond)	BB+
Standard & Poor's Ratings	Short-Term Issuer credit rating	B

The rating of the NCDs by Rating Agency and/or Agencies indicates high degree of safety regarding timely servicing of financial obligations and carrying very low credit risk.

### Risk Management

We have developed a strong risk-assessment model in order to maintain healthy asset quality. The key risks and risk-mitigation principles we apply to address these risks are summarized below:

#### Interest Rate Risk

Our results of operations are dependent upon the level of our net interest margins. Net interest income is the difference between our interest income and interest expense. Since our balance sheet consists of rupee assets and predominantly Rupee liabilities, movements in domestic interest rates constitute the primary source of interest rate risk. We assess and manage the interest rate risk on our balance sheet through the process of asset liability management. We borrow funds at fixed and floating rates of interest, while we extend credit at fixed rates. In the absence of proper planning and in a market where liquidity is limited, our net interest margin may decline, which may impact our revenues and ability to exploit business opportunities.

We have developed stable long-term relationships with our lenders, and established a track record of timely servicing our debts. This has enabled us to become a preferred customer with most of the major banks and financial institutions with whom we do business. Moreover, our valuation capabilities enable us to invest in good quality assets with stable, attractive yields. Significantly, our loans are classified as priority sector assets by the RBI, such that these loans, when securitised, find a ready market with various financial institutions, including our lenders.

#### Liquidity Risk

Liquidity risk arises due to non-availability of adequate funds or non-availability of adequate funds at an appropriate cost, or of appropriate tenure, to meet our business requirements. This risk is minimised through a mix of strategies, including asset securitisation and assignment and temporary asset liability gap.

We monitor liquidity risk through our asset liability management (ALM) function with the help of liquidity gap reports. This involves the categorisation of all assets and liabilities into different maturity profiles, and evaluating

these items for any mismatches in any particular maturities, especially in the short-term. The ALM policy has capped the maximum mismatches in the various maturities in line with RBI guidelines and ALCO guidelines.

To address liquidity risk, we have developed expertise in mobilising long-term and short-term funds at competitive interest rates, according to the requirements of the situation. For instance, we structure our indebtedness to adequately cover the average three-year tenure of loans we extend. As a matter of practice, we generally do not deploy funds raised from short-term borrowing for long-term lending.

### ***Credit risk***

Credit risk is the risk of loss that may occur from default by our customers under the loan agreements with us. As discussed above, borrower defaults and inadequate collateral may lead to higher NPAs.

We minimise credit risk by requiring that each loan must be guaranteed by another commercial vehicle operator in the same locality as the borrower, preferably by an existing or former borrower. Our loan to value (LTV) is always kept under reasonable limits. Furthermore, we lend on a relationship-based model, and we believe our high loan recovery ratios indicate the effectiveness of this approach for our target customer base. We also employ advanced credit assessment procedures, which include verifying the identity and checking references of the proposed customer thoroughly at the lead generation stage. Our extensive local presence also enables us to maintain regular direct contact with our customers. In this regard, we assign personal responsibility to each member of the lead generation team for the timely recovery of the loans they originate, closely monitoring their performance against our Company's standards, and maintain client and truck-wise exposure limits.

### ***Cash management risk***

Our branches collect a substantial amount of our customers' payments in cash. Lack of proper cash management practices could lead to losses. To address cash management risks, we have developed advanced cash management checks that we employ at every level to track and tally accounts. Moreover, we conduct regular audits to ensure the highest levels of compliance with our cash management systems. Customers are gradually migrating towards non-cash payment modes such as NACH and Digital. Customers can use "MyShriram" app on their smartphones or create a login under "Customer online" option on the Company website <http://www.stfc.in> and make loan repayments. We are educating our customers for EMI payment through payment gateways and payments through debit cards by swiping them in our POS machines at the branches.

### ***Employees***

As of 31 December 2017, the total number of our employees was 22,967.

We have built a highly capable workforce primarily by recruiting fresh graduates. As our business model requires an entrepreneurial approach in dealing with truck operators, we prefer to recruit and train fresh graduates in achieving our objectives. Moreover, we prefer to recruit our workforce from the area in which they will be serving our customers, in order to benefit from the workforce's knowledge of the local culture, language, preferences and territory. We emphasise both classroom training and on-the-job skills acquisition. Post recruitment, an employee undergoes induction training to gain an understanding of our Company and our operations. Our relationship executives are responsible for customer origination, loan administration and monitoring as well as loan recovery, which enables them to develop strong relationships with our customers. We believe our transparent organisational structure ensures efficient communication and feedback and drives our performance-driven work culture.

In a business where personal relationships are an important driver of growth, relationship executive attrition may lead to loss of business. We therefore endeavour to build common values and goals throughout our organisation, and strive to ensure a progressive career path for promising employees and retention of quality intellectual capital in our Company. We provide a performance-based progressive career path for our employees. For instance, we introduced an employee stock option plan in 2005 for eligible employees. We believe our attrition rates are among the lowest in the industry at managerial levels.

### ***Intellectual Property***

Pursuant to a licence agreement dated 21 November 2014 between our Company and SOT (the License Agreement), we are licensed to use the name "Shriram" and the associated mark, for which our Company has to pay a licence fee to SOT of 1.00 per cent. of the total income of our Company every fiscal year. The total amount of the licence fee our Company pays to SOT in a fiscal year is subject to a ceiling of 5.00 per cent. of the profit (before tax and licence fee) of our Company from fiscal year 2015-16. The License Agreement is valid for a period

of five years from 1 October 2014 until 30 September 2019, after which the agreement will be automatically renewed for a further period of five years on the same terms, unless otherwise decided.

## Technology

We use information technology as a strategic tool in our business operations to improve our overall productivity. We believe that our information systems enable us to manage our nationwide operations network well, as well as to effectively monitor and control risks.

Our Company has various security controls in place to mitigate risks and safeguard the Company against security breaches and technological lapses, including established disaster recovery centres located in different seismic zones, periodic upgrading of servers and data storage, accreditation from the International Organisation for Standardisation for our Company's information security management system and regular audits.

All our branches are online, connected through a virtual private network with our central server located at our data centre.

## Property

Our registered office is at Mookambika Complex, 3rd Floor, No. 4, Lady Desika Road, Mylapore, Chennai – 600004, Tamil Nadu, India. Our corporate office is at Wockhardt Towers, Level 3, West Wing, C-2, G Block, Bandra – Kurla Complex, Bandra (East) Mumbai 400 051, India. As of 31 December 2017, we had 1,121 branches across India. We typically enter into lease agreements for these strategic business units and branch locations.

## Collaborations

Except as disclosed herein, our Company has not entered into any collaboration, any performance guarantee or assistance in marketing by any collaborators.

## C. HISTORY, MAIN OBJECTS AND KEY AGREEMENTS

### *Brief background of our Company*

Our Company was incorporated as a public limited NBFC under the provisions of the Companies Act, 1956 and commenced operations in 1979 in Chennai, Tamil Nadu, India. Our Company is registered with the RBI as a deposit-taking NBFC, classified as an asset finance company. The registered office of our Company is Mookambika Complex, 3rd Floor, No. 4, Lady Desika Road, Mylapore, Chennai, Tamil Nadu – 600004.

### *Amalgamation of Shriram Investments Limited and Shriram Overseas Finance Limited with our Company*

The Hon'ble High Court of Madras vide its order dated November 25, 2005, approved the scheme of arrangement and amalgamation of the erstwhile SIL, with our Company, ("**SIL Scheme of Merger**"). The appointed date for the SIL Scheme of Merger was April 1, 2005 and the record date for the purposes of re-organisation and issue of shares pursuant to the SIL Scheme of Merger was December 21, 2005.

The Hon'ble High Court of Madras vide its order dated December 1, 2006, approved the scheme of arrangement and amalgamation of the erstwhile SOFL with our Company, ("**SOFL Scheme of Merger**"). The appointed date for the SOFL Scheme of Merger was April 1, 2005 and the record date for the purposes of re-organisation and issue of shares pursuant to the SOFL Scheme of Merger was February 9, 2007.

### *Amalgamation of Shriram Holdings (Madras) Private Limited with our Company*

Pursuant to the SHMPL Scheme of Merger sanctioned under Section 391 to 394 read with Section 100 to 104 of the Companies Act, 1956, between our Company and SHMPL, as approved by the Hon'ble High Court of Madras vide the Merger Order, the business and undertaking of SHMPL, our erstwhile promoter, was merged into our Company with a view of, inter alia, reducing shareholding tiers, optimizing administrative costs and enabling the shareholders of SHMPL to hold equity shares directly in our Company. The appointed date under the SHMPL Scheme of Merger was April 1, 2012, and the SHMPL Scheme of Merger became effective from November 5, 2012 when a certified true copy of the order of the High Court of Madras approving the SHMPL Scheme of Merger was filed with the ROC by

SHMPL and our Company, (“SHMPL Effective Date”). On the SHMPL Effective Date, SHMPL was merged into our Company without winding up of SHMPL under Section 394 of the Companies Act, 1956. Pursuant to the SHMPL Scheme of Merger, 9,38,72,380 equity shares of the face value of ₹ 10 each fully paid up of our Company, were issued and allotted, to the members of SHMPL whose names were recorded in the register of members of SHMPL on November 5, 2012 in connection with the SHMPL Scheme of Merger, in the ratio of 313:124 i.e. 313 equity shares of the face value of ₹ 10 each fully paid up of our Company issued for every 124 equity shares of the face value of ₹ 10 each fully paid up of SHMPL, held by the respective members thereof. Accordingly, 9,33,71,512 (Nine crores thirty three lacs seventy one thousand five hundred and twelve only) equity shares of the face value of ₹ 10 each of our Company, earlier held by SHMPL stood cancelled pursuant to the SHMPL Scheme of Merger coming into effect.

#### *Amalgamation of Shriram Equipment Finance Company Limited with our Company*

On March 31, 2016, the Hon’ble Madras High Court has sanctioned the Scheme of Amalgamation of Shriram Equipment Finance Company Limited (SEFCL) with the Company under Section 391 to 394 of the Companies Act, 1956 (‘the Scheme’). Accordingly, SEFCL has amalgamated with the Company from April 01, 2015 (the ‘Appointed Date’). As such, the Standalone financial statements of the Company also include the financials of the SEFCL. The Certified True Copy of the Amalgamation Order of the Hon’ble Madras High Court was filed with Registrar of Companies, Tamil Nadu, on April 19, 2016 (the ‘Effective Date’).

#### *Change in registered office of our Company*

The registered office of our Company was changed from 123, Angappa Naicken Street, Chennai, Tamil Nadu - 600001 to Mookambika Complex, 3rd Floor, No. 4, Lady Desika Road, Mylapore, Chennai, Tamil Nadu – 600004 with effect from July 26, 2010.

#### *Main objects of our Company*

The main objects of our Company as contained in our Memorandum of Association are:

- To carry on and undertake business as Financiers and Capitalists, to finance operations of all kinds such as managing, purchasing, selling, hiring, letting on hire and dealing in all kinds of vehicles, motor cars, motor buses, motor lorries, scooters and all other vehicles;
- To undertake and carry on all operations and transactions in regard to business of any kind in the same way as an individual capitalist may lawfully undertake and carry out and in particular the financing Hire Purchase Contracts relating to vehicles of all kinds;
- To carry on and undertake business as Financier and Capitalists to finance operations of all kinds such as managing, purchasing, selling, hiring, letting on hire and dealing in all kinds of property, movable or immovable goods, chattels, lands, bullion;
- To undertake and carry on all operations and transactions in regard to business of any kind in the same manner as an individual capitalist may lawfully undertake and carryout and in particular financing hire purchase contracts relating to property or assets of any description either immovable or movable such as houses, lands, stocks, shares, Government Bonds;
- To carry on and become engaged in financial, monetary and other business transactions that are usually and commonly carried on by Commercial Financing Houses, Shroffs, Credit Corporations, Merchants, Factory, Trade and General Financiers and Capitalists;
- To lend, with or without security, deposit or advance money, securities and property to, or with, such persons and on such terms as may seem expedient;
- To purchase or otherwise acquire all forms of immovable and movable property including Machinery, Equipment, Motor Vehicles, Building, Cinema Houses, Animals and all consumer and Industrial items and to lease or otherwise deal with them in any manner whatsoever including resale thereof, regardless of whether the property purchased, and leased be new and/or used;
- To provide a leasing advisory counselling service to other entities and/or form the leasing arm for other entities;
- The Company shall either singly or in association with other Bodies Corporate act as Asset Management Company/Manager/Fund Manager in respect of any Scheme of Mutual Fund whether Open-End Scheme or Closed-end Scheme, floated/ to be floated by any Trust/Mutual Fund (whether offshore or on shore)/

Company by providing management of Mutual Fund for both offshore and onshore Mutual Funds, Financial Services Consultancy, exchange of research and analysis on commercial basis;

- Constitute any trust and to subscribe and act as, and to undertake and carry on the office or offices and duties of trustees, custodian trustees, executors, administrators, liquidators, receivers, treasurers, attorneys, nominees and agents; and to manage the funds of all kinds of trusts and to render periodic advice on investments, finance, taxation and to invest these funds from time to time in various forms of investments including shares, term loans and debentures etc.;
- Carry on and undertake the business of portfolio investment and Management, for both individuals as well as large Corporate Bodies and/or such other bodies as approved by the Government, in Equity Shares, Preference Shares, Stock, Debentures (both convertible and non-convertible), Company deposits, bonds, units, loans obligations and securities issued or guaranteed by Indian or Foreign Governments, States, Dominions, Sovereigns, Municipalities or Public Authorities and/or any other Financial Instruments, and to provide a package of Investment/Merchant Banking Services by acting as Managers to Public Issue of securities, to act as underwriters, issue house and to carry on the business of Registrar to Public issue/various investment schemes and to act as Brokers to Public Issue;
- Without prejudice to the generality of the foregoing to acquire any share, stocks, debentures, debenture-stock, bonds, units of any Mutual Fund Scheme or any other statutory body including Unit Trust of India, obligations or securities by original subscription, and/or through markets both primary, secondary or otherwise participating in syndicates, tender, purchase, (through any stock exchange, OTC exchange or privately), exchange or otherwise and to subscribe for the same whether or not fully paid up, either conditionally or otherwise, to guarantee the subscription thereof and to exercise and to enforce all rights and powers conferred by or incidental to the ownership thereof and to advance deposit or lend money against securities and properties to or with any company, body corporate, firms, person or association or without security and on such terms as may be determined from time to time;
- To engage in Merchant Banking activities, Venture Capital, acquisitions, amalgamations and all related merchant banking activities including loan syndication;
- To carry on the business as manufacturers, Exporters, Importers, Contractors, Sub-contractors, Sellers, Buyers, Lessors or Lessees and Agents for Wind Electric Generators and turbines, Hydro turbines, Thermal Turbines, Solar modules and components and parts including Rotor blades, Braking systems, Tower, Nacelle, Control unit, Generators, etc. and to set up Wind Farms for the company and/or for others either singly or jointly and also to generate, acquire by purchase in bulk, accumulate, sell, distribute and supply electricity and other power (subject to and in accordance with the laws in force from time to time);
- To carry on business of an investment company or an Investment Trust Company, to undertake and transact trust and agency investment, financial business, financiers and for that purpose to lend or invest money and negotiate loans in any form or manner, to draw, accept, endorse, discount, buy, sell and deal in bills of exchange, hundies, promissory notes and other negotiable instruments and securities and also to issue on commission, to subscribe for, underwrite, take, acquire and hold, sell and exchange and deal in shares, stocks, bonds or debentures or securities of any Government or Public Authority or Company, gold and silver and bullion and to form, promote and subsidise and assist companies, syndicates and partnership to promote and finance industrial enterprises and also to give any guarantees for payment of money or performance of any obligation or undertaking, to give advances, loans and subscribe to the capital of industrial undertakings and to undertake any business transaction or operation commonly carried on or undertaken by capitalists, promoters, financiers and underwriters;
- To act as investors, guarantors, underwriters and financiers with the object of financing Industrial Enterprises, to lend or deal with the money either with or without interest or security including in current or deposit account with any bank or banks, other person or persons upon such terms, conditions and manner as may from time to time be determined and to receive money on deposit or loan upon such terms and conditions as our Company may approve provided that our Company shall not do any banking business as defined under the Banking Regulations Act, 1949;
- To carry on in India or elsewhere the business of consultancy services in various fields, such as, general, administrative, commercial, financial, legal, economic, labour and industrial relations, public relations, statistical, accountancy, taxation and other allied services, promoting, enhancing propagating the activity of investment in securities, tendering necessary services related thereto, advising the potential investors on investment activities, acting as brokers, sub-brokers, Investment Consultant and to act as marketing agents,



general agents, sub agents for individuals/ bodies corporate/Institutions for marketing of shares, securities, stocks, bonds, fully convertible debentures, partly convertible debentures, Non-convertible debentures, debenture stocks, warrants, certificates, premium notes, mortgages, obligations, inter corporate deposits, call money deposits, public deposits, commercial papers, general insurance products, life insurance products and other similar instruments whether issued by government, semi government, local authorities, public sector undertakings, companies corporations, co-operative societies, and other similar organizations at national and international levels;

To carry on the business of buying, selling of trucks and other CVs and reconditioning, repairing, remodelling, redesigning of the vehicles and also acting as dealer for the said vehicles, for all the second hand commercial and other vehicles and to carry on the business of buying, selling, importing, exporting, distributing, assembling, repairing and dealing in all types of vehicles including re-conditioned and re-manufactured automobiles, two and three wheelers, tractors, trucks and other vehicles and automobile spares, replacement parts, accessories, tools, implements, tyres and tubes, auto lamps, bulbs, tail light and head light bulbs, assemblies and all other spare parts and accessories as may be required in the automobile industry.

### **Key terms of our Material Agreements**

#### **Addendum No. 1 to the Licence Agreement dated 18 March 2016 (Original License Agreement dated 21 November 2014) between Shriram Ownership Trust (SOT) and our Company (the “Licence Agreement”):**

Pursuant to the License Agreement, SOT granted a licence to use the brand name “SHRIRAM” and the associated mark (Brand Name) to our Company in connection with the business activities of our Company in the territory of India during the term of the Brand Name. The main terms of the License Agreement include:

*Consideration:* A licence fee of 1.00 per cent. on the total income of our Company every financial year. The total amount of license fee the Company pays to SOT in a fiscal year shall be subject to a ceiling of 5.00 per cent. of the profit of the Company before tax and license fee with effect from 1 April 2015.

*Duration:* The Licence Agreement will remain in force for a period of five years commencing from 1 October 2014 to 30 September 2019, after which the agreement shall be automatically renewed for a further period of five years on the same terms.

*Arbitration:* Any dispute or difference arising between the SOT and our Company shall be referred to an arbitrator decided on a mutual consent and the decision of the arbitrator is final and binding on both the parties. The place of arbitration shall be in Chennai.

#### **AGREEMENT DATED 21 AUGUST 2010 BETWEEN SHRIRAM CAPITAL LIMITED (SCL) AND OUR COMPANY (THE AGREEMENT)**

Our Company has executed the Agreement with SCL in connection with grant of inter-corporate loans to SCL or to any of its associates/affiliates and the disbursements of loans thereof. The main terms of the Agreement include:

*Limit:* The grant of the loans by our Company to SCL or to any of its associates/affiliates can be utilised in one or more tranches, subject to the total amount of net loans outstanding from SCL and/or its associates/affiliates to our Company in aggregate not exceeding INR 3,000.00 million at any point of time. The aggregate loans utilised by SCL and/or its associates/affiliates shall not exceed the aggregate of the net worth of SCL predetermined by the latest available audited balance sheet.

*Rate of interest:* Subject to the rate of interest payable on the loans not being lower than the prevailing bank rate, being the standard rate made public under section 49 of Reserve Bank of India Act, 1934, the rate of interest shall be 11.00 per cent. per annum.

*Disbursement:* The disbursement of loans shall be subject to availability of liquid funds with our Company at the relevant point of time.

The same terms and conditions apply mutatis mutandis to the loan given by SCL to our Company.



## SERVICE AGREEMENT DATED 24 JANUARY 2012 BETWEEN SCL AND OUR COMPANY (THE SERVICE AGREEMENT)

Our Company has executed the Service Agreement with SCL for formalising its arrangement with regard to the role and services to be provided by SCL to our Company. The main terms of the Service Agreement are:

*Role of SCL:* SCL shall continue to render key support services to the Company, in connection with group strategy, new ventures, MIS, synergy, group human resource, risk management, taxation, regulatory, secretarial, group information technology, external relations, corporate communications and investor relations, and that the Company shall utilise these key support services, in accordance with the terms of the Service Agreement.

*Consideration:* Our Company pays INR 950.00 lacs plus taxes every quarter with effect from 1 April 2017, which increases by 5.0 per cent. every financial year for the period of five years.

*Term:* This Agreement was renewed in 2017 and will expire in March 2022.

*Arbitration:* All disputes under the Service Agreement shall be settled by arbitration by a sole arbitrator. The place of arbitration is in Chennai and the language of arbitration is English.

## LEGAL PROCEEDINGS

Except as described below, our Company is not involved in any legal proceedings and disputes, and no proceedings are threatened, which may have, or have had, a material adverse effect on the business, financial condition or operations of our Company. We believe that the number of proceedings and disputes in which the Company is involved is not unusual for a company of its size in the context of doing business in India. Civil and tax related proceedings involving our Company, which involve a claim of more than 1 per cent. of our Company's net worth have been individually described below.

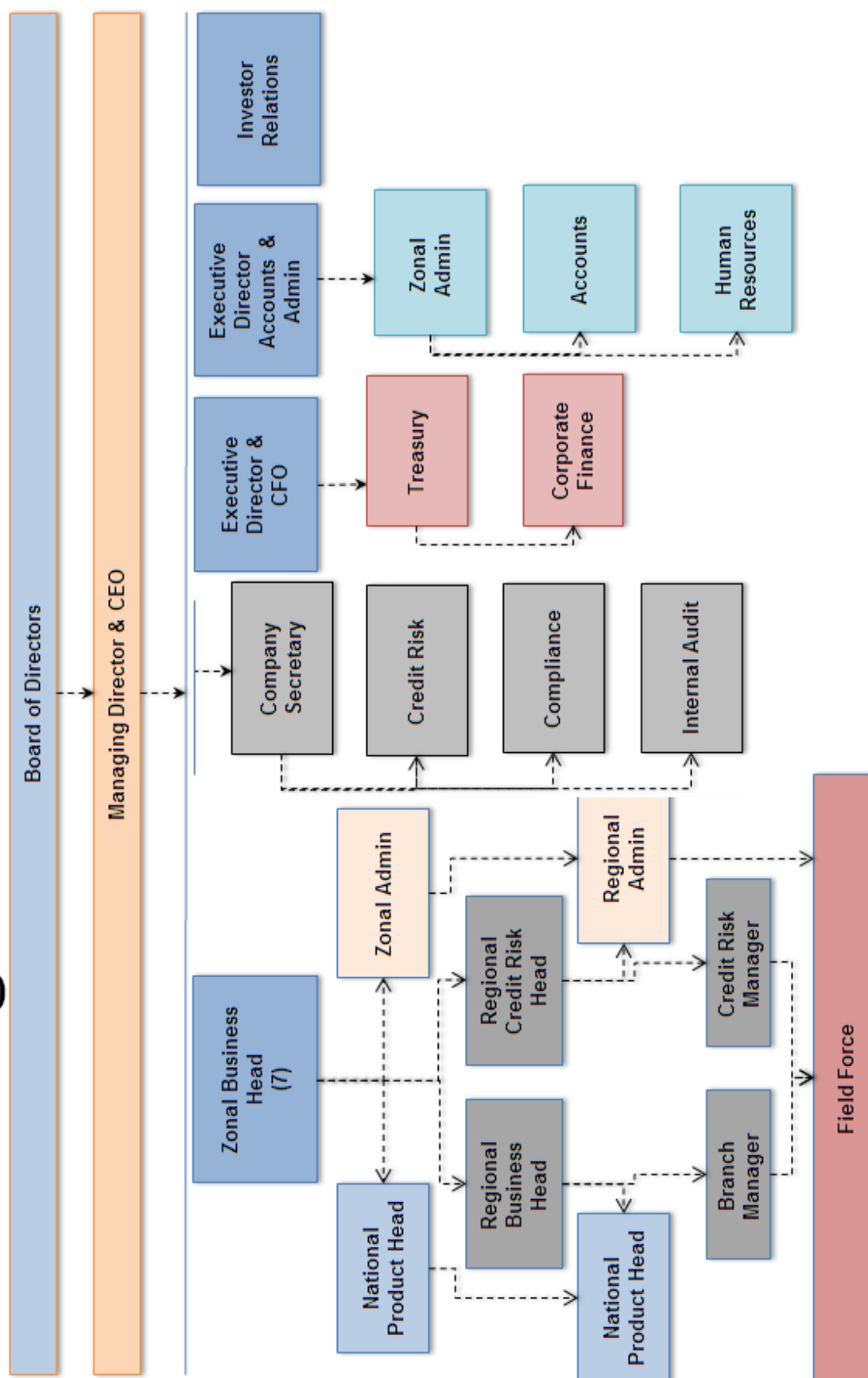
- Our Company filed an appeal before the Supreme Court of India (Special Leave Petition (Civil) 35142 of 2009) against an order dated 18 November 2009 passed by the High Court of Kerala in connection with a writ petition filed challenging the action of Commissioner of Commercial Taxes, Kerala, directing our Company to register under the provisions of the Kerala Money Lenders Act, 1958. The High Court of Kerala, pursuant to the impugned order, dismissed an appeal in connection with the aforesaid writ petition, thereby *inter alia* confirming the impugned order passed by the Commissioner of Commercial Taxes, Kerala. The Supreme Court of India admitted the appeal and pursuant to an order dated 16 December 2009 stayed the operation of the impugned order. The proceeding is pending hearing and final decision.
- Our Company filed a writ petition (Writ Petition No. 47108/2011) on 15 December 2011, against the State of Karnataka and others before the High Court of Karnataka *inter alia* seeking (a) a declaration that the provisions of the Karnataka Money Lenders Act, 1961 and the Karnataka Prohibition of Charging Exorbitant Interest Act, 2004 (collectively, **Impugned Statutes**) do not apply to NBFCs and the Company, in particular, (b) to strike down the Impugned Statutes, (c) a writ in the nature of certiorari or other suitable writ, order or direction quashing an order issued by the Karnataka State Money Lending Department dated 29 September 2011 and proceedings initiated against our Company pursuant to the Impugned Statutes, (d) interim relief by staying the proceedings initiated against our Company pursuant to the Impugned Statutes and (e) restraining the Karnataka state money lending authorities from initiating action against our Company under the aforesaid statutes. The High Court of Karnataka by its order dated 16 December 2011 stayed the proceedings initiated against our Company pursuant to the Impugned Statutes. The aforesaid matter is pending hearing and final decision.
- Our Company filed an appeal before the Supreme Court of India, Special Leave Petition (Civil) (9711-9713) of 2014 against the impugned common final judgment and order dated 8 October 2013 passed by the High Court of Judicature at Calcutta in Writ Petition No. 24 of 2010, Writ Petition No. 4 of 2011 and Writ Petition No. 6 of 2011 challenging the decision to uphold the Value Added Tax on Non-Banking Finance Companies (NBFC) and the disposition of vehicles for recovery of loans by treating NBFC as dealers as defined under Section 2 (11) of the West Bengal Value Added Tax 2003. The aforesaid matter is pending hearing and final decision.

- Our Company filed a writ petition (7638/ 2009) before the High Court of Andhra Pradesh against the orders passed by the Commercial Tax Officer, Tirupati, dated 20 March 2009 in which it alleged that our Company is liable to be assessed for tax under the Andhra Pradesh Value Added Tax Act, 2005 and the Andhra Pradesh General Sales Tax Act, 1957. Pursuant to the writ petition, our Company challenged the notices dated 21 March 2009 issued by the Commercial Tax Officer, Andhra Pradesh proposing to levy interest and penalty. The High Court of Andhra Pradesh by its order dated 15 April 2009 stayed the operation of the orders passed by the Commercial Tax Officer, Tirupati subject to our Company depositing one-third of the disputed tax amount within four weeks from the date of aforesaid order, which our Company has deposited with the High Court. The petition is pending hearing and final decision.
- Our Company filed a writ petition (no. 26590/2017 and no. 27066 to 27076/2017) before the High Court of Karnataka challenging the correctness of the order of re-assessment dated 28 April 2017 passed by the Deputy Commissioner of Commercial Taxes, Bengaluru, under sections 39(1), 72(2) and 36(1) of the Karnataka Value Added Tax Act, 2003 pertaining to the tax period from April, 2010 and up to March, 2011 (2010-2011). The Honorable High Court of Karnataka by its order dated 28 June 2017 has granted interim relief that no coercive process shall be taken against our Company for recovery of the demand amount by the Commercial Tax Officer, Bengaluru subject to our Company depositing 30% of the disputed tax amount within four weeks from the date of aforesaid order, which our Company has deposited with the High Court. The petition is pending hearing and final decision.
- Our Company is contesting several disputed income tax, service tax and VAT matters before various appellate authorities. The contingent liabilities as per accounting standard 29 as of 31 December 2017 in respect of such matters were INR 40,578.00 lacs.
- Our Company has received show cause notice demanding service tax on provision of collection of receivables and liquidity facilities in respect of Securitisation / Direct assignments etc. for the period 2008-09 to 2015-16. Based on the management judgement and estimate, the probability of an outflow of resources embodying economic benefits in respect of these matters is remote, and hence the same has not been considered for disclosure as contingent liability above.
- Our Company had on 28 December 2017 filed a writ petition (no. 45164 /2017) before the High Court of Judicature at Hyderabad for the State of Telangana and State of Andhra Pradesh (the **High Court**) against the order passed by the Deputy Commissioner (CT), Secunderabad Division, Hyderabad in suo moto revision proceeding in Rc.No.R1/46/2014 dated 8 November 2017. The Honorable High Court of Judicature at Hyderabad by its order dated 2 January 2018 had granted stay of recovery of disputed tax, subject to our Company paying one-third of the disputed tax amount within four weeks from the date of the aforesaid order, which our Company has deposited with the High Court. The petition is pending hearing and final decision.

