



Shriram Transport Finance Company Limited

A Public Limited Company Incorporated under the Companies Act, 1956 by a certificate of incorporation dated June 30, 1979, issued by the ROC, Chennai, Tamil Nadu (Registered as a Non-Banking Financial Company within the meaning of the Reserve Bank of India Act, 1934 (2 of 1934)) **Corporate Identification Number:** L65191TN1979PLC007874 **Registered Office:** Mookambika Complex, 3rd 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 **Compliance Officer and Contact Person:** Mr. Vivek Madhukar Achwal; **E-mail:** stfcncd7comp@stfc.in

Public Issue by Shriram Transport Finance Company Limited, ("Company" or "Issuer") of 50,00,000 Secured Redeemable Non-Convertible Debentures of face value of ₹ 1,000 each, ("NCDs"), for an amount aggregating upto ₹ 50,000 lacs ("Base Issue Size"), with an option to retain oversubscription upto the Shelf Limit (i.e. ₹ 300,000 lacs) i.e. 3,00,00,000 NCDs ("Tranche-I Issue") and is being offered by way of this Tranche-I Prospectus, which should be read together with Shelf Prospectus. The Shelf Prospectus together with the Tranche-I Prospectus shall constitute the "Prospectus". The Tranche-I Issue is being made pursuant to the provisions of Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended (the "Debt Regulations").

PROMOTER OF THE COMPANY: SHRIRAM CAPITAL LIMITED

GENERAL RISK

Investors are advised to read the Risk Factors, starting on page 17 of the Shelf Prospectus carefully before taking an investment decision in the Tranche-I Issue. For the purpose of taking an investment decision, the investors must rely on their own examination of the Issuer and the Tranche-I Issue including the risks involved. Specific attention of the investors is invited to the Risk Factors starting from pages 17 to 40 of the Shelf Prospectus.

ISSUE RELATED DETAILS

For details in connection with eligible investors; coupon rate, coupon payment frequency, redemption date, redemption amount, please refer to section titled "Issue Related Information" on page 32 of this Tranche-I Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

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

CREDIT RATING

The NCDs proposed to be issued under this Issue have been rated 'CRISIL AA/Stable' by CRISIL for an amount of upto ₹ 3,00,000 lacs vide its letter dated June 5, 2014, 'CARE AA+' by CARE for an amount of upto ₹ 3,00,000 lacs vide its letter dated June 5, 2014 and 'IND AA+' by India Ratings and Research Private Limited for an amount of upto ₹ 3,00,000 lacs vide their letter dated June 20, 2014. The rating of the NCDs by CRISIL indicates high degree of safety regarding timely servicing of financial obligations and carrying very low credit risk. The rating of the NCDs by CARE indicates high degree of safety regarding timely servicing of financial obligations and carrying very low credit risk. The ratings provided by CRISIL, CARE and/or India Ratings and Research may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions. Please refer to Annexure A of the Shelf Prospectus for the rationale for the above ratings.

PUBLIC COMMENTS

The Draft Shelf Prospectus dated June 16, 2014 was filed with the Designated Stock Exchange pursuant to the regulation 6A, 6(1) and 6(2) of the Debt Regulations and open for public comments for a period of 7 (seven) Working Days.

LISTING

The NCDs offered through the Tranche-I Prospectus are proposed to be listed on the National Stock Exchange of India Limited ("NSE") and the BSE Limited ("BSE"). Our Company has obtained an 'in-principle' approval for the Issue from the NSE vide their letter dated June 23, 2014 and from the BSE vide their letter dated June 23, 2014. For the purposes of the Issue, NSE shall be the Designated Stock Exchange.

LEAD MANAGERS TO THE TRANCHE – I ISSUE



JM Financial Institutional Securities Limited
7th Floor, Cnergy,
Appasaheb Marathe Marg,
Prabhadevi, Mumbai - 400025
Tel: +91 22 6630 3030
Fax: 91 22 6630 3330
Email: stfc.ncd@jmfml.com
Investor Grievance Email:
grievance.ibd@jmfml.com
Website: www.jmfml.com
Contact Person: Ms. Lakshmi Lakshmanan
Compliance Officer: Mr. Chintal Sakaria
SEBI Registration No.: INM000010361



A. K. Capital Services Limited
30-39, Free Press House,
Free Press Journal Marg,
215, Nariman Point,
Mumbai - 400 021
Tel: +91 22 6754 6500/ 6634 9300
Fax: +91 22 6610 0594
Email: stfcncd2015@akgroup.co.in
Investor Grievance Email:
investor.grievance@akgroup.co.in
Website: www.akcapindia.com
Contact Person: Ms. Akshata Tambe/ Mr. Mandeep Singh
Compliance Officer: Mr. Vikas Agarwal
SEBI Registration No.: INM000010411



Edelweiss Financial Services Limited
14th Floor, Edelweiss House
Off CST Road, Kalina
Mumbai 400 098
Tel: +91 22 4086 3535
Fax: +91 22 -4086 3610
Email: stfc.ncdissue2014@edelweissfin.com
Investor Grievance Email:
customerservice.mb@edelweissfin.com
Website: www.edelweissfin.com
Contact Person: Mr. Pradeep Tewani
Compliance Officer: Mr. B Renganathan
SEBI Registration No.: INM0000010650



ICICI Securities Limited
ICICI Centre,
H.T. Parekh Marg,
Churchgate, Mumbai 400 020,
Maharashtra, India
Tel: +91 22 2288 2460
Fax: +91 22 2282 6580
E-mail: stfc.ncdissue2014@icicisecurities.com
Investor Grievance Email:
customercare@icicisecurities.com
Contact Person: Manvendra Tiwari / Payal Kulkarni
Compliance Officer: Subir Saha
SEBI Registration No : INM000011179

DEBENTURE TRUSTEE



IDBI Trusteeship Services Limited
IDBI Trusteeship Services Limited Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate, Mumbai- 400 001.
Tel: +91 22 40807000
Fax: +91 22 66311776
Email: sgunware@idbitrustee.com
Website: http://www.idbitrustee.com
Contact Person: Mr. Shivaji Gunware
SEBI Registration No.: IND000000460

REGISTRAR TO THE ISSUE



Integrated Enterprises (India) Limited
2nd Floor, Kences Towers, No. 1, Ramakrishna Street, North Usman Road, T. Nagar, Chennai - 600 017
Tel: +91 44 28140801 to 803
Fax: +91 44 28142479
Email: stfcipo@integratedindia.in
Investor Grievance Email: sureshbabu@integratedindia.in
Website: www.integratedindia.in
Contact Person: Ms. Anusha N / Mr. Sriram S
SEBI Registration No: INR000000544

ISSUE PROGRAMME*

ISSUE OPENING DATE: July 2, 2014

ISSUE CLOSING DATE: July 22, 2014

* The subscription list for the Tranche-I Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. during the period indicated above, except that the Tranche-I Issue may close on such earlier date (such early closure being subject to the Base Issue Size being fully subscribed prior to such early closure) or extended date as may be decided at the discretion of the duly authorised committee of Directors of our Company subject to necessary approvals. In the event of such early closure of the Tranche-I Issue, our Company may, at its discretion, retain subscription in excess of the Base Issue Size, received until the date of the early closure, subject to the Shelf Limit and allot NCDs accordingly. In the event of such early closure or extension of the Tranche-I Issue, our Company shall ensure that notice of the same is provided to the prospective investors, on or before such early date of closure or the Issue Closing Date, as the case may be, through an advertisement in a leading national daily newspaper.

IDBI Trusteeship Services Limited has by its letter dated June 12, 2014 given its consent for its appointment as Debenture Trustee to the Issue pursuant to regulation 4(4) of the Debt Regulations and for its name to be included in this Tranche-I Prospectus and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to this Tranche-I Issue. For further details please refer to the section titled "Material Contracts and Documents for Inspection" beginning on page 92 of this Tranche-I Prospectus.

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SECTION I : GENERAL

DEFINITIONS / ABBREVIATIONS

This Tranche-I Prospectus uses certain definitions and abbreviations which, unless the context indicates or implies otherwise, have the meaning as provided below. References to any legislation, act or regulation shall be to such term as amended from time to time.

Company related terms

| Term | Description |
|--|---|
| "STFCL", "Issuer", "the Company" and "our Company" | Shriram Transport Finance Company Limited, a company incorporated under the Companies Act, 1956, registered as a Non-Banking Financial Company with the Reserve Bank of India under Section 45-IA of the Reserve Bank of India Act, 1934, and having its Registered Office at Mookambika Complex, 3rd Floor, No. 4, Lady Desika Road, Mylapore, Chennai, Tamil Nadu- 600004 |
| AOA/Articles / Articles of Association | Articles of Association of our Company |
| Associate / Erstwhile Associate | Shriram Asset Management Company Limited |
| Board / Board of Directors | The Board of Directors of our Company and includes any committee thereof from time to time |
| CARE | Credit Analysis and Research Limited |
| Control | Control for the purposes of this Tranche-I Prospectus shall have the same meaning as assigned to such term under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time and Section 2 (27) of the Companies Act, 2013 |
| DIN | Director Identification Number |
| ESOP/ESOS | Company's Employee Stock Option Scheme 2005 |
| Equity Shares | Equity shares of face value of ₹ 10/- each of our Company |
| GDA | M/s. G. D. Apte & Co. |
| Group | For the purpose of Reformatted Consolidated Financial Statements, "Group" shall mean and include Shriram Transport Finance Company Limited and its wholly owned subsidiary companies namely, Shriram Equipment Finance Company Limited and Shriram Automall India Limited; and our erstwhile Associate, namely Shriram Asset Management Company Limited |
| ICRA | ICRA Limited |
| Loan Assets | Assets under financing activities |
| MIS | Management Information System of our Company |

| Term | Description |
|---|--|
| Memorandum / MOA | Memorandum of Association of our Company |
| Merger Order | Order dated September 13, 2012 passed by the Hon'ble High Court of Madras sanctioning the SHMPL Scheme of Merger (as defined hereunder), the certified true copy of which was received by the Company on October 19, 2012 |
| MVAT | Maharashtra Value Added Tax |
| Net Loan Assets | Assets under financing activities net of Provision for non-performing assets |
| NAV | Net Asset Value |
| NBFC | Non-Banking Financial Company as defined under Section 45-IC and 45-IF of the RBI Act, 1934 |
| NPA | Non - Performing Asset |
| ₹ / Rs./ INR/ Rupees/Indian Rupee | The lawful currency of the Republic of India |
| Reformatted Consolidated Financial Statements | <p>The statement of reformatted consolidated assets and liabilities of the Group as at March 31, 2010; March 31, 2011; March 31, 2012; March 31, 2013 and March 31, 2014 and the related statement of reformatted consolidated statement of profit and loss and the related statement of reformatted consolidated cash flow for the financial years ended March 31, 2010, March 31, 2011, March 31, 2012; March 31, 2013 and March 31, 2014 as jointly examined by our Company's Joint Statutory Auditors, M/s. S. R. Batliboi & Co. LLP and M/s. G. D. Apte & Co.</p> <p>The audited consolidated financial statements of the Group as at and for the years ended March 31, 2010, March 31, 2011, March 31, 2012; March 31, 2013 and March 31, 2014 and the books of accounts underlying such financial statements form the basis for such Reformatted Consolidated Financial Statements.</p> |
| Reformatted Unconsolidated Financial Statements | <p>The statement of reformatted unconsolidated assets and liabilities of our Company, and the related statement of reformatted unconsolidated statement of profit and loss of our Company and the related statement of reformatted unconsolidated cash flow of our Company as at and for the years ended March 31, 2010; March 31, 2011; March 31, 2012; March 31, 2013 and March 31, 2014, as jointly examined by our Company's Joint Statutory Auditors, M/s. S. R. Batliboi & Co. LLP and M/s. G. D. Apte & Co.</p> <p>The audited unconsolidated financial statements of our Company as at and for the years ended March 31, 2010, March 31, 2011, March 31, 2012; March 31, 2013 and March 31, 2014 and the books of accounts underlying such financial statements form the basis for such Reformatted Unconsolidated Financial Statements.</p> |
| ROC | Registrar of Companies, Chennai, Tamil Nadu |
| SAIL | Shriram Automall India Limited |