*Error! Reference source not found.”.*

## i. Corporate Structure

# Organization Structure



ii. *Key operational and financial parameters for the last 3 audited years- (Consolidated basis)*

(Fig in ₹)

Particulars	As at and for the financial year ended March 31, 2017	As at and for the financial year ended March 31, 2016	As at and for the financial year ended March 31, 2015
Networth*	1,132,186.67	1,015,314.69	922,892.27
Total Debt	5,307,959.22	4,979,000.80	4,669,451.92
of which			
- Non Current Maturities of Long Term Borrowing	3,369,861.25	3,026,888.74	3,285,558.30
- Short Term Borrowing	495,423.75	333,044.38	295,262.91
- Current Maturities of Long Term Borrowing	1,442,674.22	1,619,067.68	1,088,630.71
Net Fixed Assets	13,422.78	15,211.24	15,425.73
Non-Current Assets	4,935,285.44	4,471,065.28	3,381,066.56
Cash and Cash Equivalents	444,531.15	236,555.03	476,117.88
Current Investments	5,225.25	11,699.19	221,292.13
Current Assets	2,509,768.82	2,330,281.40	2,834,294.88
Current Liabilities	2,421,541.82	2,356,291.04	1,718,860.77
Assets Under Management	7,876,093.00	7,276,060.00	6,262,586.99
Off Balance Sheet Assets	1,329,474.16	1,086,628.40	983,000.35
Interest Income	980,130.00	953,001.00	846,837.02
Interest Expense	504,863.47	494,307.40	449,145.83
Provisioning & Write-offs	244,432.05	210,679.48	161,222.39
PAT	126,563.41	118,361.82	102,844.45

\*Networth= Share capital + Reserves & Surplus – Miscellaneous Expenditure (to the extent not written off or adjusted)

The following table sets forth, as of the dates indicated, data regarding our NPAs and Capital Adequacy Ratios on an unconsolidated basis:

Particulars	As at and for the financial year ended March 31, 2017	As at and for the financial year ended March 31, 2016	As at and for the financial year ended March 31, 2015
Gross NPA (Rs. in lacs)	540,844.00	387,023.84	189,413.90
Net NPA (Rs. in lacs)	165,900.00	114,369.70	37,912.06
Tier I Capital Adequacy Ratio (%)	15.20%	14.71%	16.40%
Tier II Capital Adequacy Ratio (%)	1.74%	2.85%	4.12%

*Gross Debt Equity Ratio of the Company:-*

Before the issue of debt securities (as per latest audited Balance Sheet as on March 31, 2017)	4.70
After the issue of debt securities (as per latest audited Balance Sheet as on March 31, 2017)	4.88

**D. A brief history of the company since its incorporation giving details of its following activities:**

i. Details of Share Capital as on last quarter end :-

Share Capital	₹ in lacs
<b>AUTHORISED SHARE CAPITAL</b>	
64, 70, 00, 000 Equity Shares of ₹ 10/- each	64,700
9,50,00,000 Preference Shares of ₹ 100/- each	95,000
<b>TOTAL</b>	159,700
<b>ISSUED</b>	
22,69,36,877 Equity Shares of ₹ 10 /- each	22,693.69
<b>SUBSCRIBED</b>	
22,69,36,877 Equity Shares of ₹ 10 /- each	22,693.69
<b>PAID-UP SHARE CAPITAL</b>	
22,68,82,736 Equity Shares of ₹ 10/- each	22,688.27
48,000 Equity Shares of ₹ 10/- each, paid up ₹ 5/- each (See note c(ii) below)	2.40
<b>TOTAL</b>	22,690.67
<b>NOTES:</b>	
<p>The Equity Shares allotted for consideration other than cash are as follows:</p> <p>a. 6,06,33,350 fully paid-up Equity Shares of our Company have been allotted to the shareholders of Shriram Investments Ltd (SIL), pursuant to a scheme of amalgamation sanctioned by the Hon'ble High Court of Madras vide its order dated November 25, 2005, in a ratio of 1 fully paid up Equity Share of our Company, for every 1 fully paid up equity share of the face value of Rs. 10/- each, of SIL;</p> <p>b. 1,86,45,886 fully paid-up Equity Shares of our Company have been allotted to the shareholders of Shriram Overseas Finance Ltd (SOFL), pursuant to a scheme of amalgamation sanctioned by the Hon'ble High Court of Madras vide its order dated December 1, 2006, in a ratio of 3 fully paid up Equity Shares of our Company, for every 5 fully paid up equity shares of the face value of Rs. 10/- each, of SOFL; and</p> <p>c. Pursuant to Shriram Holdings (Madras) Pvt. Ltd. (SHMPL) Scheme of Merger sanctioned vide the Merger Order passed by the Hon'ble High Court of Madras, our Company issued and allotted 9,38,72,380 fully paid up equity shares of our Company to the shareholders of SHMPL, whose names appeared in the register of members on the specified date in connection with the aforesaid scheme of amalgamation, in a ratio of 313 fully paid up Equity shares of our Company, for every 124 fully paid up equity shares of the face value of Rs. 10 each, of SHMPL.</p> <p>(i) Pursuant to the issuance of 64,95,420 Equity Shares on a rights basis on April 21, 1995, 64,84,910 Equity Shares were allotted, and 10,510 Equity Shares were kept in abeyance and not allotted, on account of unavailability of certain information in connection with certain applicants of Equity Shares in the said rights issue. Subsequently, 2,369 Equity Shares and 2,000 Equity Shares of the aforementioned Equity Shares kept in abeyance were allotted on November 11, 1995 and December 28, 1995, respectively. Currently, 6,141 Equity Shares are still kept in abeyance and pending allotment.</p> <p>(ii) 48,000 equity shares of Rs. 10/- each of SIL, on which Rs. 5/- was paid up for each of the said shares, were forfeited on January 17, 1997, ("<b>Forfeited Shares</b>"). Pursuant to the scheme of amalgamation sanctioned by the Hon'ble High Court of Madras vide its order dated November 25, 2005, as detailed in para (a) above, the Forfeited Shares have become a part of the share capital of our Company, by operation of law.</p>	

**Changes in the authorised capital of our Company in the last five years from date of this Disclosure Document:**

Date of AGM/EGM	Alteration
September 13, 2012	The Authorised share capital of our Company was reorganised from ₹ 5,35,00,00,000 divided into 33,50,00,000 Equity Shares and 2,00,00,000 preference shares of ₹ 100 each to ₹ 5,97,00,00,000 divided into 39,70,00,000 Equity Shares and 2,000,000 cumulative redeemable preference shares of ₹ 100 each and 18,000,000 preference shares of ₹ 100 each*
March 31, 2016	The Authorised share capital of our Company stood increased from ₹ 5,97,00,00,000 divided into 39,70,00,000 Equity Shares and 2,00,00,000 preference shares of ₹ 100 each to ₹ 15,97,00,00,000 divided into 64,70,00,000 Equity Shares and 9,50,00,000 preference shares of ₹ 100 each **
<b>NOTES:</b> * The authorised capital of our Company stood increased, pursuant to a scheme of amalgamation of the erstwhile SHMPL, with our Company (“ <b>SHMPL Scheme of Merger</b> ”). The appointed date for the SHMPL Scheme of Merger was April 1, 2012 and the specified date for the purposes of re-organisation and issue of shares was November 05, 2012, as approved by the Hon’ble High Court of Madras, vide its Merger Order.  **The Authorised capital of our Company stood increased, pursuant to a scheme of amalgamation for merger of the erstwhile Shriram Equipment Finance Company Ltd (SEFCL) a wholly owned subsidiary with our Company (“Scheme”). The appointed date for the Scheme was April 01, 2015. The Scheme was sanctioned by the Hon’ble High Court of Judicature at Madras, vide its order dated March 31, 2016	

 ii. *Changes in its capital structure as on last quarter end, for the last five years :*

Date of Change (AGM/EGM)	Amount (in Rs.)	Particulars
05/11/2012 - Date of Allotment	(93,37,15,120) 93,87,23,800 50,08,680	The Hon’ble High Court of Judicature at Madras has sanctioned the Scheme of Arrangement for merger of Shriram Holdings (Madras) Private Limited (SHMPL) with Shriram Transport Finance Company Limited (STFC). The Scheme has come into effect from November 05, 2012. The appointed date was April 01, 2012. Pursuant to the Scheme 93371512 equity shares held by SHMPL in the share capital of the STFC stood cancelled upon coming into effect of the Scheme. On November 05, 2012 STFC has allotted 93872380 equity shares to the shareholders of erstwhile SHMPL in the share swap ratio 313:124 i.e. 313 equity shares of Rs. 10 each fully paid-up of the STFC to be issued for every 124 equity shares of Rs. 10 each fully paid-up of SHMPL.



iii. *Equity Share Capital History of the Company as on last quarter end, for the last five years:*

Date of Allotment	No of Equity Shares	Face Value Rs.	Issue Price Rs.	Consideration (Cash, other than cash, etc)	Nature of Allotment	Cumulative		Equity Share Premium (Rs.)	Remarks
						No. of Equity Shares	Equity Share Capital (Rs.)		
11/09/2012	53500	10/-	35/-	Cash	53500 Equity shares ESOP <sup>\$</sup>	53500	2263540680	1337500	53500 Equity shares ESOP <sup>\$</sup>
05/11/2012	500868	10/-	-	For consideration other than cash	93872380 Equity shares Pursuant to Merger of SHMPL with STFC <sup>(1)</sup>	500868	2268549360	0	93872380 Equity shares Pursuant to Merger of SHMPL with STFC
02/03/2013	9000	10	35/-	Cash	9000 Equity shares ESOP <sup>\$</sup>	9000	2268639360	225000	9000 Equity Shares ESOP <sup>\$</sup>
12/08/2013	18800	10	35/-	Cash	18,800 Equity shares ESOP <sup>\$</sup>	18800	2268827360	470000	18,800 Equity Shares ESOP <sup>\$</sup>

<sup>\$</sup> Equity Shares allotted to the employees of our Company as fully paid up under the Company's Employees Stock Option Scheme 2005 on exercise of vested options.

**Notes:**

- Pursuant to the SHMPL Scheme of Merger sanctioned under Section 391 to 394 read with Section 100 to 104 of the Act, between our Company and SHMPL, as approved by the Hon'ble High Court of Madras vide the Merger Order, the business and undertaking of SHMPL, our erstwhile promoter, was merged into our Company with a view of, inter alia, reducing shareholding tiers, optimizing administrative costs and enabling the shareholders of SHMPL to hold equity shares directly in our Company. The appointed date under the SHMPL Scheme of Merger was April 1, 2012, and the SHMPL Scheme of Merger became effective from November 5, 2012 when a certified true copy of the order of the High Court of Madras approving the SHMPL Scheme of Merger was filed with the ROC by SHMPL and our Company, ("**SHMPL Effective Date**"). On the SHMPL Effective Date, SHMPL was merged into our Company without winding up of SHMPL under Section 394 of the Act. Pursuant to the SHMPL Scheme of Merger, 9,38,72,380 equity shares of the face value of Rs. 10 each fully paid up of our Company, were issued and allotted, to the members of SHMPL whose names were recorded in the register of members of SHMPL on November 5, 2012 in connection with the SHMPL Scheme of Merger, in the ratio of 313:124 i.e. 313 equity shares of the face value of ` 10 each fully paid up of our Company were issued for every 124 equity shares of the face value of Rs. 10 each fully paid up of SHMPL, held by the respective members thereof. Accordingly, 9,33,71,512 (Nine crores thirty three lacs seventy one thousand five hundred and twelve only) equity shares of the face value of Rs. 10 each of our Company, earlier held by SHMPL stood cancelled pursuant to the SHMPL Scheme of Merger coming into effect.

iv. *Details of any Acquisition or Amalgamation in the last 1 year :-*

**Amalgamation of wholly owned subsidiary i.e. Shriram Equipment Finance Company Limited with our Company:**

On March 31, 2016, the Hon'ble Madras High Court has sanctioned the Scheme of Amalgamation of Shriram Equipment Finance Company Limited (SEFCL) with the Company under Section 391 to 394 of the Companies Act, 1956 ('the Scheme'). Accordingly, SEFCL has amalgamated with the Company from April 01, 2015 (the 'Appointed Date'). As such, the Standalone financial statements of the Company also include the financials of the SEFCL. The Certified True Copy of the Amalgamation Order of the Hon'ble Madras High Court was filed with Registrar of Companies, Tamil Nadu, on April 19, 2016 (the 'Effective Date').

Except as mentioned above there are no other material Acquisition or Amalgamation in the last 1 year

v. *Details of reorganization or reconstruction in last 1 year : Not Applicable*

Type of Event	Date of Announcement	Date of Completion	Details
-	-	-	-

### E. Details of shareholding of the company as on latest quarter end:

i. Shareholding of the Company as on last quarter end:

(I) (a) STATEMENT SHOWING SHAREHOLDING							Shares pledged or otherwise encumbered	
Category Code	Category of Shareholder	Number of Shareholders	Total Number of shares	Number of shares held in Dematerialised Form	Total number of shareholding as a percentage of Total Number of shares		No. of Shares	As a percentage of total number of equity shares
					As a percentage of (A+B)	As a percentage of (A+B+C)		
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)=(VIII) / (IV) X 100
<b>A</b>	<b><u>SHAREHOLDING OF PROMOTER AND PROMOTER GROUP</u></b>							
(1)	<b>Indian</b>							
a	Individual/Hindu Undivided Family	0	0	0	0	0	0	0
b	Central Government/ State Governments	0	0	0	0	0	0	0
c	Bodies Corporate	1	59173023	59173023	26.08	26.08	0	0
d	Financial Institutions / Banks	0	0	0	0	0	0	0
e	Any other (Specify)	0	0	0	0	0	0	0
	<b>Sub Total A(1)</b>	<b>1</b>	<b>59173023</b>	<b>59173023</b>	<b>26.08</b>	<b>26.08</b>	<b>0</b>	<b>0</b>
(2)	<b>Foreign</b>							
a	Individual (Non resident Individuals / Foreign individuals)	0	0	0	0	0	0	0
b	Government	0	0	0	0	0	0	0
c	Institutions	0	0	0	0	0	0	0
d	Foreign Portfolio Investor	0	0	0	0	0	0	0
e	Any other (Specify)	0	0	0	0	0	0	0
	<b>Sub Total A(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total shareholding of Promoter and Promoter Group (A)= (A)(1) +(A)(2)</b>	<b>1</b>	<b>59173023</b>	<b>59173023</b>	<b>26.08</b>	<b>26.08</b>	<b>0</b>	<b>0</b>
<b>B</b>	<b><u>Public</u></b>	-					<b>N.A.</b>	<b>N.A.</b>

	<b>Shareholding</b>							
(1)	<b>Institutions</b>						<b>N.A.</b>	<b>N.A.</b>
a	Mutual Funds/ UTI	85	7270166	7241921	3.20	3.20	0	0
b	Financial Institutions / Banks	10	722158	721948	0.32	0.32	0	0
c	Alternate Investment Funds	0	0	0	0	0	0	0
d	Venture capital Funds	0	0	0	0	0	0	0
e	Insurance Companies	0	0	0	0	0	0	0
f	Foreign Portfolio Investors 1 & 2	543	112829423	112829423	49.73	49.73	0	0
g	Foreign Venture Capital Investors	0	0	0	0	0	0	0
h	Provident Funds/ Pension Funds	0	0	0	0	0	0	0
i	Any other	0	0	0	0	0	0	0
	<b>Sub Total B(1)</b>	<b>638</b>	<b>120821747</b>	<b>120793292</b>	<b>53.25</b>	<b>53.25</b>	<b>0</b>	<b>0</b>
(2)	<b>Central Government/State Government(s)/ President of India</b>	0	0	0	0	0	0	0
	<b>Sub Total B(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>N.A.</b>	<b>N.A.</b>
(3)	<b>Non-Institutions</b>							
a	Individuals							
(i)	Individual Shareholders holding Nominal Share Capital upto Rs.2 Lakh**	42854	10939945	7442700	4.82	4.82	0	0
(i i)	Individual Shareholders holding Nominal Share Capital in excess of Rs.2 Lakh**	28	2873466	2873466	1.27	1.27	0	0
b	NBFCs registered with RBI	9	2037	2037	0	0	0	0
c	Employee Trusts	0	0	0	0	0	0	0
d	Overseas Depositories (holding DRs)(balancing figure)	0	0	0	0	0	0	0
e	Any other (Specify)	1913	33072518	32764522	14.58	14.58	0	0
	<b>Sub Total B(3)</b>	<b>44804</b>	<b>46887966</b>	<b>43082725</b>	<b>20.67</b>	<b>20.67</b>	<b>0</b>	<b>0</b>
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)+B(3)</b>	<b>45442</b>	<b>167709713</b>	<b>163876017</b>	<b>73.92</b>	<b>73.92</b>	<b>0</b>	<b>0</b>

C	<u>Shares held by Non-Promoter-Non Public Shareholder</u>						N.A.	N.A.
1	Custodian/DR Holder	0	0	0	0	0	0	0
2	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0	0	0	0
	<b>Total Non-Promoter-Non Public Shareholding (C)= C(1) + C(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Grand Total (A) + (B) + (C)</b>	<b>45443</b>	<b>226882736</b>	<b>223049040</b>	<b>100.00</b>	<b>100.00</b>	<b>0</b>	<b>0</b>

ii. List Of Top 10 Holders Of Equity Shares Of The Company As On Last Quarter end (as on December 31, 2017):

Sr. No.	Name of shareholders	Address	Total Number of Equity Shares held	Total Number of Equity Shares held in Demat Form	Percentage Holding (%)
1.	Shriram Capital Limited	Shriram House, No.4 Burkit Road, T. Nagar, Chennai - 600 017	59173023	59173023	26.08
2.	Piramal Enterprises Limited	Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai-400 013	22600000	22600000	9.96
3.	Sanlam Life Insurance Limited	CITI Bank N.A., Custody Services FIFC-11 <sup>th</sup> Floor, G Block, Plot C-54 and C-55, BKC, Bandra- East, Mumbai – 400051	6757267	6757267	2.98
4.	Government of Singapore	Deutsche Bank AGDB House, Hazarimal Somani Marg, Post Box No.1142, Fort, Mumbai - 400 001	5146418	5146418	2.27
5.	Societe Generale	SBI SG Global Securities Services Pl, Jeevan Seva Annexe Building, A Wing, Gr Floor, S V Road, Santacruz West, Mumbai - 400054	4475952	4475952	1.97
6.	Abu Dhabi Investment Authority	JPMorgan Chase Bank N.A., India Sub Custody, 6th Flr, Paradigm B, Mindspace, Malad W, Mumbai-400064	4040814	4040814	1.78
7.	SBI Mutual Fund( under different sub accounts)	SBI SG Global Securities Services PL, Jeevan Seva Annexe Building, A Wing, Gr Floor, S V Road, Santacruz West, Mumbai - 400054	3943592	3943592	1.74
8.	Vanguard Emerging Markets Stock Index Fund, A series of Vanguard International Equity Inde X Fund	Deutsche Bank AGDB House, Hazarimal Somani Marg, Post Box No.1142, Fort, Mumbai - 400 001	2944789	2944789	1.30
9.	Morgan Stanley (France) S.A.	Citibank N.A. Custody Services, FIFC- 11th Flr, G Block, Plot C-54 and C-55, BKC, Bandra - East, Mumbai- 400098	2688516	2688516	1.18
10.	Stichting Depositary APG Emerging Markets Equity Pool	J P Morgan Chase Bank N.A.India, Sub Custody, 6 <sup>th</sup> Floor, Paradigm B Mindspace, Malad (West), Mumbai-400 064	2665451	2665451	1.17



**F. Following details regarding the directors of the Company:**

**i. Details of the current Directors of the Company:**

Name, Designation, Age and DIN	Nationality	Date of Appointment	Address	Other Directorships
<p>Mr. Lakshminarayanan Subramanian <i>Non-Executive Independent Chairman</i></p> <p>Age: 71 DIN: 02808698</p> <p>Occupation: Retired Civil Servant (Former Secretary to GOI, Ministry of Home Affairs) and Currently working with Private Companies as Advisor/Consultant</p>	Indian	September 22, 2009	33, Paschimi Marg, First Floor, Vasant Vihar, New Delhi – 110057.	<p>i. ELCOM Systems Private Limited ii. ELCOM Innovations Private Limited iii. Shriram Life Insurance Company Limited iv. Shriram Automall India Limited. v. Indofil Industries Ltd. vi. Modi Fintech Private Limited vii. Modi Investment &amp; Holdings Pvt. Ltd. viii. Saurashtra Freight Private Limited</p>
<p>Mr. Umesh Revankar <i>Managing Director and CEO</i></p> <p>Age: 53 DIN: 00141189</p> <p>Occupation: Service</p>	Indian	October 25, 2016	Flat no. 202, Kalpana CHS. Ltd.. 11 <sup>th</sup> Road, Khar (west), Mumbai - 400052	<p>i. Shriram Capital Limited ii. Shriram Credit Company Limited iii. Shriram General Insurance Company Limited iv. Shriram Seva Sankalp Foundation v. Shriram Life Insurance Company Limited vi. Shriram Automall India Limited</p>
<p>Mr. Sumati Prasad Mishrilal Bafna <i>Non-Executive and Independent Director</i></p> <p>Age: 56 DIN: 00162546</p> <p>Occupation: Business</p>	Indian	September 9, 2005	22, Gobind Mahal, 86– B, Marine Drive, Mumbai – 400020.	<p>i. Isuta Electronics (India) Limited; ii. Bafna Motors (Mumbai) Private Limited; iii. Bafna Motors (Ratnagiri) Private Limited; iv. Bafna Motors Private Limited; v. Kishor Transport Services Private Limited; vi. Bafna Aviation Private Limited; vii. Rushabh Motors Private Limited; viii. Bafna Health Care Private Limited; ix. ABCIN Services Private Limited; x. Panchavati Automobile Private Limited; xi. Bafna Motorcycles Private Limited; and xii. Toyota Logistic Kishor India Private Limited. xiii. Bafna Motors (India) Private Limited</p>
<p>Mr. Puneet Bhatia <i>Non-Executive and Non-Independent Director</i></p> <p>Age: 50 DIN: 00143973</p> <p>Occupation: Managing Director and Country Head of TPG Capital India.</p>	Indian	October 26, 2006	525 A Magnolias, DLF Golf Course, DLF Phase 5, Gurgaon Haryana - 122009	<p>i. TPG Capital India Private Limited; ii. Shriram Properties Private Limited; iii. Flare Estate Private Limited; iv. Vishal Mega Mart Private Limited; v. Shriram Capital Limited; vi. Manipal Health Enterprises Private Limited vii. Havells India Limited. viii. Janalakshmi Financial Services Private Limited;and ix. Vishal E-Commerce Private Limited x. Jana Capital Limited</p>
<p>Mrs. Kishori Udeshi <i>Non- Executive and Independent Director</i></p> <p>Age: 74 DIN: 01344073</p> <p>Occupation: Deputy Governor, RBI (Retired)</p>	Indian	October 30, 2012	15, Sumit Apartment, 31, Carmichael Road, Mumbai-400026.	<p>i. HSBC Asset Management (India) Pvt. Ltd.; ii. ION Exchange (India) Ltd.; iii. HALDYN Glass Ltd.; and iv. Thomas Cook (India) Ltd. v. Elantas Beck India Ltd vi. Shriram Automall India Limited vii. SOTC Travel Services Pvt. Ltd</p>

Name, Designation, Age and DIN	Nationality	Date of Appointment	Address	Other Directorships
<b>Mr. Amitabh Chaudhry</b> <i>Non- Executive and Independent Director</i>  Age: 53 DIN: 00531120  Occupation: Managing Director & CEO of HDFC Standard Life Insurance Co. Ltd.	Indian	October 30, 2012	Flat No. 4301, 43 <sup>rd</sup> Floor, Tower III, Electra Planet Godrej, Near Jacob Circle, Saat Rasta, Mahalaxmi, Mumbai- 400011.	i. HDFC Standard Life Insurance Company Limited; ii. HDFC Pension Management Company Limited; iii. Manipal Global Education Services Private Limited. iv. HDFC Credila Financial Services Pvt. Ltd. v. HDFC International Life and Re Company Limited vi. Manipal Education Americas, LLC
<b>Mr. Gerrit Lodewyk Van Heerde</b> <i>Non-Executive and Non-Independent Director</i>  Age: 49 DIN: 06870337  Occupation: Actuary	South African	May 15, 2014	2 Dahlia Avenue, Welgedacht, Bellville, 7530, South Africa	i. Letshego Holdings Limited; ii. Shriram City Union Finance Ltd. iii. BHIL Group
<b>Mr. Sridhar Srinivasan</b> <i>Non- Executive and Independent Director</i>  Age : 66 years DIN : 00004272  Occupation: Management Consultant	Indian	Oct. 20, 2014	D-905, Ashok Towers, DR S S ROAD, PAREL MUMBAI Maharashtra India 400012	i. Binani Industries Limited.; ii. DCB Bank Limited.; iii. Tourism Finance Corporation of India Limited.; iv. Jubilant Life Sciences Limited; v. Strides Shasun Limited; vi. India Infoline Housing Finance Limited; vii. Sewa Grih Rin Limited; viii. Incube Trustee Company Private Limited; ix. JP Morgan Mutual Fund India Private Limited; x. NABARD Consultancy Services Private Limited; and xi. Strategic Research & Information Capital Services Private Limited xii. GVFL Trustee Company Private Limited xiii. Indian Housing Federation
<b>Mr. D.V Ravi</b> <i>Non- Executive and Non-Independent Director</i>  Age:53 years DIN: 00171603  Occupation: Managing Director of Shriram Capital Limited	Indian	June 18, 2015	B3E Regal Palm Gardens, Cee Dee Yes Apartments, Velachery Tambaram Road, Velachery, Channia- 600042	i. Shriram Capital Limited; ii. DRP Consultants Pvt. Ltd.; iii. Shriram Properties Holding Pvt. Ltd.; iv. Asia Global Trading (Chennai) Pvt. Ltd.; v. Shriram Financial Ventures (Chennai) Pvt. Ltd.; vi. TAKE Solutions Ltd.; vii. Esyspro Infotech Limited; viii. Envestor Ventures Limited; ix. Shriram Credit Company Limited; x. Shriram Seva Sankalp Foundation; xi. TAKE Solutions Pte Limited; xii. Take Global Ltd (UK); xiii. DRP Consultants Pte Ltd.; xiv. Ecron Acunova Limited xv. Take Sports Management Pvt. Ltd. xvi. Srilekha Business Consultancy Pvt. Ltd.

As per declaration submitted to the Company, this is to confirm that none of its Directors are appearing on the RBI/ECGC defaulters list

## **Profile of Directors**

### **Mr Umesh Govind Revankar (Managing Director & CEO)**

Mr. Umesh Govind Revankar holds a bachelor's degree in business management from Mangalore University and a master of business administration (MBA) in finance. He attended the Advanced Management Program at Harvard Business School. Mr. Revankar started his career with the Shriram group as an executive trainee in 1987. He has been associated with the Shriram group for the last 28 years and has extensive experience in the financial services industry. During his stint with the Shriram Group, he has shouldered various responsibilities and worked in several key roles of business operations.

### **Mr. Puneet Bhatia**

Mr. Puneet Bhatia is Managing Director and Country Head for TPG Capital India. Prior to joining TPG Capital India in April 2002, he was Chief Executive, Private Equity Group for GE Capital India ("GE Capital"), where he was responsible for conceptualizing and creating its direct and strategic private equity investment group. As Chief Executive of GE Capital, he created and handled a portfolio numerous companies. He was also responsible for consummating some of GE Capital's joint ventures in India. Prior to this, he was with ICICI Limited from 1990 to 1995 in the Project and Corporate Finance group and worked as a senior analyst with Crosby Securities from 1995 to 1996. Mr. Puneet Bhatia holds a B.Com Honours degree from the Sriram College of Commerce, Delhi and is an M.B.A. from the Indian Institute of Management, Calcutta.

### **Mr. Sumati Prasad Mishrilal Bafna**

Mr. Sumati Prasad Bafna is a non-executive Director on our Board. He is a science graduate from Mumbai and began his career in the year 1984. He has over 29 years of experience in the automobile industry. He thereafter started independent dealership of Tata Motors at Ratnagiri, Maharashtra in the year 1995 and Mumbai dealership in the year 2001. His company has been a prominent dealer for Tata Motors Limited. He also holds dealerships of vehicles manufactured by Honda, Hyundai and Maruti Udyog Limited.

### **Mr. Lakshminarayanan Subramanian**

Mr. Lakshminarayanan Subramanian is a non-executive Chairman on our Board. He holds Bachelor's degree in Science and post graduate diploma from University of Manchester, (U.K.) in Advanced Social & Economic Studies. He was a member of the Indian Administrative Service (IAS-retired) and as such held several senior positions in the Ministry of Home Affairs, Ministry of Communications and Information Technology, Ministry of Information and Broadcasting of the Government of India and in the Department of Tourism, Culture and Public Relations, Department of Mines, Mineral Resources, Revenue and Relief and Rehabilitation of the Government of Madhya Pradesh.

### **Mrs. Kishori Udeshi**

Mrs. Kishori Udeshi is a non-executive Director on our Board. She holds a M.A. degree in Economics from Bombay University. She retired as a Deputy Governor of the Reserve Bank of India. During her career with RBI she handled important portfolios including regulation and supervision of banking and non-banking sector. As Deputy Governor, she was chairman of BRBNM (P) Ltd. and DICGC and was on the Boards of SEBI, NABARD and Exim Bank. She served as a Member of the Financial Sector Legislative Reforms Commission set up by the Government of India in 2011.

### **Mr. Amitabh Chaudhry**

Mr. Amitabh Chaudhry is a non-executive director on our Board. He holds an MBA degree from IIM, Ahmedabad and B. Tech (Electrical & Electronics) from BITS, Pilani. Mr. Chaudhry has over 25 years of experience in different capacities with leading Indian Financial Services Group, Technologies Service Company and international banks. Mr. Chaudhry is the Managing Director and CEO of HDFC Standard Life Insurance Company Limited. He also serves on the Board of Manipal Global Education Services Private Limited.

### **Mr. Gerrit Lodewyk Van Heerde**

Mr. Gerrit Lodewyk Van Heerde is a non-executive director on our Board. He holds a Bachelor's degree in Commerce from the University of the North West and a Honors degree in Actuarial Science from the University of Stellenbosch in South Africa. He is a Fellow of the Institute and Faculty of Actuaries in the United Kingdom as well as a Fellow of the Actuarial Society of South Africa. He is the Chief Financial Officer of Sanlam Emerging Markets and has 22 years of experience in the financial services industry and has during that time held various positions at the Sanlam Group.

### Mr. S. Sridhar

Mr. S. Sridhar is a non-executive Director of the Company. He studied at the Indian Institute of Technology, Delhi and Jamnalal Bajaj Institute of Management Studies, Mumbai. He was awarded the Lord Aldington Banking Research Fellowship for the year 1984 by the Indian Institute of Bankers. He has received many awards / honours, particularly for his innovative business models and intuition building. He was Chairman and Managing Director of Central Bank of India until May 31, 2011 and earlier of National Housing Bank, India's regulator of Housing Finance Companies and the apex Financial Institution for housing. He is a banker with about 40 years experience in commercial and development banking of which 13 years were at the CEO / Board level. He is widely acknowledged to be an innovative, market oriented banker and strategic thinker having provided transformational leadership to the organisations he had worked for. He was a pioneer in championing the concept of affordable housing in India and contributed significantly to public policy formulation. Mr. Sridhar started his career with State Bank of India, India's largest commercial Bank. He also worked as Executive Director and Chief Operating Officer of Export Import Bank of India, India's apex export financing institution between 2001 and 2006. Currently, he serves as an Independent Director on the Boards of various companies, and also as a consultant to financial services companies. Mr. Sridhar has served in various national level committees and task forces for framing financial sector policies. He was on the Managing Committee of the Indian Banks' Association, served on the Emerging Markets Council of the Institute of International Finance, Washington DC. He has been an invited speaker at numerous national and international Conferences including Chatham House Lectures.

### Mr. D.V. Ravi

Mr. D V Ravi is a commerce graduate from the University of Bangalore and holds a Post Graduate Diploma in Management from the Institute of Rural Management, Anand (IRMA). He currently serves as the Managing Director of Shriram Capital Ltd. He also serves the Board of various companies under the Group. Over time, his portfolio grew to include key areas of Corporate Strategy and services, Corporate Finance, Information Technology and Process activities of the Group. He is also the Non-Executive Director and Co-founder of TAKE Solutions Ltd., a global technology solutions and service provider. Mr. Ravi has also spearheaded several successful Mergers and Acquisitions for TAKE. He also joined the Commercial Vehicle Finance business of Shriram Group in 1992 as Head of Investment Servicing. He started his career in strategy and finance in 1987 with Karnataka Oil Seeds Federation, Bangalore. His areas of expertise in this role include Corporate Strategy, Synergy Creation, Risk Management Efforts, Leadership Development and Corporate Finance.