| Term | Description |
|---|--|
| SCL/Promoter | Shriram Capital Limited (Formerly known as Shriram Financial Services Holdings Private Limited) |
| SEFCL | Shriram Equipment Finance Company Limited |
| SHMPL | Shriram Holdings (Madras) Private Limited |
| SHMPL Scheme of Merger | The scheme of arrangement involving, inter-alia, amalgamation of SHMPL, with our Company as sanctioned by the Merger Order |
| SIL | Shriram Investments Limited |
| SIL Scheme of Merger | The scheme of arrangement and amalgamation of the erstwhile SIL, with our Company as approved, vide an order of Hon'ble High Court of Madras passed on November 25, 2005 |
| SOFL | Shriram Overseas Finance Limited |
| SOFL Scheme of Merger | The scheme of arrangement and amalgamation of the erstwhile SOFL with our Company as approved, vide an order of Hon'ble High Court of Madras passed on December 1, 2006 |
| SOT | Shriram Ownership Trust |
| Statutory Auditors / Joint Statutory Auditors | Our joint statutory auditors being M/s. S. R. Batliboi & Co. LLP and M/s. G. D. Apte & Co. |
| Subsidiaries | Subsidiaries of our Company namely Shriram Equipment Finance Company Limited and Shriram Automall India Limited |
| “We”, “us” and “our” | Our Company and/or its Subsidiaries, unless the context otherwise requires |

Issue related terms

| Term | Description |
|----------------------|--|
| Allotment / Allotted | Unless the context otherwise requires, the allotment of the NCDs pursuant to the Issue to the successful Allottees |
| Allotment Advice | The communication sent to the Allottees conveying the details of the NCDs Allotted to the Allottees in accordance with the Basis of Allotment |
| Allottee(s) | The successful Applicant to whom the NCDs are being/have been Allotted pursuant to the Issue, either in full or in part. |
| Applicant/Investor | A person who makes an offer to subscribe to the NCDs pursuant to the terms of this Tranche-I Prospectus and Application Form |
| Application | An application to subscribe to the NCDs offered pursuant to the Tranche-I Issue by submission of a valid Application Form and payment of the Application Amount by any of the modes as prescribed under this Tranche-I Prospectus. |

| Term | Description |
|--|--|
| Application Form | Form in terms of which an Applicant shall make an offer to subscribe to NCDs through the Direct Online Application, ASBA or non-ASBA process and which will be considered as the Application for Allotment of NCDs in terms of this Tranche-I Prospectus |
| Application Amount | Aggregate value of NCDs applied for, as indicated in the Application Form |
| ASBA | Application Supported by Blocked Amount |
| Application Supported by Blocked Amount/ASBA/ ASBA Application | The application (whether physical or electronic) used by an ASBA Applicant to make an application authorising the SCSB to block the amount payable on application in a specified bank account maintained with such SCSB |
| ASBA Account | An account maintained with a SCSB which will be blocked by such SCSB to the extent of the Application Amount mentioned in the Application Form made in ASBA mode |
| ASBA Applicant | Any Applicant who applies for the NCDs through the ASBA Process. |
| Bankers to the Issue / Escrow Collection Banks | The bank(s), which are clearing members and registered with SEBI as bankers to the issue with whom Escrow Accounts and/or Public Issue Accounts and/or Refund Accounts will be opened, in this case being HDFC Bank Limited, ICICI Bank Limited, IndusInd Bank Limited, Axis Bank Limited and YES Bank Limited |
| Base Issue Size | ₹ 50,000 lacs |
| Basis of Allotment | The basis on which NCDs will be allotted to Applicants under the Tranche-I Issue and which is described in “ <i>Issue Procedure – Basis of Allotment</i> ” on page 81 of this Tranche-I Prospectus. |
| Collection Centres | Collection Centres shall mean those branches of the Bankers to the Issue/ Escrow Collection Banks that are authorized to collect the Application Forms (other than ASBA) as per the Escrow Agreement to be entered into by us, Bankers to the Issue, Registrar and the Lead Managers. |
| Consolidated NCD Certificate / Consolidated Certificate | A single certificate issued to the NCD Holders pursuant to Allotment, for the aggregate amount of the NCDs held by the NCD Holder in physical form or in case the NCD holder(s) have opted for rematerialisation of NCDs. |
| Credit Rating Agency(ies) | The credit rating agencies in connection with this Issue, namely, CRISIL Limited, Credit Analysis and Research Limited and India Ratings and Research Private Limited |
| CRISIL | CRISIL Limited |
| Debentures / NCDs | Secured, Redeemable, Non-Convertible Debentures offered through this Draft Shelf Prospectus aggregating upto ₹ 300,000 lacs to be issued by our Company pursuant to the Shelf Prospectus and this Tranche-I Prospectus |
| Debt Listing Agreement | The listing agreement entered into/to be entered into between our Company and the relevant stock exchange(s) in connection with the listing of debt securities of our Company |