#### ii. Details of change in Directors since last three years :-

Name of the Director, Designation and DIN	Date of Appointment/Resignation	Director of our Company since	Remarks
Mr. Gerrit Lodewyk Van Heerde <i>Non-Executive and Non-Independent Director</i>  DIN: 06870337	May 15, 2014	May 15, 2014	Appointed as Additional Director
Mr. Mayashanker Verma <i>Non-Executive and Independent Director</i>  DIN: 00115431	July 10, 2014	October 26, 2006	Resigned as a Director
Mr. Sridhar Srinivasan <i>Non-Executive and Independent Director</i>  DIN : 00004272	October 20, 2014	October 20, 2014	Appointed as Additional Director
Mr. Arun Duggal <i>Non-Executive Non-Independent Chairman</i>  DIN: 00024262	November 15, 2014	September 09, 2005	Resigned as a Chairman
Mr. D.V. Ravi <i>Non- Executive and Non-Independent Director</i>  DIN: 00171603	June 18, 2015	June 18, 2015	Appointed as Additional Director

Name of the Director, Designation and DIN	Date of Appointment/Resignation	Director of our Company since	Remarks
Mr. R. Sridhar <i>Non-Executive and Non-Independent Director</i> DIN: 00136697	August 1, 2015	May 8, 2012	Resigned as a Director
Mr. Jasmit Singh Gujral <i>Managing Director and CEO</i> DIN: 00196707	April 30, 2016	April 30, 2016	Appointed as Additional Director and also as Managing Director and CEO
Mr. Umesh Revankar <i>Non-Executive and Non-Independent Director</i> DIN : 00141189	July 27, 2016	April 1, 2012	Resigned as a Director
Mr. Ramakrishnan Subramanian <i>Non- Executive and Non-Independent Director</i> DIN: 02192747	July 27, 2016	July 27, 2016	Appointed as Additional Director
Mr. Jasmit Singh Gujral <i>Managing Director and CEO</i> DIN: 00196707	October 25, 2016	April 30, 2016	Resigned as a Managing Director and CEO
Mr. Umesh Revankar <i>Non-Executive and Non-Independent Director</i> DIN : 00141189	October 25, 2016		Appointed as Additional Director and also as Managing Director and CEO
Mr. Ramakrishnan Subramanian <i>Non- Executive and Non-Independent Director</i> DIN: 02192747	February 03, 2017	July 27, 2016	Resigned as Additional Director

**G. Following details regarding the Auditors of the Company:**

i. Details of the Auditor of the Company :-

Name	Address	Auditor since
<b>M/s. Haribhakti &amp; Co. LLP</b>	705, Leela Business Park, Andheri-Kurla Road, Andheri (E), Mumbai- 400059 Email: rakesh.rathi@haribhakti.co.in Tel: +91 22 66729999 , Fax: +91 22 66729777	Appointed in the AGM dated June 29, 2017
<b>M/s. Pijush Gupta &amp; Co.</b>	P 199, CIT Road, Scheme IV-M, Kolkata, West Bengal – 700010 Email: <a href="mailto:pijush@pijushgupta.com">pijush@pijushgupta.com</a> Tel: +91 033- 23536859	Appointed in the AGM dated June 29, 2017



## ii. Details of change in Auditor since last three years:-

Name	Address	Date of Appointment / Resignation	Auditor of the Company since ( in case of resignation)	Remarks
M/s. S. R. Batliboi & Co.	6 <sup>th</sup> floor, Express Towers, Nariman Point Mumbai – 400 021 Email: SRBC@in.ey.com Tel: +91 22 6192 0000 , Fax: +91 22 2287 6401	29.06.2017	2006-07	-
M/s. G. D. Apte & Co.	Plot No 85, Bhusari Colony (Right) Paud Road, Pune - 411 038 Email: umesh.abhyankar@gdaca.com, audit@gdaca.com Tel: +91 020 2528 0081 Fax: +91	29.06.2017	1995-96	-

**H. Details of borrowing of the company, as on the latest quarter ended:**i. Details of Secured Loan Facilities :-  
TERM LOAN

(Rs. In Lacs)

S.No.	Particulars	Sanctioned Amount	Principal Amount O/s	Repayment Terms	Security
1	ABU DHABI COMMERCIAL BANK	5,400	5,400	6 HALF YEARLY INSTALLMENTS	RECEIVABLES
2	ANDHRA BANK	30,000	1,968	15 QUARTERLY INSTALLMENTS	RECEIVABLES
3	ANDHRA BANK	30,000	5,968	15 QUARTERLY INSTALLMENTS	RECEIVABLES
4	ANDHRA BANK	25,000	18,325	15 QUARTERLY INSTALLMENTS COMMENCING AFTER A MORATORIUM PERIOD OF ONE QUARTER FROM THE DATE OF DISB.	RECEIVABLES
5	AXIS BANK	25,000	7,500	10 QUARTERLY INSTALLMENTS COMMENCING FROM 15TH MONTH FROM THE DATE OF DISBURSEMENT	RECEIVABLES
6	AXIS BANK	50,000	15,000	10 QUARTERLY INSTALLMENTS COMMENCING FROM 15TH MONTH FROM THE DATE OF DISBURSEMENT	RECEIVABLES
7	AXIS BANK	30,000	24,000	10 QUARTERLY INSTALLMENTS, COMMENCING FROM 15TH MONTH FROM THE DATE OF DISB.	RECEIVABLES
8	BANK OF BARODA	30,000.00	1,500	20 QUARTERLY INSTALLMENTS	RECEIVABLES
9	BANK OF BARODA	50,000.00	12,497	20 QUARTERLY INSTALLMENTS	RECEIVABLES
10	BANK OF BARODA	30,000.00	13,488	20 QUARTERLY INSTALLMENTS	RECEIVABLES
11	BANK OF BARODA	50,000.00	29,987	20 QUARTERLY INSTALLMENTS	RECEIVABLES
12	BANK OF BARODA	60,000.00	59,986	20 QUARTERLY INSTALLMENTS	RECEIVABLES
13	BANK OF INDIA	28,000.00	1,750	16 QUARTERLY INSTALLMENTS	RECEIVABLES
14	BANK OF INDIA	30,000.00	12,000	20 QUARTERLY INSTALLMENTS	RECEIVABLES
15	BANK OF INDIA	30,000.00	16,500	20 QUARTERLY INSTALLMENTS	RECEIVABLES
16	BANK OF INDIA	50,000.00	37,500	20 QUARTERLY INSTALLMENTS	RECEIVABLES

17	BANK OF INDIA	50,000.00	42,500	20 QUARTERLY INSTALLMENTS	RECEIVABLES
18	BANK OF INDIA	20,000.00	19,000	20 QUARTERLY INSTALLMENTS	RECEIVABLES
19	BANK OF MAHARASHTRA	50,000	19,994	20 QUARTERLY INSTALLMENTS	RECEIVABLES
20	BANK OF MAHARASHTRA	50,000	27,497	20 QUARTERLY INSTALLMENTS	RECEIVABLES
21	BANK OF TOKYO Mitsubishi UfJ, Ltd.	18,000	18,000	BULLET	RECEIVABLES
22	BARCLAYS BANK	30,000.00	15,000	8 QUARTERLY INSTALLMENTS	RECEIVABLES
23	BARCLAYS BANK	20,000.00	20,000	BULLET - 21/12/2018	RECEIVABLES
24	CANARA BANK	25,000	4,688	16 QUARTERLY INSTALLMENTS	RECEIVABLES
25	CANARA BANK	50,000	2,500	20 QUARTERLY INSTALLMENTS	RECEIVABLES
26	CANARA BANK	50,000	9,375	16 QUARTERLY INSTTALLMENTS	RECEIVABLES
27	CENTRAL BANK OF INDIA	50,000	9,978	5 YEARLY INSTALLMENTS	RECEIVABLES
28	CENTRAL BANK OF INDIA	30,000	9,996	3 YEARLY INSTALLMENTS	RECEIVABLES
29	CITI BANK	34,010	34,010	BULLET	RECEIVABLES
30	CITI BANK	12,833	10,000	BULLET	RECEIVABLES
31	CITI BANK	10,000	12,658	BULLET	RECEIVABLES
32	DENA BANK	25,000	11,148	20 QUARTERLY INSTALLMENTS	RECEIVABLES
33	DENA BANK	20,000	11,981	20 QUARTERLY INSTALLMENTS	RECEIVABLES
34	DENA BANK	50,000	32,452	20 QUARTERLY INSTALLMENTS	RECEIVABLES
35	DEUTSCHE BANK	5,000.00	5,000	BULLET - 14/11/2019	RECEIVABLES
36	DEUTSCHE BANK	5,000.00	5,000	BULLET - 15/11/2019	RECEIVABLES
37	DEUTSCHE BANK	5,000.00	5,000	BULLET - 16/11/2019	RECEIVABLES
38	DEUTSCHE BANK	5,000.00	5,000	BULLET - 17/11/2019	RECEIVABLES
39	DEUTSCHE BANK	5,000.00	5,000	BULLET - 20/11/2019	RECEIVABLES
40	DEUTSCHE BANK	5,000.00	5,000	BULLET - 21/11/2019	RECEIVABLES
41	FEDERAL BANK	7,500	3,281	16 QUARTERLY INSTTALLMENTS WITH 1 YEAR MORATORIUM PERIOD	RECEIVABLES
42	FEDERAL BANK	15,000	4,992	36 MONTHLY INSTALLMENTS	RECEIVABLES
43	FEDERAL BANK	3,500	2,333	36 MONTHLY INSTALLMENTS	RECEIVABLES
44	FIRSTRAND BANK LTD	4,300	4,300	BULLET	RECEIVABLES
45	HDFC BANK	30,000.00	5,625	16 QUARTERLY INSTTALLMENTS	RECEIVABLES
46	HDFC BANK	15,000.00	8,438	16 QUARTERLY INSTALMENTS	RECEIVABLES
47	HDFC BANK	10,000.00	5,625	16 QUARTERLY INSTALLMENTS	RECEIVABLES
48	HDFC BANK	10,000.00	6,250	16 QUARTERLY INSTALLMENTS	RECEIVABLES
49	HDFC BANK	25,000.00	17,188	16 QUARTERLY INSTALLMENTS	RECEIVABLES
50	HDFC BANK	10,000.00	8,125	16 QUARTERLY INSTALLMENTS	RECEIVABLES
51	HDFC BANK	10,000.00	8,125	16 QUARTERLY INSTALMENTS	RECEIVABLES
52	HDFC BANK	15,000.00	13,125	16 QURTERLY INSTALLMENTS	RECEIVABLES
53	HDFC BANK	5,000.00	4,688	16 QUARTERLY INSTALLMENTS	RECEIVABLES
54	HONGKONG AND SHANGHAI BANKING CORP LTD	36,000.00	6,000	36 MONTHLY INSTALLMENTS	RECEIVABLES
55	THE HONGKONG AND SHANGHAI BANKING CORP LTD	25,000.00	25,000	BULLET 28/04/2018	RECEIVABLES

56	THE HONGKONG AND SHANGHAI BANKING CORP LTD	15,000.00	15,000	BULLET - 04/08/2018	RECEIVABLES
57	THE HONGKONG AND SHANGHAI BANKING CORP LTD	40,000.00	40,000	BULLET - 27/12/2018	RECEIVABLES
58	ICICI BANK LIMITED	15,000.00	9,000	10 QUARTERLY INSTALLMENTS COMMENCING AFTER 6 MONTHS MORATORIUM	RECEIVABLES
59	ICICI BANK LIMITED	5,000.00	3,500	10 QUARTERLY INSTALLMENTS , 1 ST INSTALLMENT DUE ON LAST DAY OF 9TH MONTH FROM THE DATE OF DISB	RECEIVABLES
60	ICICI BANK LIMITED	20,000.00	20,000	10 QUARTERLY INSTALLMENTS STARTING AFTER 6 MONTHS MORATORIUM 1 YEAR - FCNR THEN CONVERTED TO INR	RECEIVABLES
61	ICICI BANK LIMITED	5,000.00	5,000	10 QUARTERLY INSTALLMENTS STARTING AFTER 6 MONTHS MORATORIUM. 1 YEAR - FCNR THEN CONVERTED INR	RECEIVABLES
62	ICICI BANK LIMITED	6,000.00	6,000	7 QUARTERLY INSTALLMENTS - 6 QUARTERS OF 6CRS EACH & LAST QUARETR OF 24 CRS	RECEIVABLES
63	ICICI BANK LIMITED	7,500.00	7,500	BULLET - 28/09/2018	RECEIVABLES
64	INDIAN BANK	25,000.00	4,953	10 HALF YEARLY INSTALLMENTS	RECEIVABLES
65	INDIAN BANK	50,000.00	9,373	16 QUARTERLY INSTTALLMENTS	RECEIVABLES
66	INDIAN BANK	50,000.00	39,988	20 QUARTERLY INATALLMENTS STARTING FROM DATE OF DIOSBURSEMENT	RECEIVABLES
67	INDIAN BANK	30,000.00	30,000	20 QUARETRLY INSTALLMETS	RECEIVABLES
68	INDIAN OVERSEAS BANK	10,000.00	1,253	16 QUARTERLY INSTALLMENTS	RECEIVABLES
69	INDIAN OVERSEAS BANK	35,000.00	15,317	16 QUARTERLY INSTALLMENTS	RECEIVABLES
70	INDUSTRIAL DEVELOPMENT BANK OF INDIA	10,000.00	625	16 QUATERLY INSTALLMENTS	RECEIVABLES
71	INDUSTRIAL DEVELOPMENT BANK OF INDIA	50,000.00	12,500	16 QUARTERLY INSTTALLMENTS	RECEIVABLES
72	INDUSTRIAL DEVELOPMENT BANK OF INDIA	30,000.00	30,000	16 QUARTERLY INSTALLMENTS COMMENCING AFTER 1 YEAR MORATORIUM	RECEIVABLES
73	KARNATAKA BANK	12,500.00	3,750	20 QUARTERLY INSTALLMENTS	RECEIVABLES
74	KARNATAKA BANK	5,000.00	1,250	16 QUARTERLY INSTALLMENTS	RECEIVABLES
75	KARNATAKA BANK	15,000.00	15,000	12 QUARTERLY INSTALLMENTS AFTER INITIAL HOLIDAY PERIOD OF 24 MONTHS	RECEIVABLES
76	KARNATAKA BANK	10,000.00	8,500	20 QUARTERLY INSTALLMENTS	RECEIVABLES
77	KOTAK MAHINDRA BANK	12,000.00	4,500	3 INSTALLMENTS - 36CRS ON 23 NOV'16 , 39 CRS ON 23 FEB'17 & 45CRS ON 23 AUG'18	RECEIVABLES
78	KOTAK MAHINDRA BANK	5,000.00	3,333	36 MONTHLY INSTALLMENTS	RECEIVABLES

79	KOTAK MAHINDRA BANK	6,000.00	5,167	36 MONTHLY INSTALLMENTS	RECEIVABLES
80	KOTAK MAHINDRA BANK	8,500.00	8,500	36 MONTHLY INSTALLMENTS	RECEIVABLES
81	MIZUHO BANK LTD	10,000.00	10,000	BULLET - 24/07/2018	RECEIVABLES
82	MIZUHO BANK LTD	20,000.00	20,000	BULLET - 23/07/2018	RECEIVABLES
83	ORIENTAL BANK OF COMMERCE	40,000.00	5,952	20 QUARTERLY INSTALLMENTS	RECEIVABLES
84	ORIENTAL BANK OF COMMERCE	25,000.00	9,995	20 QUARTERLY INSTALLMENTS	RECEIVABLES
85	ORIENTAL BANK OF COMMERCE	32,500.00	17,875	20 QUARTERLY INSTALLMENTS	RECEIVABLES
86	PUNJAB AND SIND BANK	10,000.00	3,499	20 QUARTERLY INSTALLMENTS	RECEIVABLES
87	PUNJAB AND SIND BANK	20,000.00	8,999	20 QUARTERLY INSTALLMENTS	RECEIVABLES
88	PUNJAB AND SIND BANK	20,000.00	11,999	20 QUARTERLY INSTALLMENTS	RECEIVABLES
89	PUNJAB AND SIND BANK	30,000.00	19,499	20 QUARTERLY INSTALLMENTS	RECEIVABLES
90	PUNJAB AND SIND BANK	25,000.00	21,250	20 QUARTERLY INSTALLMENTS	RECEIVABLES
91	PUNJAB AND SIND BANK	24,000.00	22,800	20 QUARTERLY INSTALLMENTS	RECEIVABLES
92	PUNJAB NATIONAL BANK	50,000.00	20,590	12 QUARTERLY INSTALLMENTS (11 INSTALLMENTS OF 42 CRS & 1 INSTALLMENT OF 38CRS) LAST INSTALLMENT DUE ON 35 TH MONTH	RECEIVABLES
93	RBL BANK Ltd.	10,000.00	10,000	BULLET - 30/10/2018	RECEIVABLES
94	RBL BANK Ltd.	10,000.00	10,000	BULLET - 28/11/2018	RECEIVABLES
95	SHINHAN BANK	5,000.00	5,000	10 QUARTERLY INSTALLMENTS COMMENCING FROM 1 SEPT 2018	RECEIVABLES
96	SOUTH INDIAN BANK	10,000.00	1,240	16 QUARTERLY INSTALLMENTS STARTING AFTER A HOLIDAY PERIOD OF 3 MONTH	RECEIVABLES
97	SOUTH INDIAN BANK	5,000.00	3,999	20 QUARTERLY INSTALLMENTS	RECEIVABLES
98	STATE BANK OF INDIA	20,000.00	11,997	20 QUARTERLY INSTALLMENTS	RECEIVABLES
99	STATE BANK OF INDIA	7,500.00	2,998	20 QUARTERLY INSTALLMENTS	RECEIVABLES
100	STATE BANK OF INDIA	20,000.00	11,995	20 QUARTERLY INSTALLMENTS	RECEIVABLES
101	STATE BANK OF INDIA	50,000.00	8,000	48 MONTHLY INSTALLMENTS, AFTER 3 MONTH MORATORIUM ( 45 INST 10 CRS & 3 INT 16.67CRS )	RECEIVABLES
102	STATE BANK OF INDIA	25,000.00	10,938	16 QUARTERLY INSTALLMENTS COMMENCING AFTER THE MORATORIUM PERIOD OF 6 MONTH FROM THE DATE OF DISBURSEMENT	RECEIVABLES
103	STATE BANK OF INDIA	10,000.00	4,375	16 QUARTERLY INSTALLMENTS COMMENCING AFTER THE MORATORIUM PERIOD OF 6 MONTH FROM THE DATE OF DISBURSEMENT	RECEIVABLES
104	STATE BANK OF INDIA	50,000.00	30,000	20 QUARTERLY INSTALLMENTS	RECEIVABLES
105	SBM BANK (MAURITIUS) Ltd.	2,000.00	400	10 QUARTERLY INSTALLMENTS STARTING AFTER A MORATORIUM PERIOD OF 6 MONTHS	RECEIVABLES
106	STATE BANK OF INDIA	20,000.00	11,979	20 QUARTERLY INSTALLMENTS	RECEIVABLES

107	STATE BANK OF INDIA	15,000.00	5,624	16 QUARTERLY INSTALLMENTS	RECEIVABLES
108	STATE BANK OF INDIA	15,000.00	9,749	20 QUARTERLY INSTALLMENTS	RECEIVABLES
109	SYNDICATE BANK	50,000.00	12,500	16 QUARTERLY INSTALLMENTS	RECEIVABLES
110	SYNDICATE BANK	30,000.00	16,500	20 QUARTERLY INSTALLMENTS	RECEIVABLES
111	SYNDICATE BANK	20,000.00	12,000	20 QUARTERLY INSTALLMENTS	RECEIVABLES
112	SYNDICATE BANK	50,000.00	37,500	20 QUARTERLY INSTALLMENTS	RECEIVABLES
113	SYNDICATE BANK	16,000.00	16,000	20 QUARTERLY INSTALLMENTS	RECEIVABLES
114	SYNDICATE BANK	26,000.00	26,000	20 QUARTERLY INSTALLMENTS	RECEIVABLES
115	SYNDICATE BANK	8,000.00	8,000	20 QUARTERLY INSTALLMENTS	RECEIVABLES
116	THE ZOROASTRIAN COOPERATIVE BANK LIMITED	400.00	225	16 QUARTERLY INSTALLMENTS	RECEIVABLES
117	UNION BANK OF INDIA	50,000.00	42,500	20 QUARTERLY INSTALLMENTS	RECEIVABLES
118	UNION BANK OF INDIA	50,000.00	47,499	20 QUARTERLY INSTALLMENTS COMMENCING OF RS. 25 CRORE EACH	RECEIVABLES
119	UNITED BANK OF INDIA	15,000.00	4,688	16 QUARTERLY INSTALLMENTS	RECEIVABLES
120	VIJAYA BANK	10,000.00	1,871	16 QUARTERLY INSTALLMENTS	RECEIVABLES
121	VIJAYA BANK	25,000.00	15,625	16 QUARTERLY INSTALLMENTS COMMENCING AFTER A MORATORIUM PERIOD OF 12 MONTHS	RECEIVABLES
122	VIJAYA BANK	20,000.00	20,000	15 QUARTERLY INSTALLMENTS	RECEIVABLES
123	WOORI BANK	1,800.00	100	2 QUARTERLY INSTALLMENTS OF 1.5CRS EACH & 30 MONTHLY INSTALLMENTS	RECEIVABLES
124	WOORI BANK	5,500.00	2,567	30 MONTHLY INSTALLMENTS STARTING AFTER 6 MONTHS MORATORIUM	RECEIVABLES

ii. Details of Unsecured Term Loan Facilities :- Nil

iii. Details of Secured Loans Facilities from Working Capital Demand Loan :

(Rs. In Lacs)

SR.NO	PARTY NAME	SANCTIONED AMT	PRINCIPAL AMOUNT O/S AS ON 31.12.2017	REPAYMENT DATES/SCHEDULE	SECURITY
1	KOTAK MAHINDRA BANK	8,000	8,000	BULLET - 26/01/2018	RECEIVABLES
2	INDUSIND BANK	25,000	25,000	BULLET - 11/01/2019	RECEIVABLES
3	BANK OF INDIA	30,000	30,000	BULLET - 12/04/2018	RECEIVABLES
4	STATE BANK OF MAURITIUS	4,500	4,500	BULLET - 19/04/2018	RECEIVABLES
5	HDFC BANK	9,000	9,000	BULLET - 27/04/2018	RECEIVABLES
6	ANDHRA BANK	14,000	14,000	BULLET - 30/03/2018	RECEIVABLES
7	STATE BANK OF INDIA	47,500	47,500	BULLET - 02/02/2018	RECEIVABLES
8	AXIS BANK	37,500	37,500	BULLET - 18/04/2018	RECEIVABLES
9	VIJAYA BANK	9,500	9,500	BULLET - 13/03/2018	RECEIVABLES
10	PUNJAB NATIONAL BANK	20,000	20,000	BULLET - 30/04/2018	RECEIVABLES
11	BANK OF INDIA	10,000	10,000	BULLET - 12/04/2018	RECEIVABLES



## iv. Details of Secured Loans Facilities from Financial Institutions:

(Rs. In Lacs)

SR.NO	PARTY NAME	SANCTIONED AMT	PRINCIPAL AMOUNT O/S AS ON 31.12.2017	REPAYMENT DATES/SCHEDULE	SECURITY
1	SIDBI	30,000	12,000	20 QUARTERLY INSTALLMENTS	RECEIVABLES
2	SIDBI	50,000	27,500	20 QUARTERLY INSTALLMENTS	RECEIVABLES
3	NABARD	50,000	16,667	6 HALF YEARLY INSTALLMENTS	RECEIVABLES
4	SIDBI	30,000	19,500	20 QUARTERLY INSTALLMENTS	RECEIVABLES
5	JP MORGAN SECURITIES INDIA PRIVATE LIMITED	50,000	50,000	BULLET - 20/09/2019	RECEIVABLES
6	NABARD	30,000	25,500	11 HALF YEARLY INSTALLMENTS -6 INSTALL OF RS 45 CRS EACH , THEN 5 INSTALL OF RS 6 CRS EACH , 1ST INSTALL STARTING FROM 31 JUL2017	RECEIVABLES
7	SIDBI	30,000	27,000	20 QUARTERLY INSTALLMENTS	RECEIVABLES
8	NABARD	70,000	70,000	11 HALF YEARLY INSTALLMENTS (6 INSTALLMENTS OF RS 105 CRS THEN 5 INSTALLMENTS OF RS 14CRS)	RECEIVABLES
9	MICRO UNITS DEVELOPMENT REFINANCE AGENCY LTD	25,000	25,000	20 QUARTERLY INSTALLMENTS	RECEIVABLES
10	SIDBI	30,000	30,000	20 QUARTERLY INSTALLMENTS	RECEIVABLES

## Details of NCDs :-

## Details of Secured NCDs:-

Debenture	Tenor /	Coupon	Amount	Date of Allotment	Redemption Date/ Schedule	Credit Rating	Secured /	Security
Series	Period of Maturity (days)		(Rs. in lacs)				Unsecured	
T SCR019	1826	12.06%	500	17-Jan-2013	17-Jan-2018	CRISIL AA	Secured	1.00 TIMES
T SCR014	1826	10.30%	40,000	15-Jan-2013	15-Jan-2018	CRISIL AA	Secured	1.25 TIMES
T SCR022	1820	9.69%	300	29-Jan-2013	23-Jan-2018	CRISIL AA	Secured	1.00 TIMES
T SCA 042	1826	9.60%	500	27-Jun-2013	27-Jun-2018	CARE AA+	Secured	1.00 TIMES
T SCR 043	3652	9.60%	5,000	05-Jul-2013	05-Jul-2023	CRISIL AA	Secured	1.00 TIMES
T SCACR 044	3652	9.60%	960	15-Jul-2013	15-Jul-2023	CRISIL AA & CARE AA+	Secured	1.00 TIMES
T SCA045	1826	10.70%	2,000	06-Aug-2013	06-Aug-2018	CARE AA+	Secured	1.00 TIMES
T SCR046	1918	10.70%	2,500	12-Aug-2013	12-Nov-2018	CRISIL AA	Secured	1.00 TIMES
AUG S001	3652	10.50%	1,500	14-Aug-2013	14-Aug-2023	CARE AA+	Secured	1.25 TIMES
P SCR002	2557	10.75%	100,000	21-Aug-2013	21-Aug-2020	CRISIL AA	Secured	1.25 TIMES
P SCA 003	1826	10.80%	7,500	13-Sep-2013	13-Sep-2018	CARE AA+	Secured	1.00 TIMES
P SCA 004	1826	10.80%	3,500	17-Sep-2013	17-Sep-2018	CARE AA+	Secured	1.00 TIMES
C12 NEW OPT II	3652	10.60%	12,500	14-Sep-2011	13-Sep-2021	CARE AA+	Secured	1.10 TIMES
T SCR028	1826	9.75%	1,000	13-Mar-2013	13-Mar-2018	CRISIL AA	Secured	1.00 TIMES
T SCA 041	1826	9.55%	1,000	25-Jun-2013	25-Jun-2018	CARE AA+	Secured	1.00 TIMES

T SCA025	1826	9.65%	2,000	15-Mar-2013	15-Mar-2018	CARE AA+	Secured	1.00 TIMES
P SCACR001	3652	10.50%	2,970	14-Aug-2013	14-Aug-2023	CRISIL AA & CARE AA+	Secured	1.25 TIMES
AUG D 002	2557	10.60%	500	13-Sep-2013	13-Sep-2020	CARE AA+	Secured	1.00 TIMES
AUG S002 OPTION II	3652	10.75%	4,600	13-Dec-2013	13-Dec-2023	CARE AA+	Secured	1.25 TIMES
AUG D 001	3652	10.50%	1,850	27-Aug-2013	27-Aug-2023	CRISIL AA & CARE AA+	Secured	1.00 TIMES
AUG D 003	3652	10.75%	1,000	30-Sep-2013	30-Sep-2023	CRISIL AA & CARE AA+	Secured	1.00 TIMES
AUG D 004	3652	10.75%	1,500	30-Sep-2013	30-Sep-2023	CARE AA+	Secured	1.00 TIMES
AUG D 005	3652	10.75%	1,000	09-Oct-2013	09-Oct-2023	CARE AA+	Secured	1.00 TIMES
AUG S002 OPTION I	1826	10.75%	2,000	13-Dec-2013	13-Dec-2018	CARE AA+	Secured	1.25 TIMES
AUG S003	3652	10.75%	1,000	30-Dec-2013	30-Dec-2023	CARE AA+	Secured	1.25 TIMES
P SCA 011	2557	10.50%	2,000	28-Mar-2014	28-Mar-2021	CARE AA+	Secured	1.00 TIMES
P SCA 012	3653	10.60%	2,000	28-Mar-2014	28-Mar-2024	CARE AA+	Secured	1.00 TIMES
AUG D 006	3653	10.60%	1,000	28-Mar-2014	28-Mar-2024	CRISIL AA & CARE AA+	Secured	1.00 TIMES
PPD 14-15 A1	1824	9.75%	50,000	21-Jul-2014	19-Jul-2019	IND AA+	Secured	1.00 TIMES
PPD 14-15 A2	1826	9.75%	50,000	05-Aug-2014	05-Aug-2019	IND AA+	Secured	1.00 TIMES
PPD 14-15 A3	1826	9.75%	25,000	28-Aug-2014	28-Aug-2019	IND AA+	Secured	1.00 TIMES
PPD 14-15 A4	1826	9.75%	12,500	12-Sep-2014	12-Sep-2019	IND AA+	Secured	1.00 TIMES
PPD 14-15 A6	3653	10.25%	30,000	18-Sep-2014	18-Sep-2024	IND AA+ & CARE AA+	Secured	1.00 TIMES
PPD 14-15 A7	1826	9.75%	5,000	19-Sep-2014	19-Sep-2019	IND AA+	Secured	1.00 TIMES
PPD 14-15 A8	2557	9.85%	5,000	19-Sep-2014	19-Sep-2021	IND AA+ & CARE AA+	Secured	1.00 TIMES
PPD 14-15 A9	2557	9.85%	2,500	19-Sep-2014	19-Sep-2021	IND AA+	Secured	1.00 TIMES
PPD 14-15 A10	3653	10.00%	2,500	19-Sep-2014	19-Sep-2024	IND AA+	Secured	1.00 TIMES
PPD 14-15 B1	3653	10.25%	47,500	10-Oct-2014	10-Oct-2024	IND AA+ & CARE AA+	Secured	1.00 TIMES
PPD 14-15 B3	3653	10.10%	2,500	31-Oct-2014	31-Oct-2024	IND AA+	Secured	1.00 TIMES
PPD 14-15 B5 OPT II	1189	9.55%	5,000	11-Nov-2014	12-Feb-2018	IND AA+	Secured	1.00 TIMES
PPD 14-15 B5 OPT III	1247	9.55%	5,000	11-Nov-2014	11-Apr-2018	IND AA+	Secured	1.00 TIMES
PPD 14-15 B5 OPT IV	1308	9.55%	5,000	11-Nov-2014	11-Jun-2018	IND AA+	Secured	1.00 TIMES
PPD 14-15 B6	3653	10.00%	35,800	13-Nov-2014	13-Nov-2024	AA+ & CARE	Secured	1.00 TIMES
PPD 14-15 C2	3653	9.90%	10,000	28-Nov-2014	28-Nov-2024	IND AA+ & CARE AA+	Secured	1.00 TIMES
PPD 14-15 C4	3653	9.80%	5,000	28-Nov-2014	28-Nov-2024	CARE AA+	Secured	1.00 TIMES
PPD 14-15 C3	1826	9.95%	7,500	28-Nov-2014	28-Nov-2019	IND AA+ & CARE AA+	Secured	1.00 TIMES
PPD 14-15 C9	1110	10.09%	2,500	31-Dec-2014	14-Jan-2018	IND AA+	Secured	1.00 TIMES
PPD 14-15 C10	2557	9.65%	50,000	05-Jan-2015	05-Jan-2022	IND AA+	Secured	1.00 TIMES
PPD 14-15 C11	1824	9.35%	1,500	19-Jan-2015	17-Jan-2020	CARE AA+	Secured	1.00 TIMES
PPD 14-15 C13	1826	9.15%	3,000	04-Feb-2015	04-Feb-2020	IND AA+	Secured	1.00 TIMES
PPD 14-15 C17	1096	9.27%	2,000	26-Feb-2015	26-Feb-2018	IND AA+	Secured	1.00 TIMES
PPD 14-15 C15	1115	10.21%	3,500	24-Feb-2015	15-Mar-2018	IND AA+	Secured	1.00 TIMES
PPD 14-15 C14	1241	10.37%	4,500	24-Feb-2015	19-Jul-2018	IND AA+	Secured	1.00 TIMES
PPD 14-15 C16	1106	10.20%	2,500	24-Feb-2015	06-Mar-2018	IND AA+	Secured	1.00 TIMES
PPD 14-15 C18	1151	10.26%	3,100	02-Mar-2015	26-Apr-2018	IND AA+	Secured	1.00 TIMES
PPD 14-15 C19	1135	10.17%	700	02-Mar-2015	10-Apr-2018	IND AA+	Secured	1.00 TIMES
PPD 14-15 C21	1101	10.01%	1,600	30-Mar-2015	04-Apr-2018	IND AA+	Secured	1.00 TIMES
SERIES PPD 14-15 C 25	1096	9.00%	1,000	20-Apr-2015	20-Apr-2018	IND AA+	Secured	1.00 TIMES
SERIES PPD 14-15 C 24	1426	9.15%	30,000	17-Apr-2015	13-Mar-2019	IND AA+ & CARE AA+	Secured	1.00 TIMES

SERIES PPD 14-15_C26	1107	9.66%	1,700	17-Aug-2015	28-Aug-2018	IND AA+	Secured	1.00 TIMES
PPD 14-15 C 27	1827	8.80%	1,500	04-Dec-2015	04-Dec-2020	CRISIL AA + IND AA	Secured	1.00 TIMES
PPD 14-15 C 28	1214	9.66%	3,500	14-Dec-2015	11-Apr-2019	IND AA+	Secured	1.00 TIMES
PPD 14-15 C 29	1095	8.75%	1,000	22-Dec-2015	21-Dec-2018	CRISIL AA + IND AA	Secured	1.00 TIMES
PPD 14-15 C 30	1095	9.10%	1,000	15-Mar-2016	15-Mar-2019	CRISIL AA + IND AA	Secured	1.00 TIMES
PPD 14-15 C 31	1826	9.25%	10,000	18-Mar-2016	18-Mar-2021	CRISIL AA + IND AA	Secured	1.00 TIMES
PPD 14-15 C 31 OPT 2	3652	9.30%	10,000	18-Mar-2016	18-Mar-2026	CRISIL AA + IND AA	Secured	1.00 TIMES
PPD 14-15 C 34	1826	9.25%	7,500	29-Mar-2016	29-Mar-2021	CRISIL AA + IND AA	Secured	1.00 TIMES
PPD 14-15 C 34 OPTION 2	3650	9.30%	14,500	29-Mar-2016	27-Mar-2026	CRISIL AA + IND AA	Secured	1.00 TIMES
PPD15-16 C35	1826	9.15%	51,600	13-Apr-2016	13-Apr-2021	CRISIL AA + IND AA	Secured	1.00 TIMES
PPD 15-16 C35 2	3652	9.22%	17,900	13-Apr-2016	13-Apr-2026	CRISIL AA + IND AA	Secured	1.00 TIMES
PPD 15-16 C36	3652	9.20%	2,600	22-Apr-2016	22-Apr-2026	CRISIL AA + IND AA	Secured	1.00 TIMES
PPD 15-16 C 37	1826	9.05%	1,500	29-Apr-2016	29-Apr-2021	CRISIL AA + IND AA	Secured	1.00 TIMES
PPD15-16 C38	2556	9.05%	5,000	25-May-2016	25-May-2023	CRISIL AA + IND AA	Secured	1.00 TIMES
PPD15-16 C40	2556	9.05%	1,250	09-Jun-2016	09-Jun-2023	CRISIL AA + IND AA	Secured	1.00 TIMES
PPD 15-16 C41	1826	10.66%	500	10-Jun-2016	10-Jun-2021	CRISIL AA + IND AA	Secured	1.00 TIMES
PPD 15-16 C39	1096	8.85%	2,000	09-Jun-2016	10-Jun-2019	CRISIL AA + IND AA	Secured	1.00 TIMES
PPD 15-16 C42	1826	9.05%	8,500	30-Jun-2016	30-Jun-2021	CRISIL AA + IND AA	Secured	1.00 TIMES
PPD16-17 D OPT 1	1095	9.00%	8,000	05-Jul-2016	05-Jul-2019	CRISIL AA + IND AA	Secured	1.00 TIMES
PPD 16-17 OPT 2	1126	9.00%	8,500	05-Jul-2016	05-Aug-2019	CRISIL AA + IND AA	Secured	1.00 TIMES
PPD 16-17 SCR 01	1796	8.30%	66,000	05-Jul-2016	05-Jun-2021	CRISIL AA +	Secured	1.00 TIMES
PPD 16-17 D-04	2556	9.05%	7,500	19-Jul-2016	19-Jul-2023	CRISIL AA + IND AA	Secured	1.00 TIMES
PPD 16-17 D-05	600	8.70%	25,000	21-Jul-2016	13-Mar-2018	CRISIL AA +	Secured	1.00 TIMES
PPD 16-17 D-03	1095	8.61%	70,000	15-Jul-2016	15-Jul-2019	CRISIL AA +	Secured	1.00 TIMES
PPD 16-17 D-06	1151	9.65%	1,500	26-Jul-2016	20-Sep-2019	CRISIL AA +	Secured	1.00 TIMES
PPD 16-17 D-07	1149	9.65%	1,000	28-Jul-2016	20-Sep-2019	CRISIL AA +	Secured	1.00 TIMES
PPD 16-17 D-08 -1	761	8.74%	22,500	29-Jul-2016	29-Aug-2018	CRISIL AA +	Secured	1.00 TIMES
PPD 16-17 D-08-2	792	8.73%	22,500	29-Jul-2016	29-Sep-2018	CRISIL AA +	Secured	1.00 TIMES
PPD 16-17 D-08-3	1095	8.80%	37,500	29-Jul-2016	29-Jul-2019	CRISIL AA +	Secured	1.00 TIMES
PPD 16-17 D9-2	1365	8.82%	5,000	01-Aug-2016	27-Apr-2020	CRISIL AA +	Secured	1.00 TIMES
PPD 16-17 D10	1095	8.80%	10,000	02-Aug-2016	02-Aug-2019	CRISIL AA +	Secured	1.00 TIMES
PPD 16-17 D11	1826	8.85%	45,000	03-Aug-2016	03-Aug-2021	CRISIL AA + IND AA	Secured	1.00 TIMES
PPD 16-17 D12-1	669	8.72%	22,500	05-Aug-2016	05-Jun-2018	CRISIL AA +	Secured	1.00 TIMES
PPD 16-17 D12-2	699	8.74%	22,500	05-Aug-2016	05-Jul-2018	CRISIL AA +	Secured	1.00 TIMES
PPD 16-17 D12-3	729	8.75%	22,500	05-Aug-2016	04-Aug-2018	CRISIL AA +	Secured	1.10 TIMES

PPD 16-17 D13	3652	8.87%	11,000	08-Aug-2016	08-Aug-2026	CRISIL AA + IND AA	Secured	1.00 TIMES
PPD 16-17 D14	1826	8.50%	2,500	16-Aug-2016	16-Aug-2021	CRISIL AA + IND AA	Secured	1.00 TIMES
PPD 16-17 D15	1095	8.50%	15,000	19-Aug-2016	19-Aug-2019	CRISIL AA +	Secured	1.00 TIMES
PPD 16-17 D16	1065	9.20%	2,500	22-Aug-2016	23-Jul-2019	CRISIL AA +	Secured	1.00 TIMES
PPD 16-17 D17	1826	8.45%	2,000	30-Aug-2016	30-Aug-2021	CRISIL AA + IND AA	Secured	1.00 TIMES
PPD 16-17 D18	1093	9.06%	7,000	14-Sep-2016	12-Sep-2019	CRISIL AA +	Secured	1.00 TIMES
PPD 16-17 D19	1093	8.25%	13,000	22-Sep-2016	20-Sep-2019	CRISIL AA +	Secured	1.00 TIMES
PPD 16-17 D20-1	1095	8.15%	1,000	30-Sep-2016	30-Sep-2019	CRISIL AA +	Secured	1.00 TIMES
PPD 16-17 D20-11	910	8.11%	10,000	30-Sep-2016	29-Mar-2019	CRISIL AA +	Secured	1.00 TIMES
PPD 16-17 D20-III	1092	8.25%	30,000	30-Sep-2016	27-Sep-2019	CRISIL AA +	Secured	1.00 TIMES
PPD 16-17 D-21	1095	7.92%	17,500	25-Nov-2016	25-Nov-2019	CRISIL AA +	Secured	1.00 TIMES
SEFC 110 CRS	3653	9.90%	11,000	27-Feb-2015	27-Feb-2025	CARE AA+	Secured	1.00 TIMES
SEFCL M-04	1147	10.37%	1,800	04-Mar-2015	24-Apr-2018	CARE AA+	Secured	1.00 TIMES
SERIES M 07	1130	10.17%	1,500	23-Mar-2015	26-Apr-2018	CARE AA+	Secured	1.00 TIMES
SERIES M-08	1101	10.17%	1,600	30-Mar-2015	04-Apr-2018	CARE AA+	Secured	1.00 TIMES
SERIES M12	1098	10.13%	3,000	07-Apr-2015	09-Apr-2018	CARE AA+	Secured	1.00 TIMES
SERIES M13	1109	10.14%	2,500	07-Apr-2015	20-Apr-2018	CARE AA+	Secured	1.00 TIMES
SEREIS M 14 25 CRS	3653	9.90%	2,500	16-Apr-2015	16-Apr-2025	CARE AA+	Secured	1.00 TIMES
PPD 16-17 D-22-1	1095	8.00%	4,000	27-Feb-2017	27-Feb-2020	CRISIL AA +	Secured	1.00 TIMES
PPD 16-17 D-22-2	1144	8.70%	10,000	27-Feb-2017	16-Apr-2020	CRISIL AA +	Secured	1.00 TIMES
SCB 16-17 PP-01	1826	8.10%	30,000	23-Mar-2017	23-Mar-2022	CRISIL AA +	Secured	1.00 TIMES
PPD 16-17-D23	1096	8.10%	1,000	24-Mar-2017	24-Mar-2020	CRISIL AA + IND AA	Secured	1.00 TIMES
PPD 16-17 E-01	459	7.97%	50,000	27-Mar-2017	29-Jun-2018	IND AA+	Secured	1.00 TIMES
PPD 16-17 E-02-4	457	7.95%	10,000	29-Mar-2017	29-Jun-2018	IND AA+	Secured	1.00 TIMES
PPD 16-17 E-02-1	1094	8.06%	50,000	29-Mar-2017	27-Mar-2020	IND AA+	Secured	1.00 TIMES
PPD 16-17 E-02-02	1094	8.11%	25,000	29-Mar-2017	27-Mar-2020	IND AA+	Secured	1.00 TIMES
PPD 16-17 E-02-03	1094	8.10%	25,000	29-Mar-2017	27-Mar-2020	IND AA+	Secured	1.00 TIMES
PPD 16-17 E-03-01	1156	8.10%	12,500	30-Mar-2017	29-May-2020	IND AA+	Secured	1.00 TIMES
PPD 16-17 E-03-02	1096	8.10%	25,000	30-Mar-2017	30-Mar-2020	IND AA+	Secured	1.00 TIMES
PPD 16-17 E-03-03	1826	8.15%	500	30-Mar-2017	30-Mar-2022	CRISIL AA + IND AA	Secured	1.00 TIMES
PPD 16-17 E-04-01	727	8.31%	5,000	31-Mar-2017	28-Mar-2019	CRISIL AA +	Secured	1.00 TIMES
PPD 16-17 E-04-02	1826	8.15%	4,500	31-Mar-2017	31-Mar-2022	CRISIL AA + IND AA	Secured	1.00 TIMES
PPD 17-18 E-05	1096	7.95%	500	29-May-2017	29-May-2020	CRISIL AA +	Secured	1.00 TIMES
PPD 17-18-E-07-01	730	7.95%	25,000	12-Jun-2017	12-Jun-2019	IND AA+	Secured	1.00 TIMES
PPD 17-18-E-07-02	548	7.85%	30,000	12-Jun-2017	12-Jun-2018	IND AA+	Secured	1.00 TIMES
PPD 17-18-E-08-01	730	7.95%	50,000	13-Jun-2017	13-Jun-2019	CRISIL AA +	Secured	1.00 TIMES
PPD 17-18-E-08-02	1095	8.00%	46,500	13-Jun-2017	13-Jun-2020	CRISIL AA +	Secured	1.00 TIMES
PPD 17-18-E-09	728	7.92%	10,000	16-Jun-2017	11-Jun-2019	IND AA+	Secured	1.00 TIMES
PPD 17-18-E-06-01	728	8.25%	10,000	09-Jun-2017	09-Jun-2019	IND AA+	Secured	1.00 TIMES
PPD 17-18-E-06-02	1096	8.65%	25,000	09-Jun-2017	09-Jun-2019	IND AA+	Secured	1.00 TIMES
PPD-17-18-E-10	1096	8.43%	5,000	23-Jun-2017	23-Jun-2020	CRISIL AA +	Secured	1.00 TIMES
PPD-17-18-E-11-01	1095	7.84%	3,500	27-Jun-2017	26-Jun-2020	CRISIL AA +	Secured	1.00 TIMES
PPD-17-18-E-11-02	1095	8.46%	1,000	27-Jun-2017	26-Jun-2020	CRISIL AA +	Secured	1.00 TIMES
PPD-17-18-E-012	549	7.60%	30,000	17-Jul-2017	17-Jan-2019	CRISIL AA +	Secured	1.00 TIMES
PPD-17-18-E-13-01	1826	9.31%	75,000	18-Jul-2017	18-Jul-2022	CRISIL AA +	Secured	1.00 TIMES
PPD-17-18-E-13-02	759	7.71%	23,000	18-Jul-2017	16-Aug-2019	CRISIL AA +	Secured	1.00 TIMES
PPD-17-18-E-14	1094	7.80%	23,000	19-Jul-2017	17-Jul-2020	CRISIL AA +	Secured	1.00 TIMES
PPD-17-18-E-15	1123	8.44%	12,500	24-Jul-2017	20-Aug-2020	CRISIL AA +	Secured	1.00 TIMES
PPD-17-18-F-01	1462	8.84%	55,000	25-Jul-2017	26-Jul-2021	CRISIL AA +	Secured	1.00 TIMES
SCB 17-18 FP1 01	1188	7.64%	36,000	10-Aug-2017	10-Nov-2020	CRISIL AA +	Secured	1.00 TIMES
PPD-17-18-F-02	1826	7.73%	2,500	22-Aug-2017	22-Aug-2022	CRISIL AA +	Secured	1.00 TIMES

						IND AA		
PPD-17-18 F-02	1826	7.73%	20,000	22-Aug-2017	22-Aug-2022	CRISIL AA + IND AA	Secured	1.00 TIMES
PPD-17-18 F-02	1826	7.73%	5,000	22-Aug-2017	22-Aug-2022	CRISIL AA + IND AA	Secured	1.00 TIMES
PPD-17-18 F-03	1459	7.60%	5,000	19-Sep-2017	17-Sep-2021	CRISIL AA +	Secured	1.00 TIMES
PPD-17-18-F-04	1096	7.73%	8,000	13-Nov-2017	13-Nov-2020	CRISIL AA +	Secured	1.00 TIMES
PPD-17-18-F-05	1826	8.00%	7,000	30-Nov-2017	30-Nov-2022	CRISIL AA + IND AA	Secured	1.00 TIMES
PPD-17-18-F-06	729	7.90%	50,000	21-Dec-2017	20-Dec-2019	CRISIL AA +	Secured	1.00 TIMES
PPD-17-18-F-07	1196	8.93%	23,000	29-Dec-2017	08-Apr-2021	CRISIL AA +	Secured	1.00 TIMES
PPD-17-18-F-07-02	1096	7.73%	17,000	13-Nov-2017	13-Nov-2020	CRISIL AA +	Secured	1.00 TIMES

## Details of Subordinated NCDs:-

Debtenture	Tenor /	Coupon	Amount	Date of Allotment	Redemption Date/ Schedule	Credit	Secured /
Series	Period of Maturity					Rating	unsecured
D9	3652	12.00%	5000	04-Aug-2008	04-Aug-2018	FITCH FAA 3500	Unsecured
D3	3652	13.00%	1500	07-Nov-2008	07-Nov-2018	CARE-AA300 & FITCH AA500	Unsecured
K4	2370	11.45%	5000	02-Jan-2012	29-Jun-2018	CRISIL-AA & CARE AA	Unsecured
L02	3652	10.85%	6500	20-Jul-2012	20-Jul-2022	CARE AA+	Unsecured
L04	2038	10.60%	1000	31-Dec-2012	31-Jul-2018	CARE AA+	Unsecured
L05	2038	10.60%	1500	30-Jan-2013	30-Aug-2018	CARE AA+	Unsecured
D24A	3652	10.25%	469	31-Dec-2009	31-Dec-2019	CARE-AA600 & FITCH AA650	Unsecured
L07	3652	10.65%	2500	30-Jan-2013	30-Jan-2023	CARE AA+	Unsecured
F1	3653	11.00%	2500	19-Apr-2010	19-Apr-2020	CARE-AA500 & FITCH AA400	Unsecured
E4	3653	10.75%	4800	03-May-2010	03-May-2020	CARE-AA500 & FITCH AA 400	Unsecured
F7A	3653	10.60%	2500	04-Jun-2010	04-Jun-2020	CRISIL-AA200 & CARE AA200	Unsecured
J1	5479	11.00%	2920	30-Aug-2010	30-Aug-2025	CRISIL-AA 500 & CARE AA416	Unsecured
F2	3653	10.90%	5000	19-Apr-2010	19-Apr-2020	CARE-AA500 & FITCH AA400	Unsecured
F3	3653	11.00%	20000	20-Apr-2010	20-Apr-2020	CARE-AA500	Unsecured
K1A	6575	11.05%	2500	15-Oct-2010	15-Oct-2028	CRISIL-AA 500 & CARE AA416	Unsecured
F5	3653	10.75%	5000	28-May-2010	28-May-2020	CRISIL-AA200 & CARE AA200	Unsecured
J4	3653	11.50%	2500	31-Mar-2011	31-Mar-2021	CRISIL-AA 416 & CARE AA 141	Unsecured
L03	3652	10.65%	7000	31-Dec-2012	31-Dec-2022	CARE AA+	Unsecured
L06	2038	10.60%	1230	30-Jan-2013	30-Aug-2018	CARE AA+ & CRISIL AA	Unsecured
L08	3652	10.65%	270	30-Jan-2013	30-Jan-2023	CARE AA+ & CRISIL AA	Unsecured
R03	3652	10.65%	3300	07-Mar-2013	07-Mar-2023	CARE AA+ & CRISIL AA	Unsecured
R04	3652	10.65%	250	08-Mar-2013	08-Mar-2023	CRISIL AA	Unsecured
R05	3652	10.65%	150	13-Mar-2013	13-Mar-2023	CRISIL AA	Unsecured
U02	2040	10.50%	1000	28-Mar-2013	28-Oct-2018	CARE AA+ & CRISIL AA	Unsecured
R09	2557	10.40%	5000	16-May-2013	16-May-2020	CARE AA+	Unsecured
R02	3652	10.65%	1200	07-Mar-2013	07-Mar-2023	CARE AA+	Unsecured
RO1	1918	10.60%	5500	07-Mar-2013	07-Jun-2018	CARE AA+	Unsecured
J2	5479	11.00%	2500	09-Sep-2010	09-Sep-2025	CRISIL-AA 500 & CARE AA416	Unsecured
SD STFC-03	3650	10.25%	2000	21-May-2013	19-May-2023	CRISIL AA	Unsecured
Series V 12-02	1926	10.30%	2000	26-Dec-2013	05-Apr-2019	CARE AA+	Unsecured
SD STFC-04	5479	10.00%	1500	29-May-2013	29-May-2028	CARE AA+ & CRISIL AA	Unsecured
Series V 07-03	3652	11.00%	2500	04-Oct-2013	04-Oct-2023	CARE AA+	Unsecured
SD STFC-05	2039	9.90%	2500	29-May-2013	28-Dec-2018	CARE AA+	Unsecured
Series V 07-02	1918	10.25%	2500	15-Jul-2013	15-Oct-2018	CARE AA+	Unsecured
Series V 07-01	3652	10.25%	2500	05-Jul-2013	05-Jul-2023	CRISIL AA	Unsecured



SD STFC-06	3652	10.15%	5000	24-Jun-2013	24-Jun-2023	CARE AA+ & CRISIL AA	Unsecured
SD STFC-07	3652	10.10%	2500	28-Jun-2013	28-Jun-2023	CARE AA+	Unsecured
R06	3652	10.65%	70	28-Mar-2013	28-Mar-2023	CARE AA+ & CRISIL AA	Unsecured
U01	2040	10.50%	5500	28-Mar-2013	28-Oct-2018	CARE AA+	Unsecured
U03	3652	10.65%	3500	28-Mar-2013	28-Mar-2023	CARE AA+ & CRISIL AA	Unsecured
R07	3652	10.65%	2000	02-May-2013	02-May-2023	CARE AA+	Unsecured
R08	3652	10.65%	2350	02-May-2013	02-May-2023	CARE AA+ & CRISIL AA	Unsecured
SD STFC-02	3652	10.25%	1000	20-May-2013	20-May-2023	CARE AA+ & CRISIL AA	Unsecured
D11	3652	13.00%	41	29-Dec-2008	29-Dec-2018	CARE-AA300 & FITCH AA500	Unsecured
D22A	3652	10.35%	2900	31-Oct-2009	31-Oct-2019	CARE-AA600 & FITCH AA650	Unsecured
D23A	3650	10.35%	2100	24-Nov-2009	22-Nov-2019	CARE-AA600 & FITCH AA650	Unsecured
E6	3653	10.50%	2500	10-May-2010	10-May-2020	CARE-AA500 & FITCH AA 400	Unsecured
L01	3651	10.75%	5000	11-Jun-2012	10-Jun-2022	CARE AA+	Unsecured
Series V 12-01	1916	10.67%	2400	10-Dec-2013	10-Mar-2019	CARE AA+	Unsecured
D28A	3652	10.25%	900	29-Jan-2010	29-Jan-2020	CARE-AA600 & FITCH AA650	Unsecured
SD STFC-01	2557	10.40%	2500	20-May-2013	20-May-2020	CARE AA+	Unsecured
D29	3652	10.25%	100	15-Feb-2010	15-Feb-2020	FITCH AA650	Unsecured
D1	3652	13.00%	3000	05-Nov-2008	05-Nov-2018	CARE-AA300 & FITCH AA500	Unsecured
Series SUB 14-15-01	2010	10.65%	5000	28-Jul-2014	28-Jan-2020	CARE AA+	Unsecured
PPD_2015 16	2922	10.10%	6,700	30-Sep-2015	30-Sep-2023	CRISIL-AA & CARE AA	Unsecured
PPD_2016 17 1 OPT I	2737	8.50%	4000	01-Dec-2016	30-May-2024	AA + INDIA RATING & CRISIL	Unsecured
PPD_2016 17 1 OPT II	3652	8.50%	6000	01-Dec-2016	01-Dec-2026	AA + INDIA RATING & CRISIL	Unsecured
PPD_2016 17 2	3652	8.50%	7500	29-Dec-2016	29-Dec-2026	AA + INDIA RATING & CRISIL	Unsecured
SEFCL SD CR 003	3652	12.20%	2500	23-Dec-2011	22-Dec-2021	CRISIL AA	Unsecured
SEFCL SD 06-01	3651	10.20%	2500	25-Jun-2013	25-Jun-2023	CARE AA+ & CRISIL AA	Unsecured
SEFCL SD 06-02	3651	10.15%	2000	28-Jun-2013	28-Jun-2023	CARE AA+	Unsecured
SEFCL SD CR 005	2372	12.15%	1670	19-Jan-2012	19-Jul-2018	CARE AA+ & CRISIL AA	Unsecured
SEFCL SD CR 004	3652	12.20%	2500	13-Jan-2012	13-Jan-2022	CARE AA+ & CRISIL AA	Unsecured
Series SUB 14-15-01	3652	10.60%	1000	12-Aug-2014	12-Aug-2024	CRISIL AA	Unsecured
SUB-17-18-01	3650	8.20%	10,000	17-Oct-2017	15-Oct-2027	INDIA AA+ & CRISIL AA	Unsecured
SUB-17-18-02	3650	8.20%	10,000	17-Oct-2017	15-Oct-2027	INDIA AA+ & CRISIL AA	Unsecured
SUB-17-18-03	3650	8.20%	3,500	17-Oct-2017	15-Oct-2027	INDIA AA+ & CRISIL AA	Unsecured
SUB-17-18-04	3650	8.20%	1,000	17-Oct-2017	15-Oct-2027	INDIA AA+ & CRISIL AA	Unsecured
SUB-17-18-05	3650	8.20%	1,500	17-Oct-2017	15-Oct-2027	INDIA AA+ & CRISIL AA	Unsecured

Details of Retail and Public issue NCDs :-



(Rs. In lacs)

Sr. No.	Debenture Series	Tenor months	Coupon	Amount in Lacs	Date of Allotment	Redemption Date/ Schedule	Credit Rating	Secured /unsecured	Security
1	Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-( July 2013) Option -II	60 months	11.15%	11556.84	01-Aug-13	31-Jul-18	CRISIL AA/Stable, CARE AA+	Secured	Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property.
2	Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-( July 2013) Option -II	60 months	9.80%	3383.19	01-Aug-13	31-Jul-18	CRISIL AA/Stable, CARE AA+	Secured	Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property.
3	Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-( July 2013) Option - III	60 months	10.63%	5821.04	01-Aug-13	31-Jul-18	CRISIL AA/Stable, CARE AA+	Secured	Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property.
4	Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-( July 2013) Option -III	60 months	9.40%	75.98	01-Aug-13	31-Jul-18	CRISIL AA/Stable, CARE AA+	Secured	Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property.
5	Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-( July 2013) Option - V	48 months	11.15%	2631.07	01-Aug-13	31-Jul-17	CRISIL AA/Stable, CARE AA+	Secured	Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property.
6	Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-( July 2013) Option - V	48 months	9.80%	10.28	01-Aug-13	31-Jul-17	CRISIL AA/Stable, CARE AA+	Secured	Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property.

Sr. No.	Debt Series	Tenor months	Coupon	Amount in Lacs	Date of Allotment	Redemption Date/ Schedule	Credit Rating	Secured /unsecured	Security
7	Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-(OCT 2013) Option -II	60 months	11.50%	3166.15	24-Oct-13	23-Oct-18	CRISIL AA/Stable, CARE AA+	Secured	Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property.
8	Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-(OCT 2013) Option -II	60 months	10.75%	7487.35	24-Oct-13	23-Oct-18	CRISIL AA/Stable, CARE AA+	Secured	Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property.
9	Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-(OCT 2013) Option - III	84 months	11.75%	4711.26	24-Oct-13	23-Oct-20	CRISIL AA/Stable, CARE AA+	Secured	Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property.
10	Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-(OCT 2013) Option - III	84 months	10.75%	3046.29	24-Oct-13	23-Oct-20	CRISIL AA/Stable, CARE AA+	Secured	Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property.
11	Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-(OCT 2013) Option - V	60 months	11.5	809.97	24-Oct-13	23-Oct-18	CRISIL AA/Stable, CARE AA+	Secured	Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property.
12	Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-(OCT 2013) Option - V	60 months	10.75%	5	24-Oct-13	23-Oct-18	CRISIL AA/Stable, CARE AA+	Secured	Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property.

Sr. No.	Debt Series	Tenor months	Coupon	Amount in Lacs	Date of Allotment	Redemption Date/ Schedule	Credit Rating	Secured /unsecured	Security
13	Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-(OCT 2013) Option - VI	84 months	11.75%	1352.84	24-Oct-13	23-Oct-20	CRISIL AA/Stable, CARE AA+	Secured	Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property.
14	Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-(OCT 2013) Option - VI	84 months	10.75%	19.68	24-Oct-13	23-Oct-20	CRISIL AA/Stable, CARE AA+	Secured	Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property.
15	Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-( 2014) Option -II	60 months	11.50%	2078.9	15-Jul-14	14-Jul-19	CRISIL AA/Stable, CARE AA+	Secured	Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property.
16	Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-( 2014) Option -II	60 months	11.25%	3154.8	15-Jul-14	14-Jul-19	CRISIL AA/Stable, CARE AA+	Secured	Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property.
17	Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-( 2014) Option -II	60 months	10.00%	33177.32	15-Jul-14	14-Jul-19	CRISIL AA/Stable, CARE AA+	Secured	Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property.
18	Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-( 2014) Option -III	84 months	11.75%	2594.64	15-Jul-14	14-Jul-21	CRISIL AA/Stable, CARE AA+	Secured	Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property.
19	Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/-	84 months	11.50%	5435.87	15-Jul-14	14-Jul-21	CRISIL AA/Stable, CARE AA+	Secured	Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage

Sr. No.	Debtenture Series	Tenor months	Coupon	Amount in Lacs	Date of Allotment	Redemption Date/ Schedule	Credit Rating	Secured /unsecured	Security
	each-( 2014) Option -III								of immovable property.
20	Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-( 2014) Option -III	84 months	10.15%	5576.36	15-Jul-14	14-Jul-21	CRISIL AA/Stable, CARE AA+	Secured	Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property.
21	Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-( 2014) Option -IV	60 months	10.94%	1261.88	15-Jul-14	14-Jul-19	CRISIL AA/Stable, CARE AA+	Secured	Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property.
22	Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-( 2014) Option -IV	60 months	10.71%	1474.65	15-Jul-14	14-Jul-19	CRISIL AA/Stable, CARE AA+	Secured	Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property.
23	Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-( 2014) Option -IV	60 months	9.57%	47.11	15-Jul-14	14-Jul-19	CRISIL AA/Stable, CARE AA+	Secured	Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property.
24	Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-( 2014) Option -V	84 months	11.17%	1387.16	15-Jul-14	14-Jul-21	CRISIL AA/Stable, CARE AA+	Secured	Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property.
25	Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-( 2014) Option -V	84 months	10.94%	2130.3	15-Jul-14	14-Jul-21	CRISIL AA/Stable, CARE AA+	Secured	Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property.

Sr. No.	Debenture Series	Tenor months	Coupon	Amount in Lacs	Date of Allotment	Redemption Date/ Schedule	Credit Rating	Secured /unsecured	Security
26	Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each- ( 2014) Option -V	84 months	9.71%	1.20	15-Jul-14	14-Jul-21	CRISIL AA/Stable, CARE AA+	Secured	Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property.
27	Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each- ( 2014) Option -VII	60 months	11.50%	480.25	15-Jul-14	14-Jul-19	CRISIL AA/Stable, CARE AA+	Secured	Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property.
28	Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each- ( 2014) Option -VII	60 months	11.25%	1022.63	15-Jul-14	14-Jul-19	CRISIL AA/Stable, CARE AA+	Secured	Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property.
29	Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each- ( 2014) Option -VII	60 months	10.00%	17.35	15-Jul-14	14-Jul-19	CRISIL AA/Stable, CARE AA+	Secured	Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property.
30	Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each- ( 2014) Option -VIII	84 months	11.75%	859.33	15-Jul-14	14-Jul-21	CRISIL AA/Stable, CARE AA+	Secured	Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property.
31	Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each- ( 2014) Option -VIII	84 months	11.50%	1919.71	15-Jul-14	14-Jul-21	CRISIL AA/Stable, CARE AA+	Secured	Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property.
32	Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each- ( 2014) Option -VIII	84 months	10.15%	32.61	15-Jul-14	14-Jul-21	CRISIL AA/Stable, CARE AA+	Secured	Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property.

## Details of Masala Bonds:

(Rs. In lacs)

Sr. No.	Debenture Series	Tenor/Period of Maturity	Coupon	Amount	Date of Allotment	Redemption Date/ Schedule	Credit Rating	Secured/ Unsecured
1	MB -01 A	1126	8.25%	47,500	18-Jan-2017	18-Feb-2020	S&P BB+	Secured
2	MB-01 B	1126	8.25%	17,500	18-Jan-2017	18-Feb-2020	S&P BB+	Secured
3	MB -01 C	1126	8.25%	16,800	18-Jan-2017	18-Feb-2020	S&P BB+	Secured
4	MB-01 D	1126	8.25%	33,200	18-Jan-2017	18-Feb-2020	S&P BB+	Secured
5	MB -01 E	1126	8.25%	20,000	18-Jan-2017	18-Feb-2020	S&P BB+	Secured

## Details of Retail and Public Issue NCDs. -

(Rs. In lacs)

Sr. No.	Debenture Series	Tenor months	Coupon	Amount in Lacs	Date of Allotment	Redemption Date/ Schedule	Credit Rating	Secured / unsecured	Security
1.	Privately placed Redeemable Non Convertible Debenture of Rs. 1,000/- each.	60 months to 60 Months	10.25% to 10.71%	4,151.32	1st Jan 2013 to 2nd July 2013	1st Jan 2018 to 2nd July 2018	Unrated	Secured	Secured by equitable mortgage of immovable property. Further secured by charge on plant and machinery, furniture and other fixed assets of the Company, charge on Company's hypothecation loans, other loans, advances and investments of the Company subject to prior charges created or to be created in favour of the Company's bankers, financial institutions and others.

## Details of Retails Sub debts:-

Sr. No.	Debenture Series	Tenor months	Coupon	Amount in Lacs	Date of Allotment	Redemption Date/ Schedule	Credit Rating	Secured /unsecured	Security
1.	Retail Subordinated Debt	61 months to 88 Months	9.50% to 11.21%	115,028.10	1st Sep 2010 to 29 <sup>th</sup> March 2014	1st Jan 2018 to 29th September 2020	Unrated	Unsecured	Unsecured



## i. List Of Top 10 Debenture Holders as on December 31, 2017 :

Sr. No	Name of Debenture Holder	Aggregate Amount (Rs. in Crs)
1	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE SAVINGS FUND	4,115.00
2	SBI DEBT FUND SERIES 60 MONTHS 3	1,852.00
3	LIFE INSURANCE CORPORATION OF INDIA	1,400.02
4	UTI SHORT TERM INCOME FUND	1,232.00
5	POSTAL LIFE INSURANCE FUND A/C UTI AMC	1,130.00
6	INTERNATIONAL FINANCE CORPORATION - SELF MANAGED P1	810.00
7	SBI LIFE INSURANCE CO.LTD	795.60
8	HDFC TRUSTEE CO LTD A/C HDFC FMP 1157D FEBRUARY 2015 (1)	758.00
9	NPS TRUST - A/C HDFC PENSION MANAGEMENT COMPANY LIMITED SCHEME C - TIER I	722.60
10	HINDUSTAN ZINC LIMITED	550.00

## ii. The amount of corporate guarantee issued by the Issuer along with the name of the Counterparty (like name of the subsidiary, JV entity, group company, etc) on behalf of whom it has been issued.

## Details of outstanding guarantees as on December 31, 2017

Name of the Company	Nature of Guarantee Issued	Amount (₹ in Lacs)
IDBI Bank	Securitisation	2,577.00
HDFC Bank	Securitisation	5,641.53
IDBI Trusteeship Services Ltd.	NCD issued by Shriram Industrial Holding	84,914.24
<b>Total</b>		<b>93,132.77</b>

## Details of outstanding counter guarantees as on December 31, 2017

Name of the Company	Nature of Guarantee Issued	Amount (₹ in Lacs)
Axis Bank	Securitisation	38,907.77
Bank of India	Legal cases/Sales tax/E-KYC	346.20
ICICI Bank	Securitisation	26,088.69
Indusind Bank	Insurance	8,000.00
Indusind Bank	Legal cases/Sales tax	5.30
Indusind Bank	Securitisation	4,274.00
IDFC Bank Ltd.	Securitisation	14,896.27
Bank of America NA	Metropolitan Magistrate Court/Legal case	175.62
RBL Bank Ltd.	Insurance	3,500.00
Union Bank of India	Securitisation	13,491.54
<b>Total</b>		<b>109,685.38</b>

(Except as mentioned above there are no other corporate guarantee issued by the Issuer.)

## vi. Details of Commercial Paper: - The total Face Value of Commercial Papers Outstanding as on the latest quarter ends:

(in lakhs)

Maturity Date	Amount Outstanding
28-Feb-2018	40,000.00
28-Feb-2018	5,000.00
28-Feb-2018	10,000.00

- vii. Details of Rest of the borrowing ( if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares ) as on .....:- **NIL**

Party Name ( in case of Facility) / Instrument Name	Type of Facility / Instrument	Amt of Sanctioned / Issued	Principal Amt outstanding	Repayment Date/ Schedule	Credit Rating	Secured /Unsecured	Security
-	-	-	-	-	-	-	-

- viii. Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Company, in the past 5 years. - NIL

- ix. Details of any outstanding borrowings taken/ debt securities issued where taken / issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option;

The Company till date has not issued any debt securities for consideration other than cash in whole or part/ pursuance of an option.

The Company has issued debt securities at a Discount. Details of debt securities issued at a Discount as on December 31, 2017 are as follows:

ISIN NO.	Particulars	Rating	Amount	Issued value
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**Except as mentioned above there are no** outstanding borrowings taken/ debt securities issued where taken / issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option.

## I. Details of promoters of the Company:

i. Details of promoter holding in the company as on the latest quarter end:

Details of promoter holding in the company as on the latest quarter end: December 31, 2017

Sr. No.	Name of the shareholder	Details of Shares held			Encumbered shares (*)			Details of warrants		Details of convertible securities		Total Shares (including underlying shares assuming full conversion of warrants and Convertible securities) as a % of diluted share capital
		Number of Shares held	Number of Shares held in Demant form	As a % of grand Total (A)+(B)+(C)	Number	As a percentage	As a % of grand total (A)+(B)+(C) of Sub-clause (I) (a)	Number of Warrants held	As a % total number of warrants of the same class	Number of convertible securities held	As a % total number of Convertible securities of the same class	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (VI) / (III)*100	(VII I)	(IX)	(X)	(XI)	(XII)	(XIII)
1	Shriram Capital Limited - (Promoter)	59173023	59173023	26.08	0	0	0	0	0	0	0	26.08
	<b>Total</b>	<b>59173023</b>	<b>59173023</b>	<b>26.08</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>26.08</b>
I	The Promoter Group as defined under Regulation 2(1)(t) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers Regulations, 2011, (SAST Regulations 2011): (1)Shriram Ownership Trust, (2) Shriram Financial Ventures (Chennai) Private Limited, (3) Shriram Life Insurance Company Limited, (4)Shriram General Insurance Company Limited, (5)Shriram Credit Company Limited, (6) Shriram Asset Management Company Limited, (7)Bharat Reinsurance Brokers Private Limited, (8)Shriram Overseas Investments Private Limited, (9)Shriram Investments Holdings Limited, (10)Bharat Investments Pte. Limited Singapore, (11) Shriram City Union Finance Ltd, (12) Shriram Fortune Solutions Limited, (13) Shriram Wealth Advisors Limited, (14)Shriram Insight Share Brokers Limited, (15)Shriram Financial Products Solutions (Chennai) Private Limited, (16) Shriram Housing Finance Limited, (17) Insight Commodities and Futures Private Limited (18) Shriram Seva Sankalp Foundation (19) Shrilekha Financial Services (Firm) and (20) SGI Philippines General Insurance Co Inc.											
II	The Persons Acting in Concert (PAC), as defined in the SAST Regulations 2011 for the purpose of Regulation 10 of SAST Regulations, 2011: (i)Sanlam Emerging Markets (Mauritius) Limited, (ii)Shriram Mutual Fund (SMF), (iii)Mr. S Krishnamurthy (Trustee of SMF), (iv)Mr.S M Prabhakaran (Trustee of SMF), (v)Mr. V N Shivashankar (Trustee of SMF), (vi)Dr. Qudsia Gandhi (Trustee of SMF), (vii) Mr. Mani Sridhar (Trustee of SMF), (viii) Shriram Automall India Limited, (ix) Sanlam Life Insurance Limited.											
III	All the entities/persons mentioned in Note No. I and Note No. II are PACs for not less than three years except the entities at Sr. No. (18) (19) and (20) in Note No. I and the entities/persons at Sr. No. (vi) and (vii) in Note No II which are PACs for less than three years.											
IV	None of the above-mentioned entities/persons in Note No. I and II hold any shares in the Company except the entity at Sr. No. (ix) in Note No. II.											