| Term | Description |
|-----------------------------|---|
| Debt Regulations | Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, issued by Securities and Exchange Board of India, effective from June 6, 2008, as amended from time to time |
| Debenture Trust Agreement | Agreement dated June 3, 2014 entered into between our Company and the Debenture Trustee wherein the appointment of the Debenture Trustee to the Issue, is agreed as between our Company and the Debenture Trustee, and the time frame within which appropriate security for ensuring 100% asset cover for the NCDs and the interest due thereon issued pursuant to the Issue are created in favour of the Debenture Trustee |
| Debenture Trust Deed | Deed and/or Indenture of Trust to be entered into between our Company and the Debenture Trustee which shall be executed within the time limit prescribed by applicable statutory and/or regulatory requirements, for creating appropriate security, in favour of the Debenture Trustee for the NCD Holders on the assets adequate to ensure 100% asset cover for the NCDs and the interest due thereon issued pursuant to the Issue |
| Deemed Date of Allotment | The Deemed Date of Allotment for the NCDs shall be the date on which the duly authorized committee of the Board of Directors constituted by resolution of the Board dated April 29, 2014 approves the Allotment of NCDs and as mentioned on the Allotment Advice/regret or such date as may be determined by the Board of our Company and/or a duly authorized committee thereof and notified to the Stock Exchanges. All benefits under the NCDs including payment of interest will accrue to the NCD Holders from the Deemed Date of Allotment. Actual credit of NCDs to the beneficiary account of the holder of NCD may occur on a date other than the Deemed Date of Allotment |
| Demographic Details | Details of the investor such as address, occupation, category, Permanent Account Number (“PAN”) and bank account details for printing on refund orders, which are based on the details provided by the Applicant in the Application Form |
| Depositories Act | The Depositories Act, 1996, as amended from time to time |
| Depository(ies) | National Securities Depository Limited (NSDL) and /or Central Depository Services (India) Limited (CDSL) |
| DP / Depository Participant | A depository participant as defined under the Depositories Act |
| Designated Branches | Such branches of the SCSBs which shall collect the ASBA Applications and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other web-link as may be prescribed by SEBI from time to time. |
| Designated Date | The date on which the Escrow Collection Banks transfer the funds from the Escrow Accounts and the Registrar to the Issue issues instruction to SCSBs for transfer of funds from the ASBA Accounts to the Public Issue Account(s) |
| Designated Stock Exchange | National Stock Exchange of India Limited |

| Term | Description |
|--|---|
| Direct Online Application | The Application made using the online interface and online payment facility of the Stock Exchanges. This facility is available only for demat account holders who wish to hold the NCDs pursuant to the Tranche-I Issue in dematerialized form |
| Draft Shelf Prospectus | The draft shelf prospectus dated June 16, 2014 filed with the Stock Exchanges for receiving public comments in accordance with the provisions of the Act and the Debt Regulations |
| Escrow Agreement | Agreement dated June 23, 2014 entered into amongst our Company, the Registrar, the Escrow Collection Bank(s) and the Lead Managers for collection of the application amounts and for remitting refunds, if any, of the amounts collected, to the Applicants (excluding the ASBA Applicants) on the terms and conditions contained therein |
| Escrow Account | Accounts opened with the Escrow Collection Banks for the Tranche –I Issue, in whose favour the Applicants (excluding the ASBA Applicants) will issue payment instructions through issue cheques/ demand drafts/ pay orders in respect of the Application Amount |
| First Allottee(s) | Allottees to whom NCDs are allotted pursuant to this Tranche-I Prospectus |
| High Net-worth Individual Investors/ HNI Investors | Resident Indian individuals who apply for NCDs aggregating to a value more than ₹ 5 Lacs, across all Series of NCDs and Hindu Undivided Families through the Karta who apply for NCDs aggregating to a value more than ₹ 5 Lacs, across all Series I, Series II, Series III, Series IV, Series V, Series VI, Series VII and/or Series VIII NCDs eligible to apply for the NCDs pursuant to the Tranche-I Issue |
| HNI Portion | Applications received from HNI Investors grouped together across all Series I, Series II, Series III, Series IV, Series V, Series VI, Series VII and/or Series VIII NCDs |
| India Ratings and Research / FITCH | India Ratings and Research Private Limited |
| Individual(s) | All categories of persons who are individuals or natural persons (including Hindu Undivided Families acting through their Karta) including without limitation HNI Investors and Retail Individual Investors and other individuals who are eligible under applicable laws to hold the NCDs |
| Institutional Investor | Resident public financial institutions, statutory corporations including State Industrial Development Corporations, commercial banks, co-operative banks and regional rural banks incorporated in India and authorized to invest in the NCDs, Indian Provident funds with a minimum corpus of ₹ 2,500 lacs, pension funds with a minimum corpus of ₹ 2,500 lacs, superannuation funds and gratuity funds, authorized to invest in the NCDs, Indian Alternative Investment Funds registered with SEBI, venture capital funds, Indian insurance companies registered with the IRDA, National Investment Fund, Indian Mutual Funds registered with SEBI, and Insurance funds set up and managed by the Indian army, navy or the air force of the Union of India or by the Department of Posts, India |
| Institutional Portion | Applications received from Institutional Investors grouped together across all |