***J. Abridged version of audited consolidated (wherever available) and standalone financial information ( like profit & loss statement, balance sheet and cash flow statement) for at least last three years and auditor qualifications , if any.***

**A) SUMMARY INFORMATION OF OUR CONSOLIDATED ASSETS AND LIABILITIES**

(Rs. in lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
(a) Share capital	22,690.67	22,690.67	22,690.67
(b) Reserves and surplus	1,110,502.52	994,857.66	903,891.11
	<b>1,133,193.19</b>	<b>1,017,548.33</b>	<b>926,581.78</b>
<b>(2) Non-current liabilities</b>			
(a) Long-term borrowings	3,369,861.25	3,026,888.74	3,285,558.30
(b) Other long-term liabilities	131,064.17	116,346.89	97,162.18
(c) Long- term provisions	389,393.83	284,271.68	187,198.41
	<b>3,890,319.25</b>	<b>3,427,507.31</b>	<b>3,569,918.89</b>
<b>(3) Current liabilities</b>			
(a) Short-term borrowings	495,423.75	333,044.38	295,262.91
(b) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditor other than micro enterprises and small enterprises	176,936.11	153,657.67	122,834.24
(c) Other current liabilities	1,709,089.24	1,818,370.04	1,260,072.34
(d) Short-term provisions	40,092.72	51,218.95	40,691.28
	<b>2,421,541.82</b>	<b>2,356,291.04</b>	<b>1,718,860.77</b>
<b>Total</b>	<b>7,445,054.26</b>	<b>6,801,346.68</b>	<b>6,215,361.44</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	13,246.45	15,052.81	15,276.44
(ii) Intangible assets	176.33	158.43	149.29
(b) Non-current investments	146,792.40	122,251.16	82,426.49
(c) Deferred tax assets (net)	36,348.80	30,887.14	25,778.33
(d) Long-term loans and advances	4,731,203.23	4,301,326.73	3,248,125.45
(e) Other non-current assets	7,518.23	1,389.01	9,310.56
	<b>4,935,285.44</b>	<b>4,471,065.28</b>	<b>3,381,066.56</b>
<b>(2) Current assets</b>			
(a) Current investments	5,225.25	11,699.19	221,292.13
(b) Trade receivables	867.85	1,009.48	298.86
(c) Cash and bank balances	444,531.15	236,555.03	476,117.88
(d) Short-term loans and advances	2,053,237.66	2,075,953.30	2,130,329.48
(e) Other current assets	5,906.91	5,064.40	6,256.53
	<b>2,509,768.82</b>	<b>2,330,281.40</b>	<b>2,834,294.88</b>
<b>Total</b>	<b>7,445,054.26</b>	<b>6,801,346.68</b>	<b>6,215,361.44</b>

**B) SUMMARY INFORMATION OF OUR CONSOLIDATED PROFIT AND LOSS ACCOUNT**

(Rs. in lacs)			
Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015
<b>Income</b>			
Revenue from operations	1,090,271.46	1,031,028.83	917,699.82
Other income	175.61	346.19	261.85
<b>Total</b>	<b>1,090,447.07</b>	<b>1,031,375.02</b>	<b>917,961.67</b>
<b>Expenditure</b>			
Employee benefit expenses	58,320.25	62,373.31	50,403.91
Finance cost	518,570.24	505,792.37	467,464.51
Depreciation and amortisation	3,487.35	3,763.16	4,315.49
Other expenses	71,832.20	74,660.84	69,599.82
Provisions and write-offs	244,432.05	205,857.50	161,222.39
<b>Total</b>	<b>896,642.09</b>	<b>852,447.18</b>	<b>753,006.12</b>
<b>Profit before taxation</b>	<b>193,804.98</b>	<b>178,927.84</b>	<b>164,955.55</b>
<b>Provision for taxation</b>			
Current tax / Minimum alternate tax	72,703.23	65,674.83	62,280.81
Deferred tax	(5,461.66)	(5,108.81)	(169.71)
<b>Total tax expense / (income)</b>	<b>67,241.57</b>	<b>60,566.02</b>	<b>62,111.10</b>
<b>Profit after tax from operations</b>	<b>126,563.41</b>	<b>118,361.82</b>	<b>102,844.45</b>
<b>Net profit after taxes and share of profit of associate</b>	<b>126,563.41</b>	<b>118,361.82</b>	<b>102,844.45</b>
<b>Earnings per share</b>			
Basic (Rs.)	55.78	52.17	45.33
Diluted (Rs.)	55.78	52.17	45.33
Nominal value of equity share (Rs.)	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>

**C) SUMMARY INFORMATION OF OUR CONSOLIDATED CASH FLOW STATEMENT**

(Rs. in lacs)			
Particulars	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015
<b>A. Cash flow from operating activities</b>			
Profit before taxes	193,804.98	178,927.84	164,955.55
Depreciation and amortisation	3,487.35	3,763.16	4,315.49
Loss / (profit) on sale of fixed assets (net)	27.18	35.36	38.74
Provision for diminution in value of investments	0.37	-	-
Employees stock option compensation cost	4.28	(38.70)	55.33
Premium on government securities	124.17	82.30	19.74
Amortisation of discount on government securities	(227.97)	(221.42)	(165.69)
Amortisation of issue expenses for equity shares	152.78	152.78	168.85
Amortisation of public issue expenses for non-convertible debentures	1,074.35	1,303.09	1,761.70
Provision for credit loss on securitisation	10173.79	4821.98	
Provisions for Non-performing Assets and bad debt written off	230,583.52	200,867.02	158,456.12
Provisions for standard assets	3,674.37	4,990.48	2,766.27
Provision for gratuity	(162.77)	190.74	(17.39)
Provision for leave encashment	(54.71)	301.61	123.06
<b>Operating profit before working capital changes</b>	<b>442,661.69</b>	<b>395,176.24</b>	<b>332,477.77</b>

	<b>Movements in working capital:</b>			
	Increase / (decrease) in trade payables	23,278.44	30,823.43	67,538.96
	Increase / (decrease) in provisions	(14,362.52)	(2,370.38)	(5,437.65)
	Increase / (decrease) in provision for service tax-contested		-	-
	Increase / (decrease) in other liabilities	81,829.94	47,045.44	(34,802.43)
	Decrease / (increase) in trade receivables	141.63	(710.62)	(108.20)
	(Increase) / decrease in investments	(17,966.11)	169,905.15	(60,048.58)
	Decrease / (increase) in loans and advances	(531,259.23)	(1,110,571.68)	(1,256,453.78)
	Decrease/(increase) in bank deposits (having original maturity of more than three months)(net)	(181,009.46)	(25,816.52)	53,175.48
	Decrease / (increase) in other assets	(1,395.21)	984.20	1,846.63
	<b>Cash generated from operations</b>	<b>(198,080.83)</b>	<b>(495,534.74)</b>	<b>(901,811.80)</b>
	Direct taxes paid (net of refunds)	(68,070.26)	(55,183.14)	(59,277.72)
	<b>Net cash flow used in operating activities (A)</b>	<b>(266,151.09)</b>	<b>(550,717.88)</b>	<b>(961,089.52)</b>
<b>B.</b>	<b>Cash flows from investing activities</b>			
	Purchase of fixed including intangible assets	(1,770.76)	(3,654.73)	(4,523.10)
	Proceeds from sale of fixed assets	46.93	72.94	64.52
	<b>Net cash used in investing activities (B)</b>	<b>(1,723.83)</b>	<b>(3,581.79)</b>	<b>(4,458.58)</b>
<b>C.</b>	<b>Cash flows from financing activities</b>			
	Proceeds from issuance of equity share capital		-	-
	Securities premium on issue of equity capital		-	-
	Amount received from institutional borrowing	2,798,406.98	2,109,331.46	2,393,115.61
	Amount received from senior secured notes	135,000.00		
	Amount received from public issue of non-convertible debentures		-	197,484.71
	Increase / (decrease) in retail borrowings	16,377.50	97,664.77	165,612.77
	Amount redeemed for public issue of non-convertible debentures	(150,105.01)	(41,795.50)	(34,306.30)
	Repayment of institutional borrowing	(2,470,721.02)	(1,855,651.85)	(1,915,501.98)
	Public issue expenses for non-convertible debentures paid		-	(1,255.33)
	Dividend paid	(22,688.27)	(22,688.27)	(18,150.62)
	Tax on dividend	(4,618.80)	(4,618.80)	(3,356.86)
	<b>Net cash from financing activities (C)</b>	<b>301,651.38</b>	<b>282,241.81</b>	<b>783,642.00</b>
	<b>Net increase / (decrease) in cash and cash equivalents (A + B + C)</b>	<b>33,776.46</b>	<b>(272,057.86)</b>	<b>(181,906.10)</b>
	<b>Cash and cash equivalents at the beginning of the year</b>	<b>80,547.20</b>	<b>352,605.06</b>	<b>534,511.16</b>
	<b>Cash and cash equivalents at the end of the year</b>	<b>114,323.66</b>	<b>80,547.20</b>	<b>352,605.06</b>



D) SUMMARY INFORMATION OF OUR UNCONSOLIDATED ASSETS AND LIABILITIES

(Rs. in lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
(a) Share capital	22,690.67	22,690.67	22,690.67
(b) Reserves and surplus	1,107,532.20	992,720.78	901,105.83
	<b>1,130,222.87</b>	<b>1,015,411.45</b>	<b>923,796.50</b>
<b>(2) Non-current liabilities</b>			
(a) Long-term borrowings	3,370,018.31	3,026,967.38	3,157,076.48
(b) Other long-term liabilities	131,085.66	116,350.63	97,134.26
(c) Long-term provisions	389,393.83	284,271.68	158,650.37
	<b>3,890,497.80</b>	<b>3,427,589.69</b>	<b>3,412,861.11</b>
<b>(3) Current liabilities</b>			
(a) Short-term borrowings	498,313.75	333,035.34	266,140.59
(b) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	173,212.74	151,136.57	115,968.91
(c) Other current liabilities	1,709,067.45	1,818,197.18	1,174,164.15
(d) Short-term provisions	39,716.00	50,959.95	39,783.94
	<b>2,420,309.94</b>	<b>2,353,329.04</b>	<b>1,596,057.59</b>
<b>Total</b>	<b>7,441,030.61</b>	<b>6,796,330.18</b>	<b>5,932,715.20</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	8,217.04	9,961.01	9,944.50
(ii) Intangible assets	160.57	145.29	127.87
(b) Non-current investments	149,713.52	125,216.98	111,426.49
(c) Deferred tax assets (net)	36,228.16	30,770.26	25,648.45
(d) Long-term loans and advances	4,730,887.55	4,301,019.05	3,082,287.15
(e) Other non-current assets	7,514.84	1,387.51	9,310.56
	<b>4,932,721.68</b>	<b>4,468,500.10</b>	<b>3,238,745.02</b>
<b>(2) Current assets</b>			
(a) Current investments	5,220.97	10,399.52	221,292.13
(b) Cash and bank balances	444,068.53	236,385.69	472,339.89
(c) Short-term loans and advances	2,053,132.32	2,075,986.71	1,994,093.70
(d) Other current assets	5,887.11	5,058.16	6,244.46
	<b>2,508,308.93</b>	<b>2,327,830.08</b>	<b>2,693,970.18</b>
<b>Total</b>	<b>7,441,030.61</b>	<b>6,796,330.18</b>	<b>5,932,715.20</b>

E) SUMMARY INFORMATION OF OUR UNCONSOLIDATED PROFIT AND LOSS ACCOUNT

(Rs. in lacs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016	Year Ended March 31, 2015
<b>Income</b>			
Revenue from operations	1,082,875.14	1,024,155.81	863,694.73
Other income	186.09	370.33	777.72
<b>Total</b>	<b>1,083,061.23</b>	<b>1,024,526.14</b>	<b>864,472.45</b>

<b>Expenditure</b>			
Employee benefit expenses	54,822.94	58,908.03	42,958.86
Finance cost	518,741.75	505,792.60	438,998.20
Depreciation and amortisation	3,390.78	3,630.61	4,050.62
Other expenses	69,281.16	72,194.28	65,310.69
Provisions and write-offs	244,432.05	205,857.50	128,915.27
<b>Total</b>	<b>890,668.68</b>	<b>846,383.02</b>	<b>680,233.64</b>
<b>Profit before taxation</b>	<b>192,392.55</b>	<b>178,143.12</b>	<b>184,238.81</b>
<b>Provision for taxation</b>			
Current tax	72,116.20	65,445.17	60,947.79
Deferred tax	(5,457.90)	(5,121.81)	(489.96)
<b>Total tax expense / (income)</b>	<b>66,658.30</b>	<b>60,323.36</b>	<b>60,457.83</b>
<b>Profit after tax from operations</b>	<b>125,734.25</b>	<b>117,819.76</b>	<b>123,780.98</b>
<b>Earnings per share</b>			
Basic (Rs.)	55.42	51.93	54.56
Diluted (Rs.)	55.42	51.93	54.56
Nominal value of equity share (Rs.)	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>

## F) SUMMARY INFORMATION OF OUR UNCONSOLIDATED CASH FLOW STATEMENT

(Rs. in lacs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015
<b>A. Cash flow from operating activities</b>			
Profit before taxes	192,392.55	178,143.12	184,238.81
Depreciation and amortisation	3,390.78	3,630.61	4,050.62
Loss / (profit) on sale of fixed assets (net)	27.26	36.37	35.75
Provision for diminution in value of investments	0.37	-	-
Employees stock option compensation cost		(47.77)	-
Premium on government securities	124.17	82.30	19.74
Amortisation of discount on government securities	(227.97)	(221.42)	(165.69)
Amortisation of issue expenses for equity shares	152.78	152.78	168.85
Amortisation of public issue expenses for non-convertible debentures	1,074.35	1,303.09	1,761.70
Provision for credit loss on securitisation	10,173.79	4,821.98	
Provisions for Non-performing Assets and bad debt written off	230,583.52	200,867.02	125,934.32
Provisions for standard assets	3,674.37	4,990.48	2,980.95
Provision for gratuity	(186.14)	199.74	(16.44)
Provision for leave encashment	(49.74)	417.69	70.81
<b>Operating profit before working capital changes</b>	<b>441,130.09</b>	<b>394,375.99</b>	<b>319,079.42</b>
<b>Movements in working capital:</b>			
Increase / (decrease) in trade payables	22,076.17	35,167.66	68,572.79
Increase / (decrease) in provisions	(14,362.51)	31,340.38	(5,437.65)
Increase / (decrease) in provision for service tax-contested		-	-
Increase / (decrease) in other liabilities	81,995.21	48,582.72	(32,940.26)
(Increase) / decrease in investments	(19,216.80)	196,738.13	(60,048.59)
(Increase) / decrease in investments in associates		-	-
(Increase) / decrease in investments in subsidiaries		-	-
Decrease / (increase) in loans and advances	(531,118.65)	(1,411,045.68)	(1,277,132.89)
Decrease / (increase) in bank deposits (having original maturity of more than three months)(net)	(180,709.38)	(25,820.25)	53,179.53

Decrease / (increase) in other assets	(1,373.35)	974.74	1,857.14
<b>Cash generated from operations</b>	<b>(201,579.22)</b>	<b>(734,508.29)</b>	<b>(932,870.51)</b>
Direct taxes paid (net of refunds)	(67,582.55)	(56,091.88)	(57,743.68)
<b>Net cash flow from in operating activities (A)</b>	<b>(269,161.77)</b>	<b>(790,600.17)</b>	<b>(990,614.19)</b>
<b>B. Cash flows from investing activities</b>			
Purchase of fixed including intangible assets	(1,733.61)	(3,749.66)	(4,277.66)
Proceeds from sale of fixed assets	46.50	50.98	63.10
<b>Net cash used in investing activities (B)</b>	<b>(1,687.11)</b>	<b>(3,698.68)</b>	<b>(4,214.56)</b>
<b>C. Cash flows from financing activities</b>			
Proceeds from issuance of equity share capital	-	-	-
Securities premium on issue of equity capital	-	-	-
Amount received from institutional borrowing	2,801,296.98	2,350,574.28	2,220,993.36
Amount received from public issue of non-convertible debentures	135,000.00	-	197,484.71
Increase / (decrease) in retail borrowings	16,459.47	97,743.41	165,612.77
Amount redeemed for public issue of non-convertible debentures		(41,795.50)	(34,306.30)
Repayment of institutional borrowing	(150,105.01)	(1,855,069.86)	(1,714,627.52)
Public issue expenses for non-convertible debentures paid	-	-	(1,255.33)
Dividend paid	(22,688.27)	(22,688.27)	(18,150.62)
Tax on dividend	(4,618.80)	(4,618.80)	(3,356.44)
<b>Net cash from financing activities (C)</b>	<b>304,632.39</b>	<b>524,145.26</b>	<b>812,394.63</b>
<b>Net increase / (decrease) in cash and cash equivalents (A + B + C)</b>	<b>33,783.51</b>	<b>(270,153.59)</b>	<b>(182,434.12)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>80,379.57</b>	<b>348,832.76</b>	<b>531,266.88</b>
<b>Cash and bank balances taken over on account of amalgamation</b>	<b>-</b>	<b>1,700.40</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>114,163.08</b>	<b>80,379.57</b>	<b>348,832.76</b>

**K. Abridged version of latest audited / limited review half yearly consolidated (wherever available) and standalone financial information (like profit & loss statement, and balance sheet) and auditors' qualifications, if any –**

**A. SUMMARY INFORMATION OF OUR UNCONSOLIDATED ASSETS AND LIABILITIES**

(Rs. in lacs)		
Particulars	As at September 30, 2017	As at March 31, 2017
<b>I. EQUITY AND LIABILITIES</b>		
<b>(1) Shareholders' funds</b>		
(a) Share capital	22,690.67	22,690.67
(b) Reserves and surplus	1,183,927.01	1,107,532.20
	<b>1,206,617.68</b>	<b>1,130,222.87</b>
<b>(2) Non-current liabilities</b>		
(a) Long-term borrowings	3,497,518.98	3,370,018.31
(b) Other long-term liabilities	143,769.94	131,203.11
(c) Long-term provisions	427,347.59	

		389,393.83
	<b>4,068,636.51</b>	<b>3,890,615.25</b>
<b>(3) Current liabilities</b>		
(a) Short-term borrowings	529,229.40	498,313.75
(b) Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	168,046.34	173,095.29
(c) Other current liabilities	1,818,810.42	1,708,962.57
(d) Short-term provisions	51,373.23	39,820.88
	<b>2,567,459.39</b>	<b>2,420,192.49</b>
<b>Total</b>	<b>7,842,713.58</b>	<b>7,441,030.61</b>
<b>II. ASSETS</b>		
<b>(1) Non-current assets</b>		
(a) Fixed assets		
(i) Property, plant and equipment	9,110.22	8,098.05
(ii) Intangible assets	168.52	160.57
(b) Non-current investments	149,684.85	149,832.51
(c) Deferred tax assets (net)	39,927.63	36,228.16
(d) Long-term loans and advances	5,104,997.91	4,730,887.55
(e) Other non-current assets	422.51	7,514.84
	<b>5,304,311.64</b>	<b>4,932,721.68</b>
<b>(2) Current assets</b>		
(a) Current investments	-	5,220.97
(b) Cash and bank balances	287,376.92	444,068.53
(c) Short-term loans and advances	2,244,700.18	2,053,132.32
(d) Other current assets	6,324.84	5,887.11
	<b>2,538,401.94</b>	<b>2,508,308.93</b>
<b>Total</b>	<b>7,842,713.58</b>	<b>7,441,030.61</b>

**B. SUMMARY INFORMATION OF OUR UNCONSOLIDATED PROFIT AND LOSS ACCOUNT**

(Rs. in lacs)

Particulars	For the period April 01, 2017 to September 30, 2017	For the period April 01, 2016 to September 30, 2016
<b>INCOME</b>		
Revenue from operations	587,729.05	539,989.47
Other income	162.86	97.50
<b>Total</b>	<b>587,891.91</b>	<b>540,086.97</b>
<b>EXPENDITURE</b>		

Employee benefit expenses	32,877.97	29,114.32
Finance cost	257,701.55	264,193.66
Depreciation and amortisation	1,690.06	1,753.73
Other expenses	37,084.17	36,421.32
Provisions and write-offs	117,018.53	92,241.99
<b>Total</b>	<b>446,372.28</b>	<b>423,725.02</b>
<b>Profit before taxation</b>	<b>141,519.63</b>	<b>116,361.95</b>
<b>Provision for taxation</b>		
Current tax	52,440.06	41,686.58
Deferred tax	(3,699.48)	(1,499.71)
<b>Total tax expense/(income)</b>	<b>48,740.58</b>	<b>40,186.87</b>
<b>Profit after tax from operations</b>	<b>92,779.05</b>	<b>76,175.08</b>

***L. Any material event/ development or change having implications on the financials/credit quality (e.g. Any material regulatory proceedings against the Issuer/promoters, tax litigations resulting in material liabilities, corporate restructuring event etc) at the time of issue which may affect the issue or the investor's decision to invest / continue to invest in the debt securities.***

Subject to the risk factors mentioned herein below and circumstances/situations that may arise there from, in our opinion, there have been no circumstances that could materially and adversely affect, or likely to affect the trading or profitability of the Company, which may affect the issue or the investor's decision since the company has met all its obligations in time towards payment of interest / repayment of principal amount.

The following are the risks envisaged by the management and the investors should consider the following risk factors carefully for evaluating the trading or profitability of the Company and its business before making any investment decision. Unless the context requires otherwise, the risk factors described below apply to the Company only.

The investors must rely on their own examination and investigation of the Company and its business, their promoters, associate companies and the Issue including the risks and uncertainties involved.

The Company and its business are subject to risks, uncertainties and assumptions, internal as well as external, and could materially affect the performance of the company. The following are some of the important factors that could cause actual results to differ materially from the Company's expectations:

## **INTERNAL RISK FACTORS**

### **Risks relating to our Company and its Business**

#### ***1. Our financial performance is highly sensitive to interest rate volatility.***

Our results of operations are substantially dependent upon the level of our net interest margins. Revenue from operations is the largest component of our total income, and constituted 99.98 per cent. and 99.83 per cent. of our total income on an unconsolidated basis in fiscal 2017 and the nine months period ended 31 December 2017, respectively. As of 31 March 2017, our assets under financing activities (net of securitisation and assignment) were ₹ 6,619,485.20 lacs on an unconsolidated basis. We provide loans at fixed rates of interest. As of 31 December 2017, our hypothecation loans amounted to ₹ 7,347,434.50 lacs. Hypothecation loans refers to loans given against the hypothecation/pledging of an asset. We borrow funds on both fixed and floating rates. As of 31 December 2017, approximately 64.11 per cent. of our borrowings were at fixed rates and 35.89 per cent. were at floating interest rates on an unconsolidated basis. We are exposed to interest rate risks as a result of lending to customers predominantly at fixed interest rates, amounts and for periods which may differ from our funding sources. Volatility in interest rates can materially and adversely affect our financial performance and cash flows. In a rising interest rate environment, if the yield on our interest-earning assets does not increase simultaneously with or to the same extent as our cost of funds, or, in a declining interest rate environment, if our cost of funds does not decline simultaneously or to the same extent as the yield on our interest-earning assets, our net interest income and net interest margin would be adversely impacted. Additional risks arising from increasing interest rates, among others, include:

- increases in the rates of interest charged on various loans in our loan portfolio, which could result in the extension of loan maturities and higher monthly instalments due from borrowers which, in turn, could result in higher rates of default;
- reductions in the volume of commercial vehicle loans as a result of clients' inability to service high interest rate payments; and
- reduction in the value of fixed income securities held in our investment portfolio.

Accordingly, our operations are susceptible to fluctuations in interest rates. Interest rates are highly sensitive and fluctuations thereof are dependent upon many factors which are beyond our control, including the monetary policies of the RBI, de-regulation of the financial services sector in India, domestic and international economic and political conditions, inflation and other factors. Difficult conditions in the global and Indian economy can affect the availability of credit.

***2. Our business requires raising substantial capital through borrowings and any disruption in funding sources would have a material adverse effect on our liquidity, financial condition and/or cash flows.***

As an asset finance company, our liquidity and on-going profitability are, in large part, dependent upon our timely access to, and the costs associated with, raising capital. As of 31 December 2017, 83.85 per cent. of our borrowed funds consisted of funds raised from financial institutions and banks (including public issues of non-convertible debentures), while the remaining 16.15 per cent. consisted of funds raised through retail borrowings on an unconsolidated basis. Our funding requirements are predominantly met through term loans from banks (including cash credit), the issue of redeemable non-convertible debentures and fixed deposits, which constituted 33.68 per cent., 38.06 per cent. and 14.13 per cent. of our total borrowings, respectively, as of 31 December 2017 on an unconsolidated basis. Our credit providers include nationalised banks, private Indian banks and foreign banks and we also rely on retail investors. Our business, therefore, depends and will continue to depend on our ability to access diversified funding sources. Our ability to raise funds on acceptable terms and at competitive rates continues to depend on various factors including our credit ratings, the regulatory environment and policy initiatives in India, developments in the international markets affecting the Indian economy, investors' and/or lenders' perception of demand for debt and equity securities of NBFCs and our current and future results of operations and financial condition. Changes in economic and financial conditions or continuing lack of liquidity in the market could make it difficult for us to access funds at competitive rates. Any such disruption in our ability to access primary funding sources at competitive costs would have a material adverse effect on our liquidity, financial condition and/or cash flows.

***3. If we are unable to manage the level of non-performing assets (NPAs) in our loan portfolio, our financial position, results of operations and cash flows may suffer.***

Our outstanding loans including future principal and excluding unrealised interest accrued and due under NPA accounts (**Gross NPAs**) have increased from ₹ 387,023.80 lacs as of 31 March 2016, to ₹ 540,843.50 lacs as of 31 March 2017 and to ₹ 604,630.90 lacs as of 31 December 2017 and our Net NPAs have increased from ₹ 114,369.70 lacs as of 31 March 2016, to ₹ 165,899.10 lacs as of 31 March 2017 and to ₹ 175,104.70 lacs as of 31 December 2017. Our Gross NPAs after deduction of provision held for NPA accounts (**Net NPAs**) as a percentage of total loan assets (including secured hypothecation loans, other secured loans, unsecured loans and unsecured advance for hypothecation loans (collectively, **Total Loan Assets**)) was 6.19 per cent., 8.17 per cent. and 7.99 per cent. as of 31 March 2016, 31 March 2017 and 31 December 2017, respectively, while our Net NPAs as a percentage of our Total Loan Assets adjusted for provisions for NPAs (**Net Loan Assets**) was 1.91 per cent., 2.66 per cent. and 2.45 per cent. as of 31 March 2016, 31 March 2017 and 31 December 2017, respectively.

We cannot be sure that we will be able to improve our collections and recoveries in relation to our NPAs, or otherwise adequately control our level of NPAs in future. Recent RBI regulations have mandated a shorter time period for classifying assets as NPAs. Pursuant to these new RBI regulations, we must decrease the time period for classifying our assets as NPAs from 180 days to 150 days in March 2016, and decrease it further to 120 days in March 2017 and to 90 days in March 2018. We expect the effect of these new regulations will result in an increase in our Gross NPAs. Moreover, as our loan portfolio matures, we may experience greater defaults in principal and/or interest repayments.

In addition, in certain cases where a customer has delayed payments but has demonstrated an ability to continue servicing the relevant loan, we generally do not enforce the security and seize the financed vehicle but we allow the loan to remain outstanding and continue without restructuring, which can adversely affect the position of our



asset quality and NPA provisioning. There can also be no assurance that in such cases the customer would not continue to delay payments, which could adversely affect our profitability and cash flows.

If we are not able to control or reduce our level of NPAs, the overall quality of our loan portfolio may deteriorate and our results of operations and/or cash flows may be adversely affected. Furthermore, although we believe our current provisioning for NPAs is comparable with the industry standards, in future our provisions may not be adequate when compared to the loan portfolios of other financial institutions. Moreover, there also can be no assurance that there will be no further deterioration in our provisioning coverage as a percentage of Gross NPAs or otherwise, or that the percentage of NPAs that we will be able to recover will be similar to our past experience of recoveries of NPAs. In the event of any deterioration in our NPA portfolio, there could be an even greater adverse impact on our results of operations and/or cash flows.

***4. Our business is focused on commercial vehicle finance for new and pre-owned commercial vehicles and any adverse developments in this sector would adversely affect our results of operations.***

As we focus on providing financing for pre-owned and new commercial vehicles, our asset and NPA portfolios have, and will likely continue in the future to have, a high concentration of pre-owned and new commercial vehicle financing arrangements. As of 31 December 2017, our product portfolio for commercial vehicle financing comprised 85.59 per cent. pre-owned, 10.56 per cent. new commercial vehicles and 3.85 per cent. other loans. Moreover, our customer base has, and will likely continue in the future to have, a high concentration of first time users (FTUs) and small road transport operators (SRTOs).

Our business is, therefore, entirely dependent on various factors that impact this customer segment such as the demand for transportation services in India, changes in Indian regulations and policies affecting pre-owned commercial vehicles, natural disasters and calamities, and the macroeconomic environment in India and globally. In addition, individual borrowers, FTUs and SRTOs are generally less financially resilient than larger corporate borrowers or fleet owners, and as a result, can be more adversely affected by declining economic conditions. Such factors may result in a decline in the sales or value of new and pre-owned commercial vehicles. Therefore, the demand for finance for pre-owned and new commercial vehicles may decline, which in turn may adversely affect our financial condition, the results of our operations and/or cash flows. In addition, the ability of commercial vehicle owners and/or operators to perform their obligations under existing financing agreements may be adversely affected if their businesses suffer as a result of the aforesaid factors.

Our business is not diversified and any factor which adversely impacts our customer segment may have a disproportionate impact on our operations, profitability and/or cash flows.

***5. High levels of customer defaults could adversely affect our business, financial condition, results of operations and/or cash flows.***

Our primary business involves lending money to commercial vehicle owners and operators in India, and we are subject to customer default risks including default or delay in repayment of principal or interest on our loans. Customers may default on their obligations to us as a result of various factors including bankruptcy, lack of liquidity, lack of business and operational failure. If borrowers fail to repay loans in a timely manner or at all, our financial condition, results of operations and/or cash flows will be adversely impacted.

In addition, our customer portfolio principally consists of SRTOs and FTUs that lack banking habits and individual borrowers generally are less financially resilient than larger corporate borrowers and, as a result, they can be more adversely affected by declining economic conditions. In addition, a significant majority of our client base belongs to the low income group. The owners and/or operators of commercial vehicles we finance often do not have any credit history supported by tax returns and other related documents which would enable us to assess their creditworthiness. In addition, we may not receive updated information regarding any change in the financial condition of our customers or may receive inaccurate or incomplete information as a result of any fraudulent misrepresentation on the part of our customers. Furthermore, unlike several developed economies, a nationwide credit bureau covering our customers does not exist, so there is less financial information available about the creditworthiness of individuals, particularly our client segment that is mainly from the low income group and which typically has limited access to other financing sources. It is therefore difficult to carry out precise credit risk analyses on our clients. Although we follow certain procedures to evaluate the credit profile of our customers at the time of sanctioning a loan, we generally rely on the referrals from the local trucking community and value of the commercial vehicle provided as underlying collateral rather than on a stringent analysis of the credit profile of our customers. Although we believe that our risk management controls are sufficient, we cannot be certain that they will continue to be sufficient or that additional risk management policies for individual borrowers will not be required. Failure to continuously monitor the loan contracts, particularly for individual borrowers, could adversely affect our credit portfolio which could have a material and adverse effect on our results of operations, financial condition and/or cash flows.

***6. We may not be able to recover, on a timely basis or at all, the full value of collateral or amounts which are sufficient to cover the outstanding amounts due under defaulted loans.***

As a security interest for the financing facilities provided by us to our customers, the vehicles purchased by our customers are hypothecated in our favour. The value of the vehicle, however, is subject to depreciation, deterioration and/or reduction in value on account of other extraneous reasons, over the course of time. Consequently, the realisable value of the collateral for the credit facility provided by us, when liquidated, may be lower than the outstanding loan from such customers. Any default in repayment of the outstanding credit obligations by our customers may expose us to losses. Furthermore, in the case of a default, we may repossess the commercial vehicles financed and sell such vehicles. The hypothecated vehicles, being movable property, may be difficult to locate or seize in the event of any default by our customers. There can also be no assurance that we will be able to sell such vehicles provided as collateral at prices sufficient to cover the amounts under default. In addition, there may be delays associated with such processes. A failure or delay to recover the expected value from sale of collateral security could expose us to a potential loss. Any such losses could adversely affect our financial condition, results of operations and/or cash flows. Furthermore, enforcing our legal rights by litigating against defaulting customers is generally a slow and potentially expensive process in India. Accordingly, it may be difficult for us to recover amounts owed by defaulting customers in a timely manner or at all. The recovery of monies from defaulting customers may be further compounded by the fact that we do not generally insist on, or receive, post dated cheques as security towards the timely repayment of dues from customers to whom we have provided loans. Further if we are unable to sell any repossessed vehicles provided as security for such loans at commercially favourable prices, in a timely manner or at all, we may not recover the costs of maintaining such repossessed vehicles and our operations, cash flows and profitability could be adversely affected.

***7. Our Company is involved in certain legal proceedings including in relation to certain legislation relating to “money lending” activities which, if determined against us, could have a material adverse effect on our goodwill, financial condition, results of operations and cash flows.***

Our Company is currently involved in a number of legal proceedings arising in the ordinary course of our business. These proceedings are pending at different levels of adjudication before various courts and tribunals, primarily relating to civil suits and tax disputes.

The Company has filed an appeal before the Supreme Court of India in connection with a writ petition filed by our Company challenging the action of the Commissioner of Commercial Taxes, Kerala, directing our Company to register under the provisions of the Kerala Money Lenders Act, 1958. Further, our Company has filed a writ petition against the State of Karnataka before the High Court of Karnataka, *inter alia*, seeking a declaration that the provisions of the Karnataka Money Lenders Act, 1961, and the Karnataka Prohibition of Charging Exorbitant Interest Act, 2004 do not apply to our Company.

There can be no assurance that these proceedings will be decided in our favour or that penal or other action will not be taken against our Company and/or any senior management party to such proceedings. In the event of any adverse ruling, our Company may be required to register as a money lending entity and will be required to comply with the provisions of such legislation within the relevant States and similar regulatory authorities in other States in India where we currently carry on business or propose to carry on business in the future, including imposition of caps on the interest rates which can be charged by our Company. If we are required to comply with such interest rate limits or any other conditions specified under such legislation, our interest income and net interest margin may be adversely impacted as well as the conduct of our operations.

***8. A large part of our collections are in cash and consequently we face the risk of misappropriation or fraud by our employees.***

A significant portion of our collections from our customers is in cash. Large cash collections expose us to the risk of fraud, misappropriation or unauthorised transactions by our employees responsible for dealing with such cash collections. While we have taken insurance policies and coverage for cash in safes and in transit, and undertake measures to detect and prevent any unauthorised transaction, fraud or misappropriation by our representatives and officers, this may not be sufficient to prevent or deter such activities in all cases, which may adversely affect our operations, profitability and/or cash flows. Further, we may be subject to regulatory or other proceedings in connection with any unauthorised transaction, fraud or misappropriation by our representatives and employees, which could adversely affect our goodwill.

***9. Our significant indebtedness and the conditions and restrictions imposed by our financing arrangements could restrict our ability to conduct our business and operations in the manner we desire.***

As of 31 December 2017, we had unconsolidated outstanding secured debt (gross of unamortised discount of ₹ 129.10 of ₹ 4,679,457.00 lacs and unconsolidated unsecured debt (gross of unamortised discount of ₹ 596.10 lacs of ₹ 1,233,470.50 lacs. As of 31 March 2017, we had unconsolidated outstanding secured debt (gross of unamortised discount of ₹ 0.10 lacs) of ₹ 4,086,623.70 lacs and unconsolidated unsecured debt of ₹ 1,224,386.20 lacs. We will continue to incur additional indebtedness in the future. Most of our borrowings are secured by our immovable, movable and other assets. Our significant indebtedness could have several important consequences, including but not limited to the following:

- a portion of our cash flow may be used towards repayment of our existing debt, which will reduce the availability of our cash flow to fund working capital, capital expenditures, acquisitions and other general corporate requirements;
- our ability to obtain additional financing in the future at reasonable terms may be restricted or our cost of borrowings may increase due to sudden adverse market conditions, including decreased availability of credit or fluctuations in interest rates;
- fluctuations in market interest rates may affect the cost of our borrowings, as some of our indebtedness is at variable interest rates;
- there could be a material adverse effect on our business, financial condition, results of operations and/or cash flows if we are unable to service our indebtedness or otherwise comply with financial and other covenants specified in the financing agreements; and
- we may be more vulnerable to economic downturns, may be limited in our ability to withstand competitive pressures and may have reduced flexibility in responding to changing business, regulatory and economic conditions. Some of our financing agreements also include various conditions and covenants that require us to obtain lender consents prior to carrying out certain activities and entering into certain transactions. Failure to meet these conditions or obtain these consents could have significant consequences on our business and operations. Specifically, under some of our financing agreements, we require, and may be unable to obtain, consents from the relevant lenders for, among others, the following matters: entering into any scheme of merger; spinning-off of a business division; selling or transferring all or a substantial portion of our assets; making any change in ownership or control or constitution of our Company; making amendments in our Memorandum and Articles of Association; creating any further security interest on the assets upon which the existing lenders have a prior charge; and raising funds by way of any fresh capital issue. Our financing agreements also typically contain certain financial covenants including the requirement to maintain, among others, specified debt-to-equity ratios, debt-to-net worth ratios, or Tier I to Tier II capital ratios that may be higher than statutory or regulatory requirements. These covenants vary depending on the requirements of the financial institution extending the loan and the conditions negotiated under each financing document. Such covenants may restrict or delay certain actions or initiatives that we may propose to take from time to time.

A failure to observe the covenants under our financing arrangements or to obtain necessary consents required thereunder may lead to the termination of our credit facilities, acceleration of all amounts due under such facilities and the enforcement of any security provided. Any acceleration of amounts due under such facilities may also trigger cross default provisions under our other financing agreements. If the obligations under any of our financing documents are accelerated, we may have to dedicate a substantial portion of our cash flow from operations to make payments under such financing documents, thereby reducing the availability of cash for our working capital requirements and other general corporate purposes. Further, during any period in which we are in default, we may be unable to raise, or face difficulties raising, further financing. Any of these circumstances could adversely affect our business, credit rating, financial condition, results of operations and/or cash flows.

***10. If the performance of our portfolios relating to various credit and financing facilities deteriorates, our business, financial condition, results of operations and/or cash flows may be adversely affected.***

We have in the past acquired, and may in the future continue to acquire, portfolios relating to various credit and financing facilities from various originators including banks and other institutions, in the ordinary course of our business.

There can be no assurance that we will not experience any deterioration in the performance of any loan portfolio acquired by us or that may be acquired by us in the future. Any deterioration in such loan portfolios acquired by us, and an inability to seek recourse against loan portfolio originators, or otherwise recover the investments made in connection with the acquisition of such loan portfolios, would adversely impact our earnings realised from such loan portfolios and may adversely affect our business, financial condition and results of operations.

***11. We face increasing competition in our business which may result in declining margins if we are unable to compete effectively.***

We primarily provide vehicle finance loans to FTUs and SRTOs. Our primary competition historically has been private unorganised financiers who principally operate in the local market. However, the significant growth in the commercial vehicle finance segment in recent periods has resulted in various banks and non-banking finance companies (NBFC) increasing their focus on this sector, particularly for new commercial vehicle finance. In addition, interest rate deregulation and other liberalisation measures affecting the commercial vehicle finance sector, together with increased demand for capital by FTUs and SRTOs, have resulted in an increase in competition.

All of these factors have resulted in our facing increased competition from other lenders in the commercial vehicle finance sector, including commercial banks and other NBFCs. Our ability to compete effectively will depend, to some extent, on our ability to raise low cost funding in the future. Furthermore, as a result of increased competition in the commercial vehicle finance sector, vehicle finance products are becoming increasingly standardised and variable interest rate and payment terms and lower processing fees are becoming increasingly common in the commercial vehicle finance sector in India. There can be no assurance that we will be able to react effectively to these or other market developments or compete effectively with new and existing players in the increasingly competitive commercial vehicle finance industry. Increasing competition may have an adverse effect on our net interest margin and other income, and if we are unable to compete successfully, our market share may decline.

If we are unable to compete effectively with other participants in the commercial vehicle finance or equipment finance sectors, our business, future financial performance and the trading price of the Debentures may be adversely affected.

***12. We may not be able to successfully sustain our growth strategy.***

In recent years, we have experienced substantial growth. Our growth strategy includes growing our branch network and presence in rural centres. There can be no assurance that we will be able to sustain our growth strategy successfully or that we will be able to expand further or diversify our product portfolio. If we grow our branch network and presence too rapidly or fail to make proper assessments of credit risks associated with new borrowers, a higher percentage of our loans may become non-performing, which would have a negative impact on the quality of our assets and our financial condition.

We also face a number of operational risks in executing our growth strategy. We have experienced rapid growth in our commercial vehicle finance business; our branch network has expanded significantly, and we are entering into new, smaller towns and cities within India as part of our growth strategy. Our rapid growth exposes us to a wide range of increased risks, including business risks, such as the possibility that a number of our impaired loans may grow faster than anticipated, as well as operational risks, fraud risks and regulatory and legal risks. It will also place significant demands on our management, financial and other resources and will require us to continuously develop and improve our operational, financial and internal controls. Moreover, our ability to sustain our rate of growth depends significantly upon our ability to manage key issues such as selecting and retaining key managerial personnel, maintaining effective risk management policies, continuing to offer products which are relevant to our target base of clients, developing managerial experience to address emerging challenges and ensuring a high standard of client service. We will need to recruit new employees, who will have to be trained and integrated into our operations. We will also have to train existing employees to adhere properly to internal controls and risk management procedures. Failure to train our employees properly may result in an increase in employee attrition rates, require additional hiring, erode the quality of customer service, divert management resources, increase our exposure to high-risk credit and impose significant costs on us.

***13. We may not be able to successfully diversify our product portfolio.***

We intend to consolidate and expand our product portfolio as part of our growth strategy. As of 31 March 2017, our assets under management product portfolio comprised heavy commercial vehicles, light commercial vehicles, passenger vehicles, tractors, equipment finance and other loans which constituted 46.7 per cent., 20.0 per cent., 24.9 per cent., 4.5 per cent, 1.1 per cent. and 2.8 per cent., respectively of our total assets under management. We have developed pre-owned commercial vehicle and construction equipment hubs under our brand, “Automalls,” Shriram Automall India Limited, in which we are holding 44.56% of Shares to provide fee-based facilitation services for the sale of pre-owned commercial vehicles as well as commercial vehicles repossessed by financing companies along with showrooms for branded new and refurbished pre-owned commercial vehicles.

We cannot assure that such diversification or expansion of operations will in future yield and/or continue to yield favourable or expected results, as our overall profitability and success will be subject to various factors, including, among others, our ability to obtain necessary statutory and/or regulatory approvals and licences in connection with such proposed business, our ability to effectively recruit, retain and motivate appropriate managerial talent and ability to compete with banks and other NBFCs that are already well established in this market segment, as well as our ability to effectively absorb additional infrastructure costs.

Our growth strategy will require significant capital investments and commitments of time from our senior management and there also can be no assurance that our management will be able to develop the skills necessary to successfully manage these new business areas. Our inability to effectively manage any of these issues could materially and adversely affect our business and impact our future financial performance and/or cash flows.

***14. Our loan portfolio may no longer continue to be classified as priority sector advances by the RBI.***

The RBI currently mandates commercial banks operating in India, including foreign banks with more than 20 branches in India to maintain an aggregate 40 per cent. of adjusted net bank credit or a credit equivalent amount of off-balance-sheet exposure, whichever is higher as “priority sector advances”. These include advances to agriculture, micro and small enterprises (including SRTOs, which constitute the largest proportion of our loan portfolio), micro enterprises within the micro and small enterprises sector, export credit, and advances to weaker sections where the Government seeks to encourage flow of credit for developmental reasons. Banks in India that have traditionally been constrained or unable to meet these requirements organically have relied on specialised institutions such as us that are better positioned to or exclusively focus on originating such assets through on-lending or purchase of assets or securitised and assigned pools to comply with these targets.

In the event that any part of our loan portfolio is no longer classified as a priority sector advance by the RBI, or if the laws relating to priority sector lending as applicable to the banks undergo a change, our ability to securitise our asset pool will be hampered, which may adversely affect our financial condition, results of operations and/or cash flows.

***15. We may experience difficulties in expanding our business into new regions and markets in India.***

As part of our growth strategy, we continue to evaluate attractive growth opportunities to expand our business into new regions and markets in India. Factors such as competition, culture, regulatory regimes, business practices and customs and customer requirements in these new markets may differ from those in our current markets, and our experience in our current markets may not be applicable to these new markets. In addition, as we enter new markets and geographical regions, we are likely to compete not only with other banks and financial institutions but also the local unorganised or semi-organised private financiers, who are more familiar with local regulations, business practices and customs, and have stronger relationships with customers.

If we plan to expand our geographical footprint, our business may be exposed to various additional challenges, including: obtaining necessary governmental approvals; identifying and collaborating with local business and partners with whom we may have no previous working relationship; successfully gauging market conditions in local markets with which we have no previous familiarity; attracting potential customers in a market in which we do not have significant experience or visibility; being susceptible to local taxation in additional geographical areas of India; and adapting our marketing strategy and operations to different regions of India in which different languages are spoken. Our inability to expand our current operations may adversely affect our business prospects, financial conditions, results of operations and/or cash flows.



***16. Any downgrade of our credit ratings would increase borrowing costs and constrain our access to capital and lending markets and, as a result, would negatively affect our net interest margin and our business.***

The cost and availability of capital is also dependent on our short-term and long-term credit ratings. Ratings reflect a rating agency's opinion of our financial strength, operating performance, strategic position, and ability to meet our obligations. In relation to our long-term debt instruments, as of 31 March 2017, in relation to our subordinate debt programme, we have ratings of "CARE AA+/Stable" from CARE and "CRISIL AA+/Stable" from CRISIL. In relation to fixed deposits, we currently have ratings of "CRISIL FAAA/Stable" from CRISIL and "MAA+ with Stable Outlook" from ICRA. In relation to our short-term debt instruments, we have also received short term ratings of "CRISIL A1+" from CRISIL and for our long-term debt instruments, we received CRISIL AA+/Stable from CRISIL, "CARE AA+/Stable" from CARE and "IND AA+ with Stable Outlook" from India Ratings & Research Ltd.. The rating of the long term debt instruments by CRISIL indicates high degree of safety regarding timely servicing of financial obligations and carrying very low credit risk. The rating of the long term debt instruments by CARE indicates high degree of safety regarding timely servicing of financial obligations and carrying very low credit risk. The rating of the long term debt instruments by India Ratings indicates high degree of safety regarding timely servicing of financial obligations and carrying very low credit risk.

Any downgrade of our credit ratings would increase borrowing costs and constrain our access to capital and debt markets and, as a result, would negatively affect our net interest margin and our business. In addition, downgrades of our credit ratings could increase the possibility of additional terms and conditions being added to any additional financing or refinancing arrangements in the future. The ratings provided by CRISIL and/or CARE 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. Any such adverse development could adversely affect our business, financial condition, results of operations and/or cash flows.

***17. If we are unable to successfully expand, maintain or leverage our partnership arrangements with private financiers involved in commercial vehicle financing, our business prospects, results of operations, financial conditions and/or cash flows may be adversely affected.***

Our partnership and co-financing arrangements with private financiers involved in commercial vehicle financing across India is an integral part of our growth strategy. We enter into strategic partnership agreements with private financiers ranging from individual financiers and small local private financiers, including other NBFCs, to capitalise on their local knowledge, infrastructure and personnel base of our partners in order to source new customers. Our co-financing arrangements include various revenue-sharing arrangements at pre-determined amounts.

There can be no assurance that our partners will comply with the procedural and other conditions specified by us in connection with our arrangements with them in the context of customer origination, the credit appraisal process, loan administration and monitoring and any loan recovery processes, or that our partners will not act in any manner that could adversely affect our reputation, brand, customer relationships or business interests. For example, we have in the past experienced certain instances of fraud by certain of our partners. There can also be no assurance that we will be able to leverage and benefit from our partnership arrangements to effectively source a sufficient volume of new customers and business commensurate to the revenue-sharing and other incentives provided to our partners under our arrangements with them.

In addition, we may not be able to identify suitable private financiers in the future with whom we can successfully partner through such arrangements, or in joint marketing and customer support activities, and there can be no assurance that we will be able to ensure any level of success with such partnership arrangements for any sustained period of time. Furthermore, there can be no assurance that there will not be any dispute with such partners in the future. If we are unable to successfully expand, maintain or leverage our partnership arrangements and relationship with our partners, our business prospects, results of operations, financial conditions and/or cash flows may be adversely affected.

***18. A decline in our capital adequacy ratio could restrict our future business growth.***

All deposit taking NBFCs are required to maintain a minimum capital adequacy ratio, consisting of Tier I and Tier II capital, of not less than 15 per cent. of its aggregate risk-weighted assets on balance sheet and risk-adjusted value of off-balance sheet items. Our capital adequacy ratio computed on the basis of applicable RBI requirements was 16.15 per cent. and 16.94 per cent. as of 31 December 2017 and 31 March 2017, respectively on an unconsolidated



basis, with Tier I capital comprising 14.86 per cent. and 15.20 per cent., respectively on an unconsolidated basis. If we continue to grow our loan portfolio and asset base, we will be required to raise additional Tier I and Tier II capital in order to continue to meet applicable capital adequacy ratios with respect to our business. There can be no assurance that we will be able to raise adequate additional capital in the future on terms favourable to us or at all, and this may adversely affect the growth of our business.

***19. As part of our business strategy we assign or securitise a substantial portion of our loan assets to banks and other institutions. Any deterioration in the performance of any pool of receivables assigned or securitised to banks and other institutions may adversely impact our financial performance and/or cash flows.***

As part of our means of raising and/or managing our funds, we assign or securitise a substantial portion of the receivables from our loan portfolio to banks and other institutions. Such assignment or securitisation transactions are conducted on the basis of our internal estimates of our funding requirements, which may vary from time to time. In fiscal 2016 and 2017, our securitised and assigned assets at book value was ₹ 899,175.20 lacs and ₹ 1,121,430.10 lacs, respectively. Any change in statutory and/or regulatory requirements in relation to assignments or securitisations by financial institutions, including the requirements prescribed by RBI and the Government of India, could have an adverse impact on our assignment or securitisation transactions. Any adverse changes in the policy and/or regulations in connection with securitisation of assets by NBFCs and/or new circulars and/or directions issued by the RBI in this regard, affecting NBFCs or the purchasers of assets, would affect the securitisation market in general and our ability to securitise and/or assign our assets.

The aggregate credit enhancement amount outstanding as of 31 December 2017 and 31 March 2017 was ₹ 316,338.30 lacs and ₹ 254,599.80 lacs, respectively. For such transactions, in the event that a relevant bank or institution does not realise the receivables due under such loan assets, such bank or institution would have recourse to such credit enhancement, which could have a material adverse effect on our results of operations, financial condition and/or cash flows.

***20. System failures or inadequacy and security breaches in computer systems may adversely affect our business.***

Our business is increasingly dependent on our ability to process, on a daily basis, a large number of transactions. Our financial, accounting or other data processing systems may fail to operate adequately or become disabled as a result of events that are wholly or partially beyond our control, including a disruption of electrical or communications services.

Our ability to operate and remain competitive will depend in part on our ability to maintain and upgrade our information technology systems on a timely and cost-effective basis. The information available to and received by our management through our existing systems may not be timely and sufficient to manage risks or to plan for and respond to changes in market conditions and other developments in our operations. We may experience difficulties in upgrading, developing and expanding our systems quickly enough to accommodate our growing customer base and range of products.

Our operations also rely on the secure processing, storage and transmission of confidential and other information in our computer systems and networks. Our computer systems, software and networks may be vulnerable to unauthorised access, computer viruses or other malicious codes and other events that could compromise data integrity and security.

Any failure to effectively maintain or improve or upgrade our management information systems in a timely manner could materially and adversely affect our competitiveness, financial position and results of operations. Moreover, if any of these systems do not operate properly or are disabled or if there are other shortcomings or failures in our internal processes or systems, it could affect our operations or result in financial loss, disruption of our businesses, regulatory intervention or damage to our reputation. In addition, our ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports our businesses and the geographical areas in which we are located.

***21. We may not be able to maintain our current levels of profitability due to increased costs or reduced spreads.***

Our business strategy involves a relatively high level of on-going interaction with our customers. We believe that this involvement is an important part of developing our relationship with our customers, identifying new cross selling opportunities and monitoring our performance. However, this level of involvement also entails higher levels of costs and also requires a relatively higher gross spread, or margin, on the finance products we offer in order to maintain profitability. There can be no assurance that we will be able to maintain our current levels of profitability if the gross spreads on our finance products were to reduce substantially, which could adversely affect our results of operations and/or cash flows.

**22. *We face asset-liability mismatches which could affect our liquidity and consequently may adversely affect our operations, profitability and/or cash flows.***

We face potential liquidity risks due to varying periods over which our assets and liabilities mature. As is typical for NBFCs, a portion of our funding requirements is met through short-term funding sources such as bank loans, working capital demand loans, cash credit, short-term loans and commercial paper. Consequently, our inability to obtain additional credit facilities or renew our existing credit facilities, in a timely and cost-effective manner or at all, may lead to mismatches between our assets and liabilities, which in turn may adversely affect our operations, financial performance and/or cash flows. Further, mismatches between our assets and liabilities are compounded in case of pre-payments of the financing facilities we grant to our customers.

**23. *We have certain contingent liabilities which may adversely affect our financial condition.***

As of 31 December 2017, we had certain contingent liabilities not provided for, which included a contingent liability as per accounting standard 29 in respect of Income tax demands where the Company has filed an appeal before various authorities of ₹ 15,085.60 lacs on an unconsolidated basis, VAT demand where the Company has filed an appeal before various Appellates aggregating ₹ 12,658.50 lacs, a Service tax liability pertaining to a Hire Purchase/lease where the Company has filed appeal before CESTAT for ₹ 12,833.90 lacs and guarantees and counter guarantees given totalling ₹ 202,818.20 lacs (including guarantees of ₹ 84,914.20 lacs given in favour of debenture trustees on behalf of the holders of non-convertible debentures issued by a public limited company). In the event that any of these contingent liabilities materialise, our financial condition may be adversely affected.

**24. *Inaccurate appraisal of credit may adversely impact our business.***

We may be affected by the failure of employees to comply with internal procedures and the inaccurate appraisal of credit or financial worth of our clients. Inaccurate appraisal of credit may allow a loan sanction which may eventually result in a bad debt on our books of accounts. In the event that we are unable to check the risks arising out of such lapses, our business and results of operations may be adversely affected.

**25. *Our ability to assess, monitor and manage risks inherent in our business differs from the standards of some of our counterparts in India and in some developed countries.***

We are exposed to a variety of risks, including liquidity risk, interest rate risk, credit risk, operational risk and legal risk. The effectiveness of our risk management is limited by the quality and timeliness of available data.

Our hedging strategies and other risk management techniques may not be fully effective in mitigating our risks in all market environments or against all types of risk, including risks that are unidentified or unanticipated. Some methods of managing risks are based upon observed historical market behaviour. As a result, these methods may not predict future risk exposures, which could be greater than the historical measures indicated. Other risk management methods depend upon an evaluation of information regarding markets, customers or other matters. This information may not in all cases be accurate, complete, current or properly evaluated. Management of operational, legal or regulatory risk requires, among other things, policies and procedures to properly record and verify a number of transactions and events. Although we have established these policies and procedures, they may not be fully effective. Our future success will depend, in part, on our ability to respond to new technological advances and evolving NBFC and vehicle finance sector standards and practices on a cost-effective and timely basis. The development and implementation of such technology entails significant technical and business risks. There can be no assurance that we will successfully implement new technologies or adapt our transaction-processing systems to customer requirements or evolving market standards.

**26. *Our Promoter, Shriram Capital Limited (SCL or the Promoter), beneficially owns more than 25 per cent. of our equity share capital and accordingly has the ability to exercise significant influence over the outcome of matters submitted to shareholders for approval, and their interests may differ from those of other holders of the debentures.***

As of 31 March 2017, our Promoter, beneficially owned approximately 26.08 per cent. of our equity share capital. Accordingly, our Promoter has the ability to significantly influence the outcome of matters submitted to shareholders for approval inter alia including matters relating to any sale of all or substantially all of our assets, the timing and distribution of dividends and the election or termination of appointment of directors. This could delay, defer or prevent or impede a merger, consolidation, takeover or other business combination involving our Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of our Company even if it is in our Company's best interest. In addition, for so long as our Promoter continues to exercise significant influence over our Company, it may influence the material policies of our Company in a manner that could conflict with the interests

of the Debentureholders. The Promoter group may have interests that are adverse to the interests of our other shareholders and may take positions with which we or our other shareholders do not agree.

**27. *We have entered into certain related party transactions.***

We have entered into transactions with related parties, within the meaning of Accounting Standard 18 as notified by the Companies (Accounting Standards) Rules, 2006. These transactions include a licence fee paid to Shriram Ownership Trust (SOT) pursuant to the Licence Agreement. Such transactions may give rise to current or potential conflicts of interest with respect to dealings between us and such related parties. Additionally, there can be no assurance that any dispute that may arise between us and related parties will be resolved in our favour.

**28. *Any failure by us to identify, manage, complete and integrate acquisitions, divestitures and other significant transactions successfully could adversely affect our results of operations, business prospects and/or cash flows.***

As part of our business strategy, we may acquire complementary companies or businesses, divest non-core businesses or assets, sale or dispose of any unit(s), division (s) or subsidiary enter into strategic alliances and joint ventures and make investments to further our business or any other restricting . In order to pursue this strategy successfully, we must identify suitable candidates for and successfully complete such transactions, some of which may be large and complex, and manage the integration of acquired companies or employees. We may not fully realize all of the anticipated benefits of any such transaction within the anticipated timeframe or at all. Any increased or unexpected costs, unanticipated delays or failure to achieve contractual obligations could make such transactions less profitable or unprofitable. Managing business combination and investment transactions requires varying levels of management resources, which may divert our attention from other business operations, may result in significant costs and expenses and charges to earnings. The challenges involved in integration include:

- combining product offerings and entering into new markets in which we are not experienced;
- consolidating and maintaining relationships with customers;
- consolidating and rationalising transaction processes and corporate and information technology infrastructure;
- integrating employees and managing employee issues;
- coordinating and combining administrative and other operations and relationships with third parties in accordance with applicable laws and other obligations while maintaining adequate standards, controls and procedures;
- achieving savings from infrastructure integration; and
- managing other business, infrastructure and operational integration issues.

**29. *Our failure to comply with the provisions of the listing agreements executed between our Company and the stock exchanges where our securities are listed, in a timely manner or at all, may expose us to regulatory proceedings and/or penal action.***

Our failure to comply with the provisions of the listing agreements executed between our Company and the stock exchanges where our securities are listed, in a timely manner or at all, may expose us to regulatory proceedings and/or penal action.

**30. *Our success depends in large part upon our management team and key personnel and our ability to attract, train and retain such persons.***

Our ability to sustain our rate of growth depends significantly upon our ability to manage key issues such as selecting and retaining key managerial personnel, developing managerial experience to address emerging challenges and ensuring a high standard of client service. In order to be successful, we must attract, train, motivate and retain highly skilled employees, especially branch managers and relationship executives. If we cannot hire additional qualified personnel or retain them, our ability to expand our business will be impaired and our revenue could decline. We will need to recruit new employees, who will have to be trained and integrated into our operations. We will also have to train existing employees to adhere properly to internal controls and risk management procedures. Failure to train and motivate our employees properly may result in an increase in employee attrition rates, require additional hiring, erode the quality of customer service, divert management resources, increase our

exposure to high-risk credit and impose significant costs on us. Hiring and retaining qualified and skilled managers are critical to our future, as our business model depends on our credit appraisal and asset valuation mechanism, which are personnel-driven operations. Moreover, competition for experienced employees in the commercial vehicle finance sector can be intense. While we have an incentive structure designed to encourage employee retention, our inability to attract and retain talented professionals, or the resignation or loss of key management personnel, may have an adverse impact on our business, future financial performance and/or cash flows.

***31. Most of the properties used by our Company are occupied by our Company on lease and/or as shared office space. Any termination of the lease(s) or the other relevant agreements in connection with such properties or our failure to renew the same in a favourable, timely manner, or at all, could adversely affect our activities.***

Currently, most of the properties used by our Company for the purposes of our business activities, including the premises where the registered office of our Company is located, are not owned by us. Termination of leases or other relevant agreements in connection with such properties which are not owned by us or our failure to renew the same, on favourable conditions, in a timely manner, or at all, could require us to vacate such premises at short notice, and could adversely affect our operations, financial condition and profitability.

***32. We are exposed to fluctuations in the market values of our investment and other asset portfolio.***

Deterioration of the credit and capital markets could result in volatility of our investment earnings and impairments to our investment and asset portfolio, which could negatively impact our financial condition and reported income.

***33. Being in the service industry, our operations may be adversely affected if we are unable to attract and retain qualified employees or if relations with employees deteriorate.***

As of 31 December 2017, we employed 22,967 full-time employees. Currently, none of our employees are members of any labour union. While we believe that we maintain good relationships with our employees, there can be no assurance that we will not experience future disruptions to our operations due to disputes or other problems with our work force, which may adversely affect our business and results of operations.

***34. Our inability to obtain, renew or maintain our statutory and regulatory permits and approvals required to operate our business may have a material adverse effect on our business.***

We require certain statutory and/or regulatory permits and approvals for our business. In the future, we will be required to renew such permits and approvals and obtain new permits and approvals for any proposed operations. There can be no assurance that the relevant authorities will issue any of such permits or approvals in a timely manner or at all and/or on favourable terms and conditions. Failure by us to comply with the terms and conditions to which such permits or approvals are subject and/or to renew, maintain or obtain the required permits or approvals may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations.

***35. We are subject to supervision and regulation by the RBI as a deposit-taking NBFC, and changes in RBI's regulations governing us could adversely affect our business.***

We are regulated principally by and have reporting obligations to the RBI. We are also subject to the corporate, taxation and other laws in effect in India. The regulatory and legal framework governing us may continue to change as India's economy and commercial and financial markets evolve. In recent years, existing rules and regulations have been modified, new rules and regulations have been enacted and reforms have been implemented which are intended to provide tighter control and more transparency in India's asset finance sector.

We are subject to the RBI's guidelines on financial regulation of NBFCs, including capital adequacy, exposure and other prudential norms. The RBI also regulates the credit flow by banks to NBFCs and provides guidelines to commercial banks with respect to their investment and credit exposure norms for lending to NBFCs. The RBI's regulations of NBFCs could change in the future which may require us to restructure our activities, incur additional cost or could otherwise adversely affect our business and our financial performance. The RBI, from time to time, amends the regulatory framework governing NBFCs to address, among others, concerns arising from certain divergent regulatory requirements for banks and NBFCs.

The laws and regulations governing the banking and financial services industry in India have become increasingly complex and cover a wide variety of issues, such as interest rates, liquidity, securitisation, investments, ethical issues, money laundering and privacy. In some cases, there are overlapping regulations and enforcement authorities. Moreover, these laws and regulations can be amended, supplemented or changed at any time such that we may be required to restructure our activities and incur additional expenses to comply with such laws and regulations, which could materially and adversely affect our business and our financial performance.

Compliance with many of the regulations applicable to our operations in India, including any restrictions on investments, lending and other activities currently being carried out by our Company, involves a number of risks, particularly in areas where applicable regulations may be subject to varying interpretations. Further, compliance with many of the regulations applicable to our operations may involve significant costs and otherwise may impose restrictions on our operations. If the interpretation of the regulators and authorities varies from our interpretation, we may be subject to penalties and our business could be adversely affected. We are also subject to changes in Indian laws, regulations and accounting principles and practices. There can be no assurance that the laws governing our Company and its operations will not change in the future or that such changes or the interpretation or enforcement of existing and future laws and rules by governmental and regulatory authorities will not adversely affect our business and future financial performance.

***36. Any changes in the statutory and/or regulatory requirements in connection with taxation could adversely affect our operations, profitability and cash flows.***

The operations, profitability and cash flows could be adversely affected by any unfavourable changes in central and state-level statutory and/or regulatory requirements in connection with direct and indirect taxes and duties, including income tax, goods and service tax and/or by any unfavourable interpretation taken by the relevant taxation authorities and/or courts and tribunals.

Further, the Government of India has proposed two major reforms in Indian tax laws, namely the goods and services tax (GST), and provisions relating to general anti-avoidance rules (GAAR).

The goods and service tax (GST) has been implemented with effect from July 1, 2017 and has replaced the indirect taxes on goods and services, such as central excise duty, service tax, central sales tax, state value added tax, surcharge and excise, collected by the central and state governments. The GST has increased administrative compliance for the Companies which is a consequence of increased registration and form filing requirements.

As regards to GAAR, the provisions were introduced in the Finance Act 2012 and will apply (as per the Finance Act 2015) in respect of an assessment year beginning on 1 April 2018. The GAAR provisions intend to catch arrangements declared as “impermissible avoidance arrangements”, which is defined in the Finance Act, 2012 as any arrangement, the main purpose of which is to obtain a tax benefit and which satisfies at least one of the following tests: (i) creates rights, or obligations, which are not ordinarily created between persons dealing at arm’s length; (ii) results, directly or indirectly, in misuse, or abuse, of the provisions of the Income Tax Act, 1961; (iii) lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or (iv) is entered into, or carried out, by means, or in a manner, which are not ordinarily employed for bona fide purposes. The onus to prove that the transaction is not an “impermissible avoidance agreement” is on the assessee. If GAAR provisions are invoked, then the tax authorities have wide powers, including the denial of tax benefit or the denial of a benefit under a tax treaty.

As the taxation system is intended to undergo a significant overhaul, the consequential effects on us cannot be determined as of now and there can be no assurance that such effects would not adversely affect our business, future financial performance and the trading price of the debentures.

***37. Our insurance coverage may not adequately protect us against losses.***

We maintain such insurance coverage as we believe is adequate for our operations. Our insurance policies, however, may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage. We maintain general liability insurance coverage, including coverage for errors or omissions. We cannot, however, assure you that the terms of our insurance policies will be adequate to cover any damage or loss suffered by us or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim.

A successful assertion of one or more large claims against us that exceeds our available insurance coverage or changes in our insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect our business, financial condition and results of operations.



**38. We have regional concentration in southern India and western India, and therefore are dependent on the general economic conditions and activities in these areas.**

We have a significant presence in south and west India. As of 31 March 2017, our Assets Under Management in south and west India comprised 43.01 per cent. and 36.29 per cent. of our total Assets Under Management, respectively. Our concentration in the southern and western states exposes us to any adverse geological, ecological, economic and/or political circumstances in that region. If there is a sustained downturn in the economy of south India or west India, or a sustained change in consumer preferences in those regions, our financial position may be adversely affected.

**39. New product/services offered by us may not be successful.**

We introduce new products/services to explore new business opportunities from time to time. We cannot assure that all our new products/services and/or business ventures will gain customer acceptance and this may result in our inability to recover pre-operative expenses and launch costs. Further, our inability to offer new products/services or grow in new business areas could adversely affect our business and financial performance.

**40. We may not be able to detect money-laundering and other illegal or improper activities fully or on a timely basis, which could expose us to additional liability and harm our business or reputation.**

We are required to comply with applicable anti-money laundering and anti-terrorism laws and other regulations in India. In the course of our operations, we run the risk of failing to comply with the prescribed Know Your Customer (KYC) procedures and the consequent risk of fraud and money laundering by dishonest customers, despite putting in place systems and controls to prevent the occurrence of these risks. In certain of our activities and in our pursuit of business, we run the risk of inadvertently offering our financial products and services ignoring customer suitability and appropriateness, despite having a Board-approved customer suitability policy and associated processes in place. Such incidents may adversely affect our business and our reputation.