| Term | Description |
|---|--|
| | Series I, Series II, Series III, Series VI, Series VII and/or Series VIII NCDs |
| Issue | Public Issue by our Company of NCDs pursuant to the Shelf Prospectus and the relevant Tranche Prospectus(es) for an amount upto an aggregate amount of the Shelf Limit of ₹ 300,000 lacs. The NCDs will be issued in one or more tranches subject to the Shelf Limit |
| Issue Closing Date / Tranche Issue Closing Date | July 22, 2014 or such earlier date or extended date as may be decided at the discretion of the duly authorised committee of Directors of our Company subject to necessary approvals* |
| Issue Opening Date / Tranche Issue Opening Date | July 2, 2014 |
| Issue Period | Shall mean the period between the Issue Opening Date and the Issue Closing Date, both days inclusive i.e. the period in which Applications shall be accepted for NCDs under the Tranche-I Issue |
| Lead Brokers | A.K.Stockmart Private Limited, Axis Capital Limited, Edelweiss Broking Limited, JM Financial Services Limited, Just Trade Securities Limited, HDFC Securities Limited, ICICI Securities Limited, India Infoline Limited, Integrated Enterprises (India) Limited, Karvy Stock Broking Limited**, Kotak Securities Limited, RR Equity Brokers Private Limited, SHCIL Services Limited, SMC Global Securities Limited, Tipsons Stock Brokers Private Limited and Trust Financial Consultancy Services Private Limited appointed vide agreement dated June 23, 2014 |
| Lead Managers | JM Financial Institutional Securities Limited, A.K. Capital Services Limited, Edelweiss Financial Services Limited and ICICI Securities Limited |
| Limited Liability Partnership | A limited liability partnership formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009), as amended from time to time |
| Market Lot | 1 (one) NCD |
| NCD Holder (s) | The holders of the NCDs whose name appears in the database of the Depository (in case of NCDs in the dematerialized form) and/or the register of NCD holders maintained by our Company/Registrar (in case of NCDs held in the physical form) |
| Non Individual(s) | All categories of entities, associations, organizations, societies, trusts, funds, partnership firms (including LLPs), bodies corporate, statutory and/or regulatory bodies and authorities and other forms of legal entities who are NOT individuals or natural persons and are eligible under applicable laws to hold the NCDs including without limitation Institutional Investors and Non Institutional Investors |
| Non Institutional Investors | Companies, bodies corporate and societies, registered under the applicable laws in India, and authorized to invest in the NCDs; Educational institutions and associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment; which are authorized to invest in the NCDs; Trusts settled under the Indian Trusts Act, 1882, public/private charitable/religious trusts settled and/or registered in India under applicable laws, which are authorized to invest in the NCDs; Resident Indian scientific |

| Term | Description |
|------------------------------------|---|
| | and/or industrial research organizations, authorized to invest in the NCDs; Partnership firms formed under applicable laws in India in the name of the partners, authorized to invest in the NCDs; and Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009), authorized to invest in the NCDs. |
| Non Institutional Portion | Applications received from Non Institutional Investors grouped together across all Series I, Series II, Series III, Series VI, Series VII and/or Series VIII NCDs |
| Public Issue Account | Account(s) opened with the Bankers to the Issue to receive monies from the Escrow Accounts and/ or from the SCSBs for the Issue |
| Record Date | Date falling 15 days prior to the relevant Interest Payment Date on which the interest is due and payable, or the Redemption Date under the Tranche-I Prospectus, or as may be prescribed by the relevant Stock Exchange/s. In case the record date, as defined herein, falls on a public holiday, the record date shall be the previous Working Day immediately preceding such date. |
| Refund Account(s) | The account(s) opened with the Refund Banker(s), from which refunds of the whole or part of the Application Amount (excluding in relation to the ASBA Applicants), if any, shall be made |
| Refund Bank (s) | YES Bank Limited |
| Registrar / Registrar to the Issue | Integrated Enterprises (India) Limited |
| Registrar Agreement | The agreement dated June 13, 2014 between our Company and the Registrar in connection with the Issue |
| Register of NCD Holders | The statutory register in connection with any NCDs allotted pursuant to the Tranche-I Issue which are held in the physical form, containing name and prescribed details of the relevant NCD Holders, which will be prepared and maintained by our Company/Registrar in terms of the applicable provisions of the Act |
| Redemption Amount | The amount payable by the Company to the relevant NCD Holder at the time of redemption of NCDs, including any amount of interest accrued as on the Redemption Date |
| Redemption Date | The date on which the Company is liable to redeem the NCDs in full |
| Residual Shelf Limit | In relation to each Tranche Issue, this shall be the Shelf Limit less the aggregate amount of NCDs allotted under all previous Tranche Issue(s) |
| Retail Individual Investors | Resident Indian individuals who apply for NCDs aggregating to a value not more than ₹ 5 Lacs, across all Series Series I, Series II, Series III, Series IV, Series V, Series VI, Series VII and/or Series VIII NCDs and Hindu Undivided Families through the Karta who apply for NCDs aggregating to a value not more than ₹ 5 Lacs, across all Series I, Series II, Series III, Series IV, Series V, Series VI, Series VII and/or Series VIII NCDs, and eligible to apply for NCDs pursuant to the Tranche-I Issue |
| Retail Individual Portion | Portion of applications received from Retail Individual Investors grouped |