**41. Increase in competition from our peer group in the commercial vehicle finance sector may result in reduction of our market share, which in turn may adversely affect our profitability.**

Our Company provides loans to pre-owned and new commercial vehicle owners and/or operators in suburban and rural areas in India. We have been increasingly facing competition from domestic and foreign banks and NBFCs operating in the commercial vehicle finance segment of the industry. Some of our competitors are very aggressive in underwriting credit risk and pricing their products and may have access to funds at a lower cost, wider networks and greater resources than our Company. Our financial condition and results of operations are dependent on our ability to obtain and maintain low cost funds and to provide prompt and quality services to our customers. If our Company is unable to access funds at a cost comparable to or lower than our competitors, we may not be able to offer loans at competitive interest rates to our customers.

**42. We depend on our brand reputation and our failure to maintain our product image could have a material adverse effect on our business, financial condition and results of operations.**

We believe that the reputation of our brand among customers as a reliable company has contributed significantly to the growth and success of our business. Maintaining and enhancing the recognition and reputation of our products are, therefore, critical to our business and competitiveness. Many factors, some of which are beyond our control, are important to maintaining and enhancing our product image. These factors include our ability to maintain the reliability and quality of the services we offer and increase product awareness through investment in brand building initiatives, including through education programmes and marketing activities. A public perception that we do not provide satisfactory products, even if factually incorrect or based on isolated incidents, could damage our reputation, diminish the value of our products, undermine the trust and credibility we have established and have a negative impact on our ability to attract new consumers or retain our current consumers.

**43. Our risk management policies and procedures may not adequately address unidentified or unanticipated risks.**

We have devoted significant resources to developing our risk management policies and procedures and expect to continue to do so in the future. Despite this, our policies and procedures to identify, monitor and manage risks may not be fully effective. Some of our methods of managing risk are based upon the use of observed historical market behaviour. As a result, these methods may not accurately predict future risk exposures which could be significantly greater than indicated by the historical measures. As we seek to expand the scope of our operations, we also face the risk of inability to develop risk management policies and procedures that are properly designed for those new business areas in a timely manner. Implementation and monitoring may prove particularly challenging with respect to businesses that we have recently initiated. Inability to develop and implement effective risk management policies may adversely affect our business, prospects, financial condition and results of operations.



## Risks Relating to the Utilization of Issue Proceeds

1. ***The fund requirement and deployment mentioned in the Objects of the Issue have not been appraised by any bank or financial institution.***

We intend to use the proceeds of the Issue for our various financing activities and working capital requirements. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution. The management will have significant flexibility in applying the proceeds received by us from the Issue. Further, as per the provisions of the Debt Regulations, we are not required to appoint a monitoring agency and therefore no monitoring agency has been appointed for this Issue.

## Risks Relating to the NCDs

2. ***Changes in interest rates may affect the price of our NCDs.***

All securities where a fixed rate of interest is offered, such as our NCDs, are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, i.e. when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the price of our NCDs.

3. ***You may not be able to recover, on a timely basis or at all, the full value of the outstanding amounts and/or the interest accrued thereon in connection with the NCDs.***

Our ability to pay interest accrued on the NCDs and/or the principal amount outstanding from time to time in connection therewith would be subject to various factors inter-alia including our financial condition, profitability and the general economic conditions in India and in the global financial markets. We cannot assure you that we would be able to repay the principal amount outstanding from time to time on the NCDs and/or the interest accrued thereon in a timely manner or at all. Although our Company will 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, which shall be free from any encumbrances, the realizable value of the assets charged as security, when liquidated, may be lower than the outstanding principal and/or interest accrued thereon in connection with the NCDs. A failure or delay to recover the expected value from a sale or disposition of the assets charged as security in connection with the NCDs could expose you to a potential loss.

4. ***Payments to be made on the NCDs will be subordinated to certain tax and other liabilities preferred by law.***

The NCDs will be subordinated to certain liabilities preferred by law such as the claims of the Government on account of taxes, and certain liabilities incurred in the ordinary course of our business. In particular, in the event of bankruptcy, liquidation or winding-up, our Company's assets will be available to pay obligations on the NCDs only after all of those liabilities that rank senior to these NCDs have been paid as per relevant Section of the Companies Act. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining to pay amounts due on the NCDs.

5. ***Any downgrading in credit rating of our NCDs may affect the value of NCDs and thus our ability to raise further debts.***

The rating of the NCDs by Rating Agency and/or agencies indicates high degree of safety regarding timely servicing of financial obligations and carrying very low credit risk. The ratings provided by Rating Agency and/or Agencies 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.

Any adverse revisions of our credit rating may adversely impact our ability to raise additional financing, the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on our business and financial performance and our ability to obtain financing for lending operations.

6. ***There is no active market for the NCDs on the capital markets segment of the Stock Exchanges. As a result the liquidity and market prices of the NCDs may fail to develop and may accordingly be adversely affected.***

There can be no assurance that an active market for the NCDs will develop. If an active market for the NCDs fails to develop or be sustained, the liquidity and market prices of the NCDs may be adversely affected. The market price of the NCDs would depend on various factors inter alia including (i) the interest rate on similar securities available in the market and the general interest rate scenario in the country, (ii) the market price of our Equity Shares, (iii) the market for listed debt securities, (iv) general economic conditions, and, (v) our financial performance, growth prospects and results of operations. The aforementioned factors may adversely affect the liquidity and market price of the NCDs, which may trade at a discount to the price at which you purchase the NCDs and/or be relatively illiquid.

## **B. EXTERNAL RISK FACTORS**

1. ***Our business is primarily dependent on the automobile and transportation industry in India.***

Our business to a large extent depends on the continued growth in the automobile and transportation industry in India, which is influenced by a number of extraneous factors which are beyond our control, inter-alia including (a) the macroeconomic environment in India, (b) the demand for transportation services, (c) natural disasters and calamities, and (d) changes in regulations and policies in connection with motor vehicles. Such factors may result in a decline in the sales or value of new and pre-owned CVs. Correspondingly, the demand for availing finance for new and pre-owned commercial vehicles may decline, which in turn may adversely affect our financial condition and the results of our operations. Further, the ability of CV owners and/or operators to perform their obligations under existing financing agreements may be adversely affected if their businesses suffer as a result of the aforesaid factors.

2. ***Increase in competition from our peer group in the commercial vehicle finance sector may result in reduction of our market share, which in turn may adversely affect our profitability.***

Our Company provides loans to pre-owned and new commercial vehicle owners and/or operators in suburban and rural areas in India. We have been increasingly facing competition from domestic and foreign banks and NBFCs operating in the commercial vehicle finance segment of the industry. Some of our competitors are very aggressive in underwriting credit risk and pricing their products and may have access to funds at a lower cost, wider networks and greater resources than our Company. Our financial condition and results of operations are dependent on our ability to obtain and maintain low cost funds and to provide prompt and quality services to our customers. If our Company is unable to access funds at a cost comparable to or lower than our competitors, we may not be able to offer loans at competitive interest rates to our customers.

3. ***Our growth depends on the sustained growth of the Indian economy. An economic slowdown in India and abroad could have a direct impact on our operations and profitability.***

Macroeconomic factors that affect the Indian economy and the global economic scenario have an impact on our business. The quantum of our disbursements is driven by the growth in demand for commercial vehicles. Any slowdown in the Indian economy may have a direct impact on our disbursements and a slowdown in the economy as a whole can increase the level of defaults thereby adversely impacting our Company's profitability, the quality of its portfolio and growth plans.

4. ***Political instability could delay further liberalization of the Indian economy and adversely affect economic conditions in India generally, which could impact our business.***

Since 1991, the Government pursued a policy of economic liberalisation, including significantly relaxing restrictions on the private sector. There can be no assurance that these liberalisation policies will continue in the future as well. The rate of economic liberalisation could change, and specific laws and policies affecting financial services companies, foreign investment, currency exchange rates and other matters affecting investments in Indian companies could change as well. A significant slowdown in India's economic liberalisation and deregulation policies could disrupt business and economic conditions in India, thus affecting our business. Any political instability in the country, including any change in the Government, could materially impact our business adversely.

**5. *Civil unrest, terrorist attacks and war would affect our business.***

Terrorist attacks and other acts of violence, war or conflicts, particularly those involving India, as well as the United States of America, the United Kingdom, Singapore and the European Union, may adversely affect Indian and global financial markets. Such acts may negatively impact business sentiment, which could adversely affect our business and profitability. India has from time to time experienced, and continues to experience, social and civil unrest, terrorist attacks and hostilities with neighbouring countries. Additionally, some of India's neighbouring countries have experienced, or are currently experiencing internal unrest. This, in turn, could have a material adverse effect on the Indian economy and in turn may adversely affect our operations and profitability and the market for the NCDs.

**6. *Our business may be adversely impacted by natural calamities or unfavourable climatic changes.***

India, Bangladesh, Pakistan, Indonesia, Japan and other Asian countries have experienced natural calamities such as earthquakes, floods, droughts and a tsunami in recent years. Some of these countries have also experienced pandemics, including the outbreak of avian flu. These economies could be affected by the extent and severity of such natural disasters and pandemics which could in turn affect the financial services sector of which our Company is part. Prolonged spells of abnormal rainfall, draught and other natural calamities could have an adverse impact on the economy, which could in turn adversely affect our business and the price of our NCDs.

**7. *Any downgrading of India's sovereign rating by an international rating agency (ies) may affect our business and our liquidity to a great extent.***

Any adverse revision to India's credit rating for domestic and international debt by international rating agencies may adversely impact our ability to raise additional finances at favourable interest rates and other commercial terms. This could have an adverse effect on our growth, financial performance and our operations.

**8. *Global economic instability or slowdown is likely to adversely affect our business and our results of operations.***

Economic developments outside India have adversely affected the economy. Our business is affected by domestic and international economic conditions, including rates of economic growth and the impact that such economic conditions have on consumer spending. The current economic downturn has led to an increased level of consumer delinquencies, lack of consumer confidence, decreased market valuations and liquidity, increased market volatility and a widespread reduction of business activity generally, and the referendum passed on 23 June 2016 for the United Kingdom to leave the European Union may enhance market volatility. The resulting economic pressure and dampened consumer sentiment may adversely affect our business and our results of operations.

There can be no assurances that government responses to the disruptions in the financial markets will restore consumer confidence, stabilise the markets or increase liquidity and the availability of credit. Continuation or worsening of this downturn or general economic conditions may have an adverse effect on our business, liquidity and results of operations.

**9. *Companies operating in India are subject to a variety of central and state government taxes and surcharges.***

Tax and other levies imposed by the central and state governments in India that affect our tax liability include central and state taxes and other levies, income tax, value added tax, turnover tax, service tax, stamp duty and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time. The statutory corporate income tax in India, which includes a surcharge on the tax and an education cess on the tax and the surcharge, may range up to 34.608 per cent. The central or state government may in the future further increase the corporate income tax it imposes. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Additional tax exposure could adversely affect our business and results of operations.

**10. Trade deficits could adversely affect our business.**

India's trade relationships with other countries and its trade deficit may adversely affect Indian economic conditions. In H1 of 2017-2018 (April-September 2017), India experienced a trade deficit of U.S.\$74.8 billion, reported by the RBI in its press release on "Developments in India's Balance of Payments" dated 13 December 2017, which was an increase from the trade deficit of U.S.\$49.4 billion in H1 of 2016-2017. If trade deficits increase or are no longer manageable, the Indian economy, and therefore our business and our financial performance, could be adversely affected.

**11. Financial difficulty and other problems in certain financial institutions in India could adversely affect our business.**

As an Indian NBFC, we are exposed to the risks of the Indian financial system, which may be affected by the financial difficulties faced by certain Indian financial institutions because the commercial soundness of many financial institutions may be closely related as a result of credit, trading, clearing or other relationships. This risk, which is sometimes referred to as "systemic risk", may adversely affect financial intermediaries, such as clearing agencies, banks, securities firms and exchanges with whom we interact on a daily basis and who may default on their obligations due to bankruptcy, lack of liquidity, operational failure or other reasons. Any such difficulties or instability of the Indian financial system in general could create an adverse market perception about Indian financial institutions and banks and hence could adversely affect our business. As the Indian financial system operates within an emerging market, it faces risks of a nature and extent not typically faced in more developed economies, including the risk of deposit runs, notwithstanding the existence of a national deposit insurance scheme.

**12. A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could adversely impact us**

One of the direct adverse impacts of the global financial crisis on India has been the reversal of capital inflows and a decline in exports, leading to pressures on the balance of payments and a sharp depreciation of the Indian Rupee *vis-à-vis* the U.S. dollar. Any increased intervention by the RBI in the foreign exchange market to control the volatility of the exchange rate may result in a decline in India's foreign exchange reserves and reduced liquidity and higher interest rates in the Indian economy, which could adversely affect our business and our future financial performance.

**13. Investors may have difficulty enforcing foreign judgments in India against our Company or our management.**

Our Company is a limited liability public company incorporated under the laws of India. Most of our Company's directors and executive officers named herein are residents of India and all or a substantial portion of the assets of our Company and such persons are located in India. As a result, it may not be possible for investors to effect service of process on our Company or such persons in jurisdictions outside of India, or to enforce against them judgments obtained in courts outside of India. In addition, India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. The manner of recognition and enforcement of foreign judgments in India is dependent on whether the country in which the foreign judgment has been pronounced is a reciprocating territory or not. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI under the Foreign Exchange Management Act, 1999 to execute such a judgment or to repatriate outside India any amount recovered pursuant to execution. Any judgment in a foreign currency would be converted into Indian Rupees on the date of the judgment and not on the date of the payment. The Issuer cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

**14. There may be less company information available in Indian securities markets than in securities markets in other more developed countries.**

There is a difference between the level of regulation, disclosure and monitoring of the Indian securities market and the activities of investors, brokers and other participants, and that of markets in the United States and other more developed economies. The Securities and Exchange Board of India (SEBI) is responsible for ensuring and improving disclosure and other regulatory standards for the Indian securities markets. The SEBI has issued regulations and guidelines on disclosure requirements, insider trading and other matters. There may, however, be less publicly available information about Indian companies than is regularly

made available by public companies in more developed economies. As a result, investors may have access to less information about the business, results of operations and financial conditions, and those of the competitors that are listed on the Bombay Stock Exchange and the National Stock Exchange and other stock exchanges in India on an on-going basis than you may find in the case of companies subject to reporting requirements of other more developed countries.

There is a lower level of regulation and monitoring of the Indian securities market and the activities of investors, brokers and other participants than in certain Organisation for Economic Cooperation and Development (OECD) countries. The SEBI received statutory powers in 1992 to assist it in carrying out its responsibilities for improving disclosure and other regulatory standards for the Indian securities market. Subsequently, the SEBI has prescribed certain regulations and guidelines in relation to disclosure requirements, insider dealing and other matters relevant to the Indian securities markets. However, there may still be less publicly available information about Indian companies than is regularly made available by public companies in certain OECD countries.

***15. The effects of the adoption of the “Indian Accounting Standards converged with IFRS” (IND-AS) are uncertain.***

Our Company’s financial statements are prepared in accordance with Indian GAAP. In January 2016, the Ministry of Corporate Affairs laid out a road map for implementation of IND-AS for scheduled commercial banks, insurance companies and NBFCs. NBFCs will be required to prepare IND-AS based financial statements (consolidated and individual) in two phases. Under Phase I, NBFCs that have a net worth of INR 5 billion or more, including our Company, and their holding, subsidiary, joint venture or associate companies are required to prepare IND-AS based financial statements for accounting periods beginning from 1 April 2018 onwards with comparatives for the periods ending 31 March 2018 or thereafter. Under Phase II, NBFCs whose equity and/or debt securities are listed or are in the process of listing on any stock exchange in India or outside India and have a net worth less than INR 5 billion, NBFCs that are not listed and have a net worth of more than INR 2.5 billion but less than INR 5 billion, and their respective holding, subsidiary, joint venture or associate companies are required to prepare IND-AS based financial statements for accounting periods beginning from 1 April 2019 onwards with comparatives for the periods ending 31 March 2019 or thereafter. NBFCs that have a net worth below INR 2.5 billion shall continue to apply Accounting Standards specified in Annexure to the Companies (Accounting Standards) Rules, 2006.

We may not be able to determine with a degree of certainty the impact of adoption of IND-AS on our financial reporting. There can be no assurance that our Company’s financial condition, results of operations, cash flows or changes in shareholders’ equity will not appear materially worse under IND-AS than under current Indian GAAP.

***16. Changes in legislation, including tax legislation, or policies applicable to our Company, could adversely affect our Company’s results of operations.***

Our Company’s business and operations are governed by various laws and regulations. Our Company’s business and financial performance could be materially adversely affected by any change in laws or interpretations of existing laws, or the promulgation of new laws, rules and regulations applicable to the business. The Government or state governments could implement new regulations and policies, which could require our Company to obtain approvals and licences from the Government and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the implementation of the new regulations may have a material adverse effect on our Company’s business, prospects, financial condition and results of operations.

Our Company is subject to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR Regulations) that SEBI recently announced. The SEBI LODR Regulations have brought into effect changes to the framework governing listed companies, including the introduction of certain additional requirements such as disclosure of material events or information, and making prior notifications of certain proposals to raise funds. The requirement for compliance with such applicable regulations presents a number of risks, particularly in areas where applicable regulations may be subject to varying interpretations. Further, if the interpretations of the regulators and authorities vary, our Company may be subject to penalties and our business could be adversely affected.



In addition, to ensure compliance with the requirements of new legislation (such as tax laws, GAAR and the SEBI LODR Regulations), our Company may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention.

**17. Our Company's ability to raise foreign currency borrowings may be constrained by Indian law.**

As an Indian company, our Company is subject to regulatory approvals and exchange controls that regulate borrowing in foreign currencies. In addition, there can be no assurance that the required approvals, including from the RBI, will be granted to our Company for the issuance of NCDs, if at all. Such regulatory restrictions limit our Company's financing sources and hence could constrain our Company's ability to obtain financing in a timely manner and on competitive terms and may adversely impact our Company's ability to refinance existing indebtedness. Limitations on raising foreign debt may have an adverse effect on our Company's business, financial condition and results of operations.

**18. The new bankruptcy code in India may affect our Company's right to pay back our creditors**

The Government introduced the Insolvency and Bankruptcy Code, 2016 (the **Code**), which was passed by both houses of Parliament and received Presidential assent in 2016. Currently, there are multiple overlapping laws and adjudicating forums dealing with the bankruptcy and insolvency of companies and individuals in India. The Code offers a uniform, comprehensive insolvency legislation encompassing all companies, partnerships and individuals (other than financial firms). It allows creditors to assess the viability of a debtor as a business decision, and agrees upon a plan for the revival or a speedy liquidation of the debtor. The Code creates a new institutional framework consisting of a regulator, insolvency professionals, information utilities and adjudicatory mechanisms that is expected to facilitate a formal and time-bound insolvency resolution and liquidation process. If the Code provisions are invoked against our Company, it may affect our ability to pay back our creditors, and the enforcement of our creditor rights will be subject to the Code.

**m. Name of Debenture Trustee**

The Company has appointed **Catalyst Trusteeship Limited** a SEBI approved Trust Management Company as the agent and trustees for and on behalf of the Debenture Holders. The address and contact details of the Debenture trustee are as under:

**Catalyst Trusteeship Limited**

Office No. 83 – 87, 8th floor, 'Mittal Tower',  
'B' Wing, Nariman Point, Mumbai – 400021, India  
Tel: +91 22 4922 0555  
Website: [www.catalysttrustee.com](http://www.catalysttrustee.com)

The **Catalyst Trusteeship Limited**, has given its consent to the Company under regulation 4 (4) of Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 to be appointed as the Debenture Trustee to this Issue.

The Company will enter into a Trustee Agreement/Trust Deed, inter-alia, specifying the powers, authorities and obligations of the Company and the Trustees in respect of the Debentures.

**n. Rating Rationale and Credit Rating Letter Adopted By Rating Agencies**

CRISIL Ltd. has assigned a CRISIL AA+/Stable (pronounced "CRISIL Double A plus") rating for an amount of Rs. 1000 Crores & Rs.1500 Crores to the present Unsecured Redeemable Non-Convertible Subordinated Debts issued by the Company vide its letter dated March 27, 2018 & 21<sup>st</sup> March 2018 respectively. 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.

CRISIL has issued the rating rationale dated June 5, 2017

India Rating and Research Private Limited. has assigned a India rating AA+ (pronounced "India Rating Double A plus") rating for an amount of Rs. 4620 Crores to the present Unsecured Redeemable Non-Convertible Subordinated Debts issued by the Company vide its letter dated March 26, 2018. 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.

India Rating and Research Private Limited has issued the rating rationale dated July 12, 2017

The above ratings are not a recommendation to buy, sell or hold securities and investors should take their own



decision. The ratings may be subject to revision or withdrawal at any time by the assigning rating agencies and each rating should be evaluated independently of any other rating. The ratings obtained are subject to revision at any point of time in future. The rating agencies have the right to suspend, withdraw the rating at any time on the basis of new information etc.

***The rating letter is enclosed as Annexure I***

- o. Details/Copy of Guarantee Letter or Letter of Comfort or any other Document / Letter with similar intent, if any*

- Not Applicable

- p. Consent Letter from the Debenture Trustee*

The consent letter is enclosed as **Annexure II** of this Disclosure Document

- q. Names of all the recognized stock exchanges where the debt securities are proposed to be listed.*

The NCDs are proposed to be listed on the Wholesale Debt Market (WDM) segment of the **BSE Ltd. and/or National Stock Exchange of India Ltd.**

The Company shall forward the listing application to the BSE/NSE within the 15 days from the deemed date of allotment(s). In case of delay in listing of the debt securities beyond 20 days from the deemed date of allotment(s), the Company will pay penal interest of 1 % p.a. over the coupon rate from the expiry of 30 days from the deemed date of allotment till the listing of such debt securities to the investor.

(In case of delay in listing of the debt securities beyond 15 days from the deemed date of allotment, the Company will redeem each NCD held by investors that are FPIs at the Face Value per NCD)

- r. Other details*

**Debenture Redemption Reserve (DRR)**

As per Rule 18 (7)(b)(ii) of the Companies (Share Capital and Debentures) Rules, 2014, Debenture Redemption Reserve is not required to be created for issue of privately placed debentures by Non-Banking Finance Companies registered with Reserve Bank of India under Section 45 IA of the RBI (Amendment) Act 1997.

The Company also undertakes that, if there is any further guidelines are formulated (or modified or revised) by the Central Government or any other authority in respect of creation of Debenture Redemption Reserve the Company shall abide by such guidelines.

**Issue/ Instrument specific regulations:**

**Authority for the Placement**

This private placement of Subordinated Debentures is being made pursuant to the resolution of the Banking and Finance Committee passed at its meeting held on March 26, 2018 read with resolution of the board of directors of the company dated April 27, 2017, which has approved the placement of Debentures aggregating to Rs. 2000 crores. The issue of private placement of Subordinated Debentures is within the overall limit in terms of special resolution passed under Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of securities) Rules, 2014, at the General Meeting of the shareholders of the Company held on June 29, 2017. The present issue is within the general borrowing limits in terms of the resolution passed under Section 180(1)(c) of the Companies Act, 2013, at the General Meeting of the shareholders of the Company held on June 29, 2017 giving their consent to the borrowing by the Directors of the Company from time to time not exceeding over and above the aggregate of Rs. 90,000 Crores the then paid up Capital subject to any restrictions imposed by the terms of the agreement entered into from time to time for grant of loans to the Company of all monies deemed by them to be requisite or proper for the purpose of carrying on the business of the Company. The borrowings under these Debentures will be within the prescribed limits as aforesaid.

The Company can carry on its existing activities and future activities planned by it in view of the existing Approvals, and no further approvals from any Government authority are required by the Company to carry on its said activities.

### **Objects & Utilization of the Issue Proceeds**

The company proposes to raise Rs. 1035 Crores through the issue of Unsecured Redeemable Non-Convertible Subordinate Debt in the nature of Debentures of face value of Rs. 10 lakh each, by way of private placement as per the terms and conditions. The Proceeds of the issue will be utilized for financing of Commercial Vehicles, refinancing of existing debt and other general purposes of the company. The proceeds of the issue will not be utilized for funding of new projects.

The Capital Adequacy Ratio of the Company as on March 31, 2017 is 16.94%. However, considering the growth of assets planned during the current and the subsequent years, the Company desires to raise Tier II capital to maintain the Company's Capital Adequacy Ratio at a level not below the minimum required to be maintained as per RBI guidelines.

The net proceeds from the Issue shall not be used in contravention of the RBI guidelines applicable to NBFCs. As per the provisions of the RBI Circular(s), the Issue proceeds shall be deployed on the Company's own balance sheet and not to facilitate resource requests of group entities/ parent company / associates.

No part of the proceeds of the NCDs would be utilized by the Issuer directly/indirectly towards Capital markets and Real Estate purposes. Hence the subscription to the current Debentures would not be considered /treated as a capital market exposure.

The expenses of the present Issue would also be met from the Proceeds of the Issue. The Main Object Clause of the Memorandum of Association of the Company enables it to undertake the activities for which the funds are being raised through the present issue and also the activities, which the Company has been carrying on till date.

### **Minimum Subscription**

As the current issue of Debentures is being made on private placement basis, the requirement of minimum subscription shall not be applicable and therefore the Company shall not be liable to refund the issue subscription(s)/ proceed(s) in the event of the total Issue collection falling short of issue size or certain percentage of issue size.

### **Deemed Date of Allotment**

Interest on Debentures shall accrue to the Debenture Holder(s) from and including the deemed date of allotment that will be notified in the term sheet. All benefits relating to the Debentures will be available to the investors from the Deemed Date of Allotment. The actual allotment of Debentures may take place on a date other than the Deemed Date of Allotment. The Company reserves the right to keep multiple allotment date(s)/ deemed date(s) of allotment at its sole and absolute discretion without any prior notice and shall have a right to allot the Debentures in tranches / series which shall form the part of this Issue. In case if the issue closing date is changed (pre-poned/ postponed), the Deemed Date of Allotment may also be changed (pre-poned/ postponed) by the Company at its sole and absolute discretion.

### **Underwriting**

The present Issue of Debentures is on private placement basis and has not been underwritten.

### **Status of NCDs**

The NCDs shall rank pari-passu inter se and without any preference or priority among themselves. Subject to any obligations preferred by mandatory provisions of the law prevailing from time to time, the NCDs shall also, as regards the principal amount of the NCDs, interest and all other monies secured in respect of the NCDs, rank pari passu with all other present and future holders of debentures issued by the Company in the same category.

### **Market Lot**

The market lot shall be one Debenture of face value of Rs.10.00 Lakhs each ("Market Lot"). Since the Debentures are being issued only in dematerialised form, the odd lots will not arise either at the time of issuance or at the time of transfer of debentures.

### **Interest on Application Money**

Interest at the coupon rate as notified in the term sheet (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactments thereof, as applicable) will be paid to all the applicants on the application money for the Debentures. Such interest shall be paid from the date of realisation of cheque(s)/ demand draft(s)/ RTGS upto one day prior to the Date of Allotment. The interest on application money will be computed on an Actual/Actual basis. Such interest would be paid on all the valid applications.

Where the entire or Part subscription amount has been refunded, the interest at the respective coupon rate on application money will be paid along with the Refund Orders. Where an applicant is allotted lesser number of debentures than applied for, the excess amount paid on application will be refunded to the applicant along with the interest at the respective coupon rate on refunded money.

The interest cheque(s)/ demand draft(s) for interest on application money (along with Refund Orders, in case of refund of application money, if any) shall be dispatched by the Company within 15 days from the Deemed Date of Allotment by registered post to the sole/ first applicant, at the sole risk of the applicant.

### **Interest on NCDs**

The Debentures shall carry interest at the rate of as per term sheet (subject to deduction of tax at source at the rates prevailing from time to time under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof for which a certificate will be issued by the Company) payable to the holders of Debentures (the “Holders” and each, a “Holder”) as of the relevant Record Date. The interest payable on any Interest Payment Date will be paid to the Debentureholder(s) whose names appear in the List of Beneficial Owners given by the Depository to the Company as on the Record Date.

The first interest period is defined as the actual number of days falling between the Deemed Date of Allotment to one day prior to the next interest payment date. The first interest payment would be made as per the term sheet. The second and subsequent interest period (except the last interest period) is defined as the actual number of days in a year between the last interest payment date till one day prior to next interest payment date. The last interest period is defined as the actual number of days falling till one day prior to the redemption date. The last interest payment would be made on the redemption date along with the redemption of principal amount.

If any interest payment date falls on a day which is not a Business Day (‘Business Day’ being a day on which Commercial Banks are open for) then payment of interest will be made on the next working day.

In case the Deemed Date of Allotment is revised (pre-poned/ postponed) then the above Interest Payment Date may also be revised pre-poned/ postponed) accordingly by the Company at its sole & absolute discretion.

### **Tax Deduction at Source**

Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source. Tax exemption certificate/ document, under Section 193 of the Income Tax Act, 1961, if any, must be lodged at the registered office of the Company or at such other place as may be notified by the company in writing, at least 30 calendar days before the interest payment dates.

**Tax exemption certificate / document in respect of non-deduction of tax at source on interest on application money, must be submitted along with the Application Form.**

### **Debentures in Dematerialized Form**

The Company has finalized Depository Arrangements with National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) for dematerialization of the Debentures. The investor has to necessarily hold the Debentures in dematerialized form and deal with the same as per the provisions of Depositories Act, 1996 (as amended from time to time). The normal procedures followed for transfer of securities held in dematerialized form shall be followed for transfer of these Debentures held in electronic form. The seller should give delivery instructions containing details of the buyer’s DP account to his depository participant.

Applicants to mention their Depository Participant’s name, DP-ID and Beneficiary Account Number/Client ID in the appropriate place in the Application Form. In case the depository arrangement is finalised before the completion of all legal formalities for issue of Debenture Certificates, Debentures to successful allottee(s) having Depository Account shall be credited to their Depository Account against surrender of Letter of Allotment.

Interest or other benefits with respect to the Debentures would be paid to those Debenture holders whose names appear on the list of beneficial owners given by the Depositories to the Issuer as on a record date/book closure date. The Issuer would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and informed to the Issuer where upon the interest/benefits will be paid to the beneficiaries within a period of 30 days.

### **Transfer of Debentures**

Debentures shall be transferred subject to and in accordance with the rules/ procedures as prescribed by the NSDL /CDSL Depository Participant of the transferor/ transferee and any other applicable laws and rules notified in respect thereof. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Debentures held in electronic form. The seller should give delivery instructions containing details of the buyer’s DP account to his depository participant.

Transfer of Debentures to and from NRIs/ OCBs, in case they seek to hold the Debentures and are eligible to do so, will be governed by the then prevailing guidelines of RBI. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/ redemption will be made to the person, whose name appears in the records of the Depository. In such cases, claims, if any, by the transferee(s) would need to be settled with the transferor(s) and not with the company.

### **Payment of Redemption**

Each Debenture of face value of Rs.10.00 lacs each redeemable as specified in the term sheet.

The Debentures will not carry any obligation, for interest or otherwise, after the date of redemption. The Debentures held in the dematerialized form shall be taken as discharged on payment of the redemption amount by the Company on maturity to the registered Debenture holders whose name appear in the Register of Debenture holders on the Record Date. Such payment will be a legal discharge of the liability of the Company towards the Debenture holders. On such payment being made, the Company will inform NSDL/CDSL and accordingly the account of the Debenture holders with NSDL/CDSL will be adjusted.

If the redemption date falls on a day which is not a Business Day ('Business Day' being a day on which Commercial Banks are open for) then payment of interest will be made on the preceding working day.

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

The Company will have the power, exercisable at its absolute discretion from time to time to repurchase some or all the Debenture at any time prior to the specified date of maturity as per the prevailing guidelines/regulations of Reserve Bank of India and other Authorities. This right does not construe a call option. In the event of the Debenture being bought back, or redeemed before maturity in any circumstance whatsoever, the Company shall be deemed to always have the right, subject to the prevailing guidelines/regulations to re-issue such Non-convertible debenture either by re-issuing the same Debenture or by issuing other Non-convertible debenture in their place.

The Company may also, at its discretion and as per the prevailing guidelines/regulations of Reserve Bank of India and other Authorities at any time purchase Non-Convertible Debenture at discount, at par or at premium in the open market. Such Non-Convertible Debenture may, at the option of Company, be cancelled, held or resold at such price and on such terms and conditions as the Company may deem fit and as permitted by Law.

### **Future Borrowings**

The Company shall be entitled to make further issue(s) of debentures, raise further loans of advances and/or avail further deferred payment guarantees or other financial facilities from time to time from such persons/banks/financial institutions or body corporate/or any other agency on such terms and conditions as the Company may think appropriate, subject to the Issuer maintaining the adequate security cover as agreed. However, until the Debentures are fully redeemed, the Company shall not create any further charge on the Securities offered under this Issue without the prior written approval of the Debenture Trustee.

### **Disputes and Governing Law**

The Debentures shall be construed to be governed in accordance with Indian Law. The competent alone shall have jurisdiction in connection with any matter arising out of or under these precincts.

Over and above the aforesaid Terms and Conditions, the said Debentures shall be subject to the Terms and Conditions to be incorporated in the Debentures to be issued to the allottees and the Debenture Trust Deed/Trustee Agreement.

### **Trading of Debentures**

The trading of privately placed Debt securities would be permitted in the anonymous, order driven system of the Stock Exchange in a separate trading segment. The marketable lot would be one Debentures of face value of Rs. 10,00,000/- All class of investors would be permitted to trade subject to the standard denomination/marketable lot. The trades executed on spot basis shall be required to be reported to the Stock Exchange

### **List of Beneficial Owners**

The Company shall request the Depository to provide a list of Beneficial Owners as at the end of the Record Date. This shall be the list, which shall be considered for payment of interest or repayment of principal amount, as the case may be.