| Term | Description |
|---|---|
| | together across all Series I, Series II, Series III, Series IV, Series V, Series VI, Series VII and/or Series VIII NCDs |
| SCSBs or Self Certified Syndicate Banks | The banks registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 offering services in relation to ASBA, including blocking of an ASBA Account, and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other web-link as may be prescribed by SEBI from time to time. A list of the branches of the SCSBs where ASBA Applications submitted to the Lead Managers, Lead Brokers, sub-brokers or the Trading Member(s) of the Stock Exchange only in the Specified Cities, will be forwarded by such Lead Managers, Lead Brokers, sub-brokers or the Trading Members of the Stock Exchange is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other web-link as may be prescribed by SEBI from time to time |
| SEBI AIF Regulations | Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, as amended from time to time. |
| Specified Cities | Centres at Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat where the Lead Managers, Lead Brokers, sub-brokers or the Trading Members of the Stock Exchange shall accept ASBA Applications in terms of the SEBI Circular No. CIR/CFD/DIL/1/2011 dated April 29, 2011 |
| Series | Collectively the Series I, Series II, Series III, Series IV, Series V, Series VI, Series VII and/or Series VIII NCDs being offered to the Applicants as stated in the section titled ' <i>Issue Related Information</i> ' beginning on page 32 of this Tranche-I Prospectus. |
| Shelf Limit | The aggregate limit of the Issue being ₹ 300,000 lacs to be issued as per the terms of the Shelf Prospectus in one or more tranches |
| Shelf Prospectus | This Shelf Prospectus dated June 24, 2014 filed with the RoC in accordance with the Debt Regulations and Section 31 of the Companies Act, 2013 and which shall be valid for a period of one year from the Issue Opening Date of the Tranche-I Issue. |
| Stock Exchange/s | BSE and NSE |
| Syndicate ASBA | ASBA Applications through the Lead Managers, Lead Brokers, sub-brokers or the Trading Members of the Stock Exchange only in the Specified Cities. |
| Tranche-I Issue | Issue of NCDs for an amount of ₹ 50,000 lacs with an option to retain oversubscription upto the Shelf Limit, i.e. upto ₹ 3,00,000 lacs |
| Tranche Prospectus | This Tranche-I Prospectus dated June 24, 2014 filed with the NSE, BSE and SEBI pursuant to the provisions of the Debt Regulations |
| Tripartite Agreement(s) | Agreements entered into between the Issuer, Registrar and each of the Depositories under the terms of which the Depositories have agreed to act as depositories for the securities issued by the Issuer |

| Term | Description |
|------------------------------------|--|
| TRS/ Transaction Registration Slip | The slip or document issued by the Lead Managers, Lead Brokers, sub-brokers, Trading Members of the Stock Exchange or the designated branches of the SCSB (only on demand), as the case may be, to the Applicant as proof of registration of the Application |
| Trustees / Debenture Trustee | Trustees for the NCD Holders in this case being IDBI Trusteeship Services Limited |
| Working Days / Business Days | All days excluding, Sundays and a public holiday in Mumbai or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881, except with reference to Issue Period, where working days shall mean all days, excluding Saturdays, Sundays and public holidays or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881. |

* The subscription list for the Tranche-I Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. during the period indicated above, except that the Tranche-I Issue may close on such earlier date (such early closure being subject to the Base Issue Size being fully subscribed prior to such early closure) or extended date as may be decided at the discretion of the duly authorised committee of Directors of our Company subject to necessary approvals. In the event of such early closure of the Tranche-I Issue, our Company may, at its discretion, retain subscription in excess of the Base Issue Size, received until the date of the early closure, subject to the Shelf Limit and allot NCDs accordingly. In the event of such early closure or extension of the Tranche-I Issue, our Company shall ensure that notice of the same is provided to the prospective investors, on or before such early date of closure or the Issue Closing Date, as the case may be, through an advertisement in a leading national daily newspaper.

** SEBI had, vide its order dated March 14, 2014 ("**Impugned Order**"), prohibited Karvy Stock Broking Limited, from taking up any new assignment or contract or launch a new scheme (i.e. not to take new clients/customers) for a period of 6 months in respect of its business as a stock broker. Further, the Securities Appellate Tribunal, vide its order dated April 16, 2014 stayed the operation of the Impugned Order until June 23, 2014. The Securities Appellate Tribunal has vide its Order dated June 9, 2014 has granted a further extension of time until July 25, 2014.

Technical & Industry Terms

| Term | Description |
|-----------|---|
| AFC | Asset Finance Company |
| ALM | Asset Liability Management |
| ALCO | Asset Liability Committee |
| CAR | Capital Adequacy Ratio computed on the basis of applicable RBI requirements |
| CV | Commercial Vehicle |
| FTU(s) | First Time Users |
| HCV | Heavy Commercial Vehicle |
| KYC | Know Your Customer |
| KYC Norms | Customer identification procedure for opening of accounts and monitoring transactions of suspicious nature followed by NBFCs for the purpose of reporting it to appropriate authority |

| Term | Description |
|---------------------------------------|---|
| LC | Loan Company |
| LCV(s) | Light Commercial Vehicles |
| LFO(s) | Large Fleet Operators |
| LTV | Loan to value |
| M&HCV | Medium and Heavy Commercial Vehicle |
| NBFC | Non- Banking Financial Company |
| NBFC-D | NBFC registered as a deposit accepting NBFC |
| NBFC-ND | NBFC registered as a non-deposit accepting NBFC |
| NHDP | National Highways Development Project |
| NHAI | National Highways Authority of India |
| Non-Deposit Accepting NBFC Directions | Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 |
| Prudential Norms | Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 |
| Public Deposit Directions | The Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998 |
| SFO(s) | Small Fleet Operators |
| SME | Small and Medium Enterprises |
| SRTO(s) | Small Road Transport Operators |
| STO(s) | Small Truck Owners |
| UV | Utility Vehicle |