### **Succession**

In the event of demise of the sole/first holder of the Debenture(s) or the last survivor, in case of joint holders for the time being, the Company will recognize the executor or administrator of the deceased Debenture holder, or the holder

of succession certificate or other legal representative as having title to the Debenture(s). The Company shall not be bound to recognize such executor or administrator, unless such executor or administrator obtains probate, letter of administration wherever it is necessary, or such holder is the holder of succession certificate or other legal representation, as the case may be, from a Court in India having jurisdiction over the matter. The Company may, in its absolute discretion, where it thinks fit, dispense with production of probate or letter of administration or succession certificate or other legal representation, in order to recognize such holder as being entitled to the Debenture(s) standing in the name of the deceased Debenture holder on production of sufficient documentary proof or indemnity.

- 1) Where a non-resident Indian becomes entitled to the Debenture by way of succession, the following steps have to be complied:
- 2) Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the Debenture was acquired by the NRI as part of the legacy left by the deceased holder.

Proof that the NRI is an Indian National or is of Indian origin.

Such holding by the NRI will be governed by the then prevailing guidelines of RBI.

### **Disclosure Clause**

In the event of default in the repayment of the principal and/or interest thereon on the due dates, the investors and/or the Reserve Bank of India/SEBI will have an unqualified right to disclose or publish the name of the borrower and its directors as defaulter in such manner and through such medium as the Investors and/or the Reserve Bank of India in their absolute discretion may think fit. Over and above the aforesaid Terms and Conditions, the said Debentures shall be subject to the Terms and Conditions to be incorporated in the Debenture Trust Deed/Trustee Agreement.

### **Registrars**

**Integrated Registry Management Services Pvt Ltd.** is acting as Registrar and Transfer agents for the Company for debt instruments. Requests for registration of transfer, along with Debenture Certificates/Letters of Allotment and appropriate transfer documents should be sent to the Registrars. The transferee shall also furnish name, address and specimen signatures and wherever necessary, authority for purchase of Debentures. The Registrars after examining the adequacy and correctness of the documentation shall register the transfer in its books. However, as the NCDs are compulsory issued in demat mode, this may not be applicable.

### **Events of Default**

If so required in writing by the holders of not less than 75 per cent. in principal amount of the NCDs then outstanding or if so directed by an Extraordinary Resolution shall (subject to being indemnified and/or secured by the NCD holders to its satisfaction), give notice to the Issuer that the NCDs are, and they shall accordingly thereby become, due and repayable at their Early Redemption Amount if any of the events listed below (each, an "Event of Default") has occurred.

Each of the following events shall be an Event of Default:

1. Default is made in any payment of any interest or principal in respect of the NCDs or any of them when due and such failure continues for a period of 30 days. In case of default in payment of Interest and/or principal redemption on the due dates, additional interest of @ 2% p.a. over the coupon rate will be payable by the Company for the defaulting period
2. The Issuer is (or is deemed by law or a court to be) insolvent or bankrupt or unable to pay (in the opinion of the Debenture Trustee) a material part of its debts, or stops, suspends or threatens to stop or suspend payment of all or (in the opinion of the Debenture Trustee) a material part of (or of a particular type of) its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all or (in the opinion of the Debenture Trustee) a material part of (or all of a particular type of) its debts (or of any part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer;
3. A distress, attachment, execution or other legal process is levied, enforced or sued out on or against any material part of the property, assets or revenues of the Issuer and is not discharged or stayed within 45 days;
4. An order is made or an effective resolution passed for the winding-up or dissolution, judicial management or administration of the Issuer, or the Issuer ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, re-organization, merger or consolidation on terms approved by an Extraordinary Resolution of the NCD holders;



5. An encumbrance takes possession or an administrative or other receiver or an administrator is appointed of the whole or (in the opinion of the Debenture Trustee) any substantial part of the property, assets or revenues of the Issuer (as the case may be) and is not discharged within 60 days;
6. The Issuer commences a voluntary proceeding under any applicable bankruptcy, insolvency, winding up or other similar law now or hereafter in effect, or consent to the entry of an order for relief in an involuntary proceeding under any such law, or consent to the appointment or taking possession by a receiver, liquidator, assignee (or similar official) for any or a substantial part of its property or take any action towards its reorganization, liquidation or dissolution;
7. It is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the NCDs or the Debenture Trust Deed;
8. any step is taken by governmental authority or agency or any other competent authority, with a view to the seizure, compulsory acquisition, expropriation or nationalization of all or (in the opinion of the Debenture Trustee) a material part of the assets of the Issuer which is material to the Issuer;
9. any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs.
10. If any Event of Default or any event which, after the notice, or lapse of time, or both, would constitute an Event of Default has happened, the Issuer shall, forthwith give notice thereof to the Debenture Trustee in writing specifying the nature of such event of default or of such event.

**Other events of default are:**

1. Default is committed in the performance or observance of any covenant, condition or provision contained in these presents and/or the financial Covenants and Conditions (other than the obligation to pay principal and interest) and, except where the Trustees certify that such default is in their opinion incapable of remedy (in which case no notice shall be required), such default continues for 30 days after written notice has been given thereof by the Trustees to the Company requiring the same to be remedied.
2. Any information given by the company in its applications to the Debenture holders, in the reports and other information furnished by the Company and the warranties given/deemed to have been given by it to the Debenture Holders/Trustees is misleading or incorrect in any material respect.
3. The Company is unable to or has admitted in writing its inability to pay its debt as they mature.
4. A Receiver or a Liquidator has been appointed or allowed to be appointed of all or any part of the undertaking of the Company and such appointment is not dismissed within 60 days of appointment.
5. The Company ceases to carry on its business.

**Debenture holder not a Shareholder**

The Debenture holders will not be entitled to any of the rights and privileges available to the shareholders. If, however, any resolution affecting the rights attached to the Debentures is placed before the members of the Bank, such resolution will first be placed before the Debenture holders for their consideration.

**Modification of Rights**

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

**III APPLICATION PROCESS**

**Mode of Subscription/ How to Apply**

This being a Private Placement Offer, Investors who are established/ resident in India and who have been addressed through this communication directly only are eligible to apply.

All Application Forms, duly completed, together with cheque/ demand draft for the amount payable on application must be delivered before the closing date of the issue to the Issuer or to the Arranger to the Issue.

Applications for the Debentures must be in the prescribed form (enclosed) and completed in BLOCK CAPITAL LETTERS in English and as per the instructions contained therein.

Applications complete in all respects (along with all necessary documents as detailed in this Disclosure Document) must be submitted before the last date indicated in the issue time table or such extended time as decided by the Bank, at any of the designated collection centres, accompanied by the subscription amount by way of cheque(s)/ demand



draft(s) drawn on any bank including a co-operative bank which is situated at and is a member of the Bankers' clearing house located at a place where the application form is submitted.

Outstation cheque(s)/ Bank draft(s) drawn on Bank(s) not participating in the clearing process at the designated clearing centres will not be accepted. Money orders/ postal orders will also not be accepted. The Company assumes no responsibility for any applications/ cheques/ demand drafts lost in mail.

No separate receipt will be issued for the application money. However, the Company's designated collection branches or Arranger(s) receiving the duly completed Application Form will acknowledge receipt of the application by stamping and returning to the applicant the Acknowledgment Slip at the bottom of the each Application Form.

As a matter of precaution against possible fraudulent encashment of interest warrants/ cheques due to loss/ misplacement, the applicant should furnish the full particulars of his or her bank account (i.e. Account Number, name of the bank and branch) at the appropriate place in the Application Form. Interest warrants will then be made out in favour of the bank for credit to his/ her account so specified and dispatched to the investors, who may deposit the same in the said bank.

### **Notices**

The notices to the Debenture Holder(s) required to be given by the Company or the Debenture Trustee shall be deemed to have been given if sent by registered post to the sole/first allottee or sole/first registered holder of the Debentures, as the case may be. All notices to be given by the Debenture holder(s) shall be sent by registered post or by hand delivery to Registrars or to such persons at such address as may be notified by the Company from time to time.

All transfer related documents, tax exemption certificates, intimation for loss of Letter of Allotment/Debenture(s), etc., requests for issue of duplicate debentures, interest warrants etc. and/or any other notices / correspondence by the Debenture holder(s) to the Company with regard to the issue should be sent by Registered Post or by hand delivery to the Registrar, or to such persons at such persons at such address as may be notified by the Company from time to time.

### **Letter/s of allotment/refund order(s) and interest in case of delay in dispatch**

The beneficiary account of the investor(s) with National Securities Depository Ltd. (NSDL)/ Central Depository Services Ltd (CDSL) Depository Participant will be given initial credit within two working days from the Deemed Date of Allotment. The initial credit in the account will be akin to the Letter of Allotment. On completion of the all statutory formalities, such credit in the account will be akin to a Debenture Certificate.

The Issuer further agrees to pay interest as per the applicable provisions of the Companies Act, 2013, if the allotment letters/refund orders have not been dispatched to the applicants within 30 days from the date of the closure of the issue.

### **Right to Accept or Reject Applications**

The Company reserves its full, unqualified and absolute right to accept or reject any application, in part or in full, without assigning any reason thereof. The applicants will be intimated about such rejection along with the refund warrant, together with interest on application money, if applicable, from the date of realization of the cheque(s)/ demand drafts(s) till one day prior to the date of refund. The application forms that are not complete in all respects are liable to be rejected and such applicant would not be paid any interest on the application money. Application would be liable to be rejected on one or more technical grounds, including but not restricted to:

1. Number of debentures applied for is less than the minimum application size;
2. Applications exceeding the issue size;
3. Bank account details not given;
4. Details for issue of Debentures in electronic/ dematerialized form not given; PAN not mentioned in appropriate place.
5. In case of applications under Power of Attorney by limited companies, corporate bodies, trusts, etc. relevant documents not submitted;

In the event, if any Debenture(s) applied for is/ are not allotted in full, the excess application money of such Debentures will be refunded, as may be permitted.

### **Who Can Apply**

The following categories of investors may apply for the Debentures, subject to fulfilling their respective investment norms/ rules by submitting all the relevant documents along with the application form.

1. Scheduled Commercial Banks;
2. Financial Institutions;
3. Insurance Companies;
4. Primary/ State/ District/ Central Co-operative Banks (subject to permission from RBI);
5. Regional Rural Banks;
6. Mutual Funds;
7. Companies, Bodies Corporate authorized to invest in Debentures;
8. Provident Funds, Gratuity, Superannuation & Pension Funds, subject to their Investment guidelines.
9. Trusts
10. Individuals
11. Foreign Institutional Investors
12. Or any other investor category eligible to invest subject to current applicable rules, act, laws etc.

Although above investors are eligible to apply however only those investors, who are individually addressed through direct communication by the Company / Sole Arranger, are eligible to apply for the Debentures. No other person may apply. Hosting of Disclosure Document on the website of the BSE should not be construed as an offer to issue and the same has been hosted only as it is stipulated by SEBI. Investors should check about their eligibility before making any investment.

The applications must be accompanied by certified true copies of (1) Memorandum and Articles of Association/ Constitution/ Bye-laws (2) Resolution authorizing investment and containing operating instructions (3) Specimen signatures of authorised signatories and (4) Xerox copy of PAN Card. (5) Necessary forms for claiming exemption from deduction of tax at source on the interest income/ interest on application money, wherever applicable.

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

A certified true copy of the power of attorney or the relevant authority as the case may be along with the names and specimen signatures of all the authorized signatories and the tax exemption certificate/document, if any, must be lodged along with the submission of the completed Application Form. Further modifications/additions in the power of attorney or authority should be notified to the Company at its registered office.

In case of applications made under a Power of Attorney or by a Limited Company or a Body Corporate or Registered Society or Mutual Fund, and scientific and/or industrial research organizations or Trusts etc, the relevant Power of Attorney or the relevant resolution or authority to make the application, as the case may be, together with the certified true copy thereof along with the certified copy of the Memorandum and Articles of Association and/or Bye-Laws as the case may be must be attached to the Application Form or lodged for scrutiny separately with the photocopy of the Application Form, quoting the serial number of the Application Form at the Company's branch where the application has been submitted, or at the office of the Registrars to the Issue after submission of the Application Form to the bankers to the issue or any of the designated branches as mentioned on the reverse of the Application Form, failing which the applications are liable to be rejected. Such authority received by the Registrars to the Issue more than 10 days after closure of the subscription list may not be considered

### **PAN/GIR Number**

All Applicants should mention their Permanent Account Number or the GIR Number allotted under Income Tax Act, 1961 and the Income Tax Circle / Ward / District. In case where neither the PAN nor the GIR Number has been allotted, the fact of such a non-allotment should be mentioned in the Application Form in the space provided.

### **Signatures**

Signatures should be made in English or in any of the Indian Languages. Thumb impressions must be attested by an authorized official of a Bank or by a Magistrate/Notary Public under his/her official seal.

### **Nomination Facility**

As per the Companies Act, 2013, only individuals applying as sole applicant/Joint Applicant can nominate, in the prescribed manner, a person to whom his Debentures shall vest in the event of his death. Non-individuals including holders of Power of Attorney cannot nomination.

**B. ISSUE DETAILS:**

Security Name	As per Term Sheet
Issuer	Shriram Transport Finance Company Ltd.
Type of Instrument	Unsecured Redeemable Non-Convertible Subordinated Debt in the nature of Debentures
Nature of Instrument	Unsecured
Seniority	Yes
Mode of Issue	Private placement
Eligible Investors	Please refer Clause “Who can apply” of this Shelf Disclosure Document
Listing	As per Term Sheet
Rating of the Instrument	As per Term Sheet
Issue Size	₹ 1035 Crores
Option to retain oversubscription ( Amount )	As per Term Sheet
Objects of the Issue	Please refer clause “Objects & Utilization of the Issue Proceeds” of this Shelf Disclosure Document
Details of the utilization of the Proceeds	Please refer clause “Objects & Utilization of the Issue Proceeds” of this Shelf Disclosure Document
Coupon Rate	As per Term Sheet
Step Up/Step Down Coupon Rate 1	N.A.
Coupon Payment Frequency	As per Term Sheet
Coupon payment dates	As per Term Sheet
Coupon Type	As per Term Sheet
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc).	As per Term Sheet
Day Count Basis	Actual/ Actual
Interest on Application Money	At the respective coupon rate (subject to deduction of tax at source, as applicable.) from the date of realization of cheque( s)/ demand draft(s)/RTGS upto one day prior to the Deemed Date of Allotment.
Default Interest Rate	2% p.a. over the coupon rate will be payable by the Company for the defaulting period
Tenor	As per Term Sheet
Redemption Date	As per Term Sheet
Redemption Amount	As per Term Sheet
Redemption Premium /Discount	As per Term Sheet
Issue Price	As per Term Sheet
Discount at which security is issued and the effective yield as a result of such discount.	As per Term Sheet
Put option Date	As per Term Sheet
Put option Price	As per Term Sheet
Call Option Date	As per Term Sheet
Call Option Price	As per Term Sheet
Put Notification Time	As per Term Sheet
Call Notification Time	As per Term Sheet
Face Value	Rs 10 lakh per NCD
Minimum Application and in multiples of Debt securities thereafter	Minimum of 3 Debentures of Rs. 10,00,000 each and in multiples of 1 Debenture thereafter
Issue Timing 1. Issue Opening Date 2. Issue Closing Date 3. Pay-in Date 4. Deemed Date of Allotment	As per Term Sheet
Issuance mode of the Instrument	Demat only
Trading mode of the Instrument	Demat only

Settlement mode of the Instrument	Payment of interest and principal will be made by way of Cheque/s DD's / Electronic mode.
Depository	National Securities Depository Limited and/or Central Depository Services Limited
Business Day Convention	If any interest payment date falls on a day which is not a Business Day ('Business Day' being a day on which Commercial Banks are open for business) then payment of interest will be made on the next Business Day.
Record Date	15 days prior to each Coupon Payment / Put Option Date / Call Option Date / Redemption date
Security (where applicable) (Including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security).	As per Term Sheet
Transaction Documents	As per Term Sheet
Conditions Precedent to Disbursement	As per Term Sheet
Condition Subsequent to Disbursement	As per Term Sheet
Events of Default	Please refer clause " Events of Default" of this Shelf Disclosure Document
Provisions related to Cross Default Clause	Please refer clause " Events of Default" of this Shelf Disclosure Document
Further Issuance	There can be further issuance of securities under this ISIN.
Role and Responsibilities of Debenture Trustee	Please refer clause " Name of Debenture Trustee - Role and responsibilities of Debenture Trustee " of this Shelf Disclosure Document
Governing Law and Jurisdiction	The Debentures offered are subject to provisions of the Companies Act, 2013, Securities Contract Regulation Act, 1956, terms of this Shelf Disclosure Document, Instructions contained in the Application Form and other terms and conditions as may be incorporated in the Trustee Agreement and the Trust Deed. Over and above such terms and conditions, the Debentures shall also be subject to the applicable provisions of the Depositories Act 1996 and the laws as applicable, guidelines, notifications and regulations relating to the allotment & issue of capital and listing of securities issued from time to time by the Government of India (GoI), Reserve Bank of India (RBI), Securities & Exchange Board of India (SEBI), concerned Stock Exchange or any other authorities and other documents that may be executed in respect of the Debentures. Any disputes arising out of this issue will be subject to the exclusive jurisdiction of the Court at Mumbai.

As per SEBI Circular No. CIR/IMD/DF-1/122/2016 dated November 11, 2016

Illustration of Bond Cash Flows to be shown in Information Memorandum	
Company	XYZ Limited
Face Value (per Security)	10,00,000.00
Issue Date/Date of Allotment	01/02/2017
Redemption Date	01/02/2022
Coupon Rate	8.00%
Frequency of the Interest Payment with specified dates	First interest payment on 01/02/2018 and subsequently on 1 <sup>st</sup> February every year till maturity
Day Count Convention	Actual/Actual

Cash Flows	Date	No. of Days in Coupon Period	Amount (in Rupees)
1st Coupon	Thursday, February 01, 2018	365	80,000.00
2nd Coupon	Friday, February 01, 2019	365	80,000.00
3rd Coupon	Monday, February 03, 2020	365	80,000.00
4th Coupon	Monday, February 01, 2021	366	80,000.00
5th Coupon	Tuesday, February 01, 2022	365	80,000.00
Principal	Tuesday, February 01, 2022		10,00,000

\* If interest payment date fall on a holiday, the payment may be made on the following working day however the dates of the future coupon payments would be as per the schedule originally stipulated at the time of issuing security. In other words the subsequent coupon schedule would not be disturbed merely because the payment date in respect of one particular coupon payment has been postponed earlier because of it having fallen on a holiday.

Note : The interest payment should be rounded to nearest rupee as per FIMMDA Handbook on market prices.

### **Additional Covenants/ Undertaking by the Company-**

The Issuer Company undertakes that:

- a) Undertaking regarding RBI/ECGC Defaulters List  
As per declaration submitted to the Company this is to confirm that none of its Directors are appearing on the RBI/ECGC defaulters list.
- b) Default in Payment  
In case of default in payment of Interest and/or principal redemption on the due dates, additional interest of @ 2% p.a. over the coupon rate will be payable by the Company for the defaulting period
- c) The Company will enter into a Trustee Agreement/Trust Deed, inter-alia, specifying the powers, authorities and obligations of the Company and the Trustees in respect of the Debentures.
- d) *Listing:*  
The Company shall forward the listing application to the BSE Limited within the 15 days from the Deemed date of allotment(s). In case of delay in listing of the debt securities beyond 20 days from the deemed date of allotment, the Company will pay penal interest of 1% p.a. over the coupon rate from the expiry of 30 days from the deemed date of allotment till the listing of such debt securities to the investor.
- e) The Company undertakes that it shall not extend loans against the security of its own Debentures issued by way of this Private Placement.
- f) The Company shall deploy funds raised through issue of Debentures on its own balance sheet and not to Facilitate resource requests of group entities/ parent company / associates.
- g) The complaints received in respect of the Issue shall be attended to by the Company expeditiously and Satisfactorily.
- h) It shall take all steps for completion of formalities for listing and commencement of trading at the Concerned stock exchange where securities are to be listed within specified time frame;
- i) Necessary co-operation to the credit rating agencies shall be extended in providing true and adequate Information till the debt obligations in respect of the instrument are outstanding.
- j) That there is no wilful default by the company.
- k) It shall use a common form of transfer for the instrument.

### **DISCLOSURES PERTAINING TO WILFULL DEFAULT**

- (a) Name of the bank declaring the entity as a wilful defaulter: **None**
- (b) The year in which the entity is declared as a wilful defaulter: **None**
- (c) Outstanding amount when the entity is declared as a wilful defaulter: **None**
- (d) Name of the entity declared as a wilful defaulter: **None**
- (e) Steps taken, if any, for the removal from the list of wilful defaulters: **None**
- (f) Other disclosures, as deemed fit by the issuer in order to enable Investors to take informed decisions: **None**
- (g) Any other disclosure as specified by the Board: **None**



**DECLARATION**


It is hereby declared that this Draft Disclosure Document contains full disclosures in accordance with Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (as amended till March, 2015) and Section 42 and rule 14(1) to Companies (Prospectus and Allotment of Securities) Rules, 2014)

The Issuer also confirms that this Draft Disclosure Document does not omit disclosure of any material fact which may make the statements made therein, in light of the circumstances under which they are made, misleading. The Disclosure Document also does not contain any false or misleading statement.

The Issuer accepts no responsibility for the statement made otherwise than in this Draft Disclosure Document or in any other material issued by or at the instance of the Issuer and that anyone placing reliance on any other source of information would be doing so at his own risk.

Signed by **Mr. PARAG SHARMA** pursuant to the authority granted by the Banking and Finance Committee of the Company in their meeting held on March 26, 2018

For **SHRIRAM TRANSPORT FINANCE COMPANY LTD**

  
**Authorised Signatory**  
Date: **28<sup>th</sup> March 2018**  
Place: **Mumbai**

## C. ANNEXURE – I – CREDIT RATING LETTER FROM CRISIL & INDIA RATINGS

### Ratings



CONFIDENTIAL

PB/SD/STFCL/2018/196498  
March 27, 2018

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 for the Rs.1000 Crore Subordinated Debt of Shriram Transport Finance Company Limited**

We refer to your request for a rating for the captioned Debt instrument.

CRISIL has, after due consideration, assigned a “CRISIL AA+/Stable” (pronounced “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.

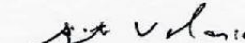
As per our Rating Agreement, CRISIL would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL reserves the right to withdraw, or revise the rating / outlook assigned to the 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.

Further, in view of your decision to accept the CRISIL Rating, we request you to apprise us of the instrument details (in the enclosed format) as soon as it has been placed. In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL will be necessary.

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,

  
Ajit 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. 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

Registered Office: CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai - 400076. Phone: +91 22 3342 3000 | Fax: +91 22 4040 5800  
[www.crisil.com](http://www.crisil.com)

# Ratings

CONFIDENTIAL

**CRISIL**

An S&amp;P Global Company

PB/SD/STFCL/2018/182490/4  
March 21, 2018

Mr. Parag Sharma  
Chief Financial Officer  
Shriram Transport Finance Company Limited  
Wockhardt Towers, 3<sup>rd</sup> Floor  
West Wing, C-2, G- Block  
Bandra Kurla Complex, Bandra East  
Mumbai - 400051  
Tel: 022 40807021

Dear Mr. Sharma,

Re: CRISIL Rating for the Subordinated Debt Issue (Tier-II Bonds) Aggregating Rs.1500 crore of Shriram Transport Finance Company Limited

All ratings assigned by CRISIL are kept under continuous surveillance and review.

Please find in the table below the rating outstanding for your company.

S.No.	Instrument	Rated Amount (Rs. in Crore)	Rating Outstanding
1	Subordinated Debt Issue (Tier-II Bonds)	1500	CRISIL AA+/Stable

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 rating / outlook 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.

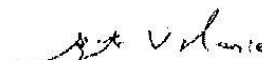
In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL will be necessary.

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,

  
Ajit Veloni  
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. 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.





Fitch Group

**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

March 26, 2018

Dear Sir,

**Re: Rating of Shriram Transport Finance Co. Ltd (STFC)**

India Ratings (see definition below) communicates the following rating to STFC:-

INR46.2 billion (enhanced from INR26.2 billion) subordinated debt: 'IND AA+'; Outlook Stable

STFC has issued INR4.64 billion out of above rated amount

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.

Users of India Ratings' ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

India Ratings seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action

**India Ratings & Research Private Limited** A Fitch Group Company

Wockhardt Tower, Level 4, West Wing, Bandra Kurla Complex, Bandra (E), Mumbai 400 051

Tel: +91 22 4000 1700 | Fax: +91 22 4000 1701 | CIN/LLPIN: U67100MH1995FTC140049 | [www.indiaratings.co.in](http://www.indiaratings.co.in)

India Ratings  
& Research

Fitch Group

commentary provides information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the website at a given time. For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

Ratings are based on established criteria and methodologies that India Ratings is continuously evaluating and updating. Therefore, ratings are the collective work product of India Ratings and no individual, or group of individuals, is solely responsible for a rating. All India Ratings reports have shared authorship. Individuals identified in an India Ratings report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. India Ratings is not your advisor, nor is India Ratings providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services. Investors may find India Ratings' ratings to be important information, and India Ratings notes that you are responsible for communicating the contents of this letter, to investors.

It is important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.

Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings.

In this letter, "India Ratings" means India Ratings & Research Pvt. Ltd. and any successor in interest.

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 +91-022-4000-1700.

Sincerely,  
India Ratings



Rakesh Valecha  
Senior Director



Prakash Agarwal  
Director



CL/MUM/17-18/DEB/715

March 27, 2018

**Shriram Transport Finance Company Limited**

Wockhardt Towers, Level-3,  
West Wing, C-2, G-Block,  
Bandra-Kurla Complex, Bandra (East),  
Mumbai - 400 051

Kind Attn: - Mr. Amit Agarwal

Dear Sir,

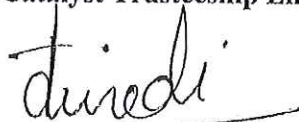
**Consent to act as Trustee for Subordinated, Redeemable, Listed, Non-Convertible Debentures aggregating upto INR 2000 Crores to be issued by your Company.**

This is with reference to the discussions in respect of appointment of Catalyst Trusteeship Limited (CTL) (Formerly GDA Trusteeship Limited) to act as Debenture Trustee for the Subordinated, Redeemable, Unlisted, Non-Convertible Debentures aggregating upto INR 2000 Crores to be issued.

In this connection, we are agreeable to act as Trustee on the following trusteeship remuneration: The Company and the Trustee shall enter into relevant trustee agreements and other necessary Debenture documents for the aforesaid issue of NCDs and term loans and also agrees & undertakes to comply with the provisions of the SEBI (Debenture Trustees) Regulations, 1993, the RBI Circular No.RBI/2012-13/560 dated June 27, 2013, the Companies Act, 2013, the Companies (Share Capital and Debenture) Rules, 2014 and any other applicable statutes, regulations and provisions as amended from time to time.

The Company shall enter into Agreement with Trustee as required by Regulation 13 of SEBI (Debenture Trustee) Regulations, 1993 thereby agreeing to create the security within three months from the date of closure of issue or in accordance with the Companies Act, 2013 or as per the provisions as prescribed by any regulatory authority as applicable and comply with the provisions of applicable laws.

We are also agreeable for inclusion of our name as trustees in the Company's offer document/disclosure document/ listing application/any other document to be filed with the Stock Exchange(s) or any other authority as required.

**For Catalyst Trusteeship Limited****Authorized Signatory****For Shriram Transport Finance Company Limited**  
**Authorized Signatory****CATALYST TRUSTEESHIP LIMITED (FORMERLY GDA TRUSTEESHIP LIMITED)**

An ISO:9001 Company

Mumbai Office Office No. 83 - 87, 8th Floor, B Wing, Mittal Tower, Nariman Point, Mumbai 400 021 Tel +91 (022) 4922 0555 Fax +91 (022) 4922 0505  
Regd. Office CDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune 411 038 Tel +91 (020) 25280081 Fax +91 (020) 25280275  
Delhi Office Office No. 213, 2nd floor, Navrang House, 21 Kasturba Gandhi Marg, New Delhi- 110 001. Tel. 011 43029101.  
CIN No. U74999PN1997PLC110262 Email dt@ctltrustee.com Website www.catalysttrustee.com  
Pune | Mumbai | Bengaluru | Delhi | Chennai





Series SUB 17-18 02 Option II

TERM SHEET

ISSUE DETAILS:

Security Name	Issue of 400(Four Hundred) Rated, Listed, Unsecured, Redeemable, Non-Convertible Subordinated debts in the nature of Debenture of the nominal value of INR 10,00,000 (Rupees Ten Lakhs Only) each, aggregating to not more than INR 40,00,00,000 (Rupees Forty Crores only) 8.95% SD STFCL-April.2028
Issuer	Shriram Transport Finance Company Ltd
Type of Instrument	Unsecured Redeemable Subordinated Debt in the nature of Debentures
Nature of Instrument	Unsecured
Seniority	No
Mode of Issue	Private placement
Eligible Investors	Please refer Clause "Who can apply" of this Shelf Disclosure Document Only the persons who are specifically addressed through a communication are eligible to apply for the Debentures. No other person can apply.
Listing	The NCDs are proposed to be listed on WDM segment of BSE Limited/National Stock exchange of India Ltd The Company shall forward the listing application to the BSE Limited/NSE Ltd within the 15 days from the deemed date of allotment  In case of delay in listing of the debt securities beyond 20 days from the deemed date of allotment, the Company will pay penal interest of 1 % p.a. over the coupon rate from the expiry of 30 days from the deemed date of allotment till the listing of such debt securities to the investor.
Rating of the Instrument	"AA+" by CRISIL & India Ratings
Issue Size	Rs. 40 Crores
Option to retain oversubscription	Nil
Objects of the Issue	Please refer clause "Objects & Utilization of the Issue Proceeds" of this Shelf Disclosure Document
Details of the utilization of the Proceeds	Please refer clause "Objects & Utilization of the Issue Proceeds" of this Shelf Disclosure Document
Coupon Rate	8.95 % p.a.
Step Up/Step Down Coupon Rate 1	NA
Coupon Payment Frequency	Annually
Coupon payment dates	On 28 <sup>th</sup> March 2019, 28 <sup>th</sup> March 2020, 28 <sup>th</sup> March 2021, 28 <sup>th</sup> March 2022, 28 <sup>th</sup> March 2023, 28 <sup>th</sup> March 2024, 28 <sup>th</sup> March 2025, and on maturity i.e. 28 <sup>th</sup> April 2025
Coupon Type	Fixed
Day Count Basis	Actual/ Actual
Interest on Application Money	At the respective coupon rate (subject to deduction of tax at source, as applicable.) from the date of realization of cheque(s)/ demand draft(s)/RTGS upto one day prior to the Deemed Date of Allotment.
Default Interest Rate	2% p.a. over the coupon rate will be payable by the Company for the defaulting period
Tenor	7 years and 1 month from the deemed date of allotment
Redemption Date	28 <sup>th</sup> April 2025
Redemption Premium /Discount	NA
Issue Price	₹10 lakh per NCD
Discount at which security is issued and the effective yield as a result of such	NIL

discount.	
Put option Date	NIL
Put option Price	NIL
Call Option Date	NIL
Call Option Price	NIL
Put Notification Time	NIL
Call Notification Time	NIL
Face Value	₹ 10 lakh per NCD
Minimum Application and in multiples of Debt securities thereafter	Minimum of 3 Debentures and in multiples of 1 Debentures thereafter
Issue Timing	
1. Issue Opening Date	28 <sup>th</sup> March 2018
2. Issue Closing Date	28 <sup>th</sup> March 2018
3. Pay-in Date	28 <sup>th</sup> March 2018
4. Deemed Date of Allotment	28 <sup>th</sup> March 2018
Issuance mode of the Instrument	Demat only
Trading mode of the Instrument	Demat only
Settlement mode of the Instrument	Payment of interest and principal will be made by way of Cheque/s DD's /Electronic mode.
Depository	NSDL/CDSL
Business Day Convention	<p>If any interest payment date falls on Saturday and a day which is not a Business Day ('Business Day' being a day on which Commercial Banks are open for) then payment of interest will be made on next working day.</p> <p>If the maturity date falls on Saturday and a day which is not a Business Day ('Business Day' being a day on which Commercial Banks are open for) then payment of redemption amount will be made on the preceding working day.</p>
Record Date	15 days prior to each Coupon Payment / Put Option Date / Call Option Date / Redemption date
Security (where applicable) (Including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security).	Not Applicable as being Unsecured
Transaction Documents	<p>(a) the Debenture Trustee Agreement,</p> <p>(b) the Shelf Disclosure Document and</p> <p>(c) any other document that may be designated as a transaction document by the Debenture Trustee;</p>
Conditions Precedent to Disbursement	Not Applicable
Condition Subsequent to Disbursement	As provided in Bond Trust Deed executed between the Company and the Trustee
Events of Default	Please refer clause " Events of Default" of this Shelf Disclosure Document

Provisions related to Cross Default Clause	Please refer clause " Events of Default" of this Shelf Disclosure Document
Role and Responsibilities of Debenture Trustee	Please refer clause " Name of Debenture Trustee - Role and responsibilities of Debenture Trustee " of this Shelf Disclosure Document
Governing Law and Jurisdiction	The Debentures offered are subject to provisions of the Companies Act, 2013, Securities Contract Regulation Act, 1956, terms of this Shelf Disclosure Document, Instructions contained in the Application Form and other terms and conditions as may be incorporated in the Trustee Agreement and the Trust Deed. Over and above such terms and conditions, the Debentures shall also be subject to the applicable provisions of the Depositories Act 1996 and the laws as applicable, guidelines, notifications and regulations relating to the allotment & issue of capital and listing of securities issued from time to time by the Government of India (GoI), Reserve Bank of India (RBI), Securities & Exchange Board of India (SEBI), concerned Stock Exchange or any other authorities and other documents that may be executed in respect of the Debentures. Any disputes arising out of this issue will be subject to the exclusive jurisdiction of the Court at Mumbai.

Date : 28<sup>th</sup> March 2018  
Place: Mumbai

For Shriram Transport Finance Co Ltd.

  
Authorized Signatory