Conventional / General Terms

| Term | Description |
|---------------------------------|---|
| AGM | Annual General Meeting |
| AS | Accounting Standard notified under the Companies (Accounting Standards) Rules, 2006, as amended |
| The Companies Act, 1956 | The Companies Act, 1956, as amended from time to time and to the extent as applicable as on date of this Tranche-I Prospectus |
| Act/the Companies Act, 2013/the | The Companies Act, 2013, which received assent of the President on August |

| Term | Description |
|-----------------------------|---|
| Companies Act | 29, 2013 and the rules prescribed thereunder and applicable to the extent as may have been notified as on date of this Tranche-I Prospectus |
| BSE | BSE Limited |
| CAGR | Compounded Annual Growth Rate |
| CDSL | Central Depository Services (India) Limited |
| DRR | Debenture Redemption Reserve |
| EGM | Extraordinary General Meeting |
| EPS | Earnings Per Share |
| FDI Policy | Consolidated Policy on Foreign Direct Investment in India effective from April 17, 2014, notified by Consolidated FDI Policy Circular of 2014 issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India |
| FEMA | Foreign Exchange Management Act, 1999, as amended from time to time |
| FEMA Regulations | Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended from time to time |
| FII/FIIs | Foreign Institutional Investor(s) |
| FPI | Foreign Portfolio Investor as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended |
| Financial Year / FY/ Fiscal | Financial Year ending March 31 |
| GDP | Gross Domestic Product |
| GoI | Government of India |
| HUF | Hindu Undivided Family |
| IFRS | International Financial Reporting Standards |
| IFSC | Indian Financial System Code |
| Indian GAAP | Generally Accepted Accounting Principles in India |
| IRDA | Insurance Regulatory and Development Authority |
| IT Act | The Income Tax Act, 1961, as amended from time to time |
| KMLA | Kerala Money Lenders Act, 1958, as amended |
| LLP | Limited Liability Partnership as defined under the Limited Liability Partnership Act, 2008 and rules prescribed as amended from time to time |

| Term | Description |
|--------------|---|
| MCA | Ministry of Corporate Affairs, Government of India |
| MICR | Magnetic Ink Character Recognition |
| MSE | Madras Stock Exchange Limited |
| NECS | National Electronic Clearing Services |
| NEFT | National Electronic Funds Transfer |
| NRI | Non Resident Indian |
| NSDL | National Securities Depository Limited |
| NSE | National Stock Exchange of India Limited |
| PAN | Permanent Account Number |
| PAT | Profit After Tax |
| RBI | The Reserve Bank of India |
| RBI Act | The Reserve Bank of India Act, 1934 , as amended from time to time |
| RTGS | Real Time Gross Settlement |
| SARFAESI Act | The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 |
| SBI | State Bank of India |
| SCRA | Securities Contracts (Regulation) Act, 1956, as amended from time to time |
| SCRR | The Securities Contracts (Regulation) Rules, 1957, as amended from time to time |
| SCSB | Self Certified Syndicate Banks |
| SEBI | The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992 |
| SEBI Act | The Securities and Exchange Board of India Act, 1992 as amended from time to time |
| TDS | Tax Deducted at Source |
| WDM | Wholesale Debt Market |

FORWARD LOOKING STATEMENTS

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

- Any increase in the levels of NPA on our loan portfolio, for any reason whatsoever;
- Any volatility in interest rates;
- General economic and business conditions in India and globally;
- Our ability to successfully implement our strategy, our growth and expansion plans and technological changes;
- Our ability to compete effectively and access funds at competitive cost;
- Changes in the value of Rupee and other currency changes;
- Unanticipated turbulence in interest rates, equity prices or other rates or prices; the performance of the financial and capital markets in India and globally;
- Availability of funds and willingness of our lenders to lend;
- Changes in political conditions in India;
- The rate of growth of our loan assets;
- The outcome of any legal or regulatory proceedings we are or may become a party to;
- Changes in Indian and/or foreign laws and regulations, including tax, accounting, banking, securities, insurance and other regulations; changes in competition and the pricing environment in India; and regional or general changes in asset valuations;
- Any changes in connection with Government policies, statutory provisions, regulations and/or RBI directions in connection with NBFCs, including laws that impact our lending rates and our ability to enforce our collateral;
- Emergence of new competitors;
- Growth of transportation services in India;
- Performance of the Indian debt and equity markets;

- Occurrence of natural calamities or natural disasters affecting the areas in which our Company has operations;
- Results of operations and financial condition of our Subsidiaries; and
- Other factors discussed in the Shelf Prospectus, including under the section titled “*Risk Factors*” beginning on page 17 of the Shelf Prospectus.

All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results and valuations to differ materially from those contemplated by the relevant statement. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under the sections titled “*Industry*” and “*Our Business*” on page 134 and 144 respectively, of the Shelf Prospectus. The forward-looking statements contained in the Shelf Prospectus are based on the beliefs of management, as well as the assumptions made by and information currently available to management. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct or will hold good at all times. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialize, or if any of our Company’s underlying assumptions prove to be incorrect, our Company’s actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements. Neither our Company, our Directors and Officers nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

General

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

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

Unless otherwise stated, references in this Tranche-I Prospectus to a particular year are to the calendar year ended on December 31 and to a particular “fiscal” or “fiscal year” are to the fiscal year ended on March 31.

Unless otherwise stated all figures pertaining to the financial information in connection with our Company are on an unconsolidated basis.

Presentation of Financial Information

Our Company publishes its financial statements in Rupees. Our Company’s financial statements for the year ended March 31, 2014 have been prepared in accordance with Indian GAAP including the Accounting Standards notified under the Companies Act, 1956 read with General Circular 8/2014 dated April 4, 2014 and for the years ended March 31, 2013, 2012, 2011 and 2010 are prepared in accordance with Indian GAAP including the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.

Any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding off.

Unless stated otherwise, macroeconomic and industry data used throughout this Tranche-I Prospectus has been obtained from publications prepared by providers of industry information, government sources and multilateral institutions. Such publications generally state that the information contained therein has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although the Issuer believes that industry data used in this Tranche-I Prospectus is reliable, it has not been independently verified.

SECTION II : INTRODUCTION



GENERAL INFORMATION

Shriram Transport Finance Company Limited

Date of Incorporation: June 30, 1979. Our Company was incorporated as a public limited company under the provisions of the Companies Act, 1956.

Registered Office:

Mookambika Complex, 3rd Floor, No. 4, Lady Desika Road, Mylapore, Chennai, Tamil Nadu – 600004.

Corporate Office:

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

Registration:

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

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

Chief Financial Officer:

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

Compliance Officer (and Company Secretary):

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

Mr. Vivek Madhukar Achwal
Company Secretary
Shriram Transport Finance Company Limited
Wockhardt Towers, Level-3, West Wing, C –2, G Block,
Bandra-Kurla Complex, Bandra (East), Mumbai –400 051.
Tel.: +91 22 4095 9595
Fax: +91 22 4095 9596/97
Email: stfcncd7comp@stfc.in

Investors may contact the Registrar to the Issue or the Compliance Officer in case of any pre-issue or post Issue related issues such as non-receipt of Allotment Advice, demat credit, refund orders, non-receipt of Debenture Certificates, transfers, or interest on application money etc.

Lead Managers:

JM Financial Institutional Securities Limited

7th Floor, Cnergy,
Appasaheb Marathe Marg,

Prabhadevi, Mumbai - 400025
Tel: +91 22 6630 3030
Fax: +91 22 6630 3330
Email: stfc.ncd@jmfl.com
Investor Grievance Email: grievance.ibd@jmfl.com
Website: www.jmfl.com
Contact Person: Ms. Lakshmi Lakshmanan
Compliance Officer: Mr. Chintal Sakaria
Email (Compliance Officer): chintal.sakaria@jmfl.com
Tel (Compliance Officer): + 91 22 6630 3233
SEBI Registration No.: INM000010361

A. K. Capital Services Limited

30-39, Free Press House,
Free Press Journal Marg,
215, Nariman Point,
Mumbai - 400 021
Tel: +91 22 6754 6500/ 6634 9300
Fax: +91 22 6610 0594
Email: stfcncd2015@akgroup.co.in
Investor Grievance Email: investor.grievance@akgroup.co.in
Website: www.akcapindia.com
Contact Person: Ms. Akshata Tambe/ Mr. Mandeep Singh
Compliance Officer: Mr. Vikas Agarwal
Email (Compliance Officer): vikas.agarwal@akgroup.co.in
Tel (Compliance Officer): +91 22 6754 6500/ 6634 9300
SEBI Registration No.: INM000010411

Edelweiss Financial Services Limited

14th Floor, Edelweiss House
Off CST Road, Kalina
Mumbai 400 098
Tel: +91 22 4086 3535
Fax: +91 22 -4086 3610
Email: stfc.ncdissue2014@edelweissfin.com
Investor Grievance Email: customerservice.mb@edelweissfin.com
Website: www.edelweissfin.com
Contact Person: Mr. Pradeep Tewani
Compliance Officer: Mr. B Renganathan
Email (Compliance Officer): customerservice.mb@edelweissfin.com
Tel (Compliance Officer): +91 22 4086 3535
SEBI Registration No.: INM0000010650

ICICI Securities Limited

ICICI Centre,
H.T. Parekh Marg,
Churchgate, Mumbai 400 020,
Maharashtra, India
Tel: +91 22 2288 2460
Fax: +91 22 2282 6580
E-mail: stfc.ncdissue2014@icicisecurities.com
Investor Grievance Email: customercare@icicisecurities.com
Contact Person: Manvendra Tiwari
Compliance Officer: Mr. Subir Saha
SEBI Registration No : INM000011179

Debenture Trustee:

IDBI Trusteeship Services Limited

IDBI Trusteeship Services Limited Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate, Mumbai- 400 001.
Tel: +91 22 40807000
Fax: + 91 22 66311776
Email: sgunware@idbitrustee.com
Website: <http://www.idbitrustee.com>
Contact Person: Mr. Shivaji Gunware
SEBI Registration No.: IND000000460

IDBI Trusteeship Services Limited has by its letter dated June 12, 2014 given its consent for its appointment as Debenture Trustee to the Issue pursuant to regulation 4(4) of the Debt Regulations and for its name to be included in this Tranche-I Prospectus and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to this Tranche-I Issue.

Registrar:**Integrated Enterprises (India) Limited**

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

Joint Statutory Auditors:

Our Joint Statutory Auditors being:

M/s. S. R. Batliboi & Co. LLP

Chartered Accountants
12th Floor, The Ruby, Ruby Mills,
Senapati Bapat Marg,
Dadar (W), Mumbai – 400 028.
Tel: +91 22 6192 000
Fax: +91 22 6192 3000
Email: SRBC@in.ey.com
ICAI Firm registration number: 301003E

M/s. G. D. Apte & Co.

Chartered Accountants
9, Kamer Building,
Plot No. 407,
Cawasji Patel Street, Mumbai 400 001
Tel: +91 22 2285 0254
Tel: +91 20 2528 0081
Fax: +91 20 2528 0275
ICAI Firm registration number:100515W

Date of appointment as Joint Statutory Auditors: December 30, 2006

Credit Rating Agencies:**Credit Analysis and Research Limited**

4th Floor, Godrej Coliseum,
Somaiya Hospital Road,
Off Eastern Express Highway,
Sion (E), Mumbai 22
Tel: +91 6754 3416
Fax: +91 6754 3457
Email: vijay.agrawal@careratings.com
Website: www.careratings.com
Contact Person: Vijay Agrawal
SEBI Registration No.: IN/CRA/004/1999

CRISIL Limited

CRISIL House, Central Avenue,
Hiranandani Business Park, Powai,
Mumbai- 400 076
Tel: +91 22 3342 3000
Fax: +91 22 3342 3050
Email: crisilratingdesk@crisil.com
Website: www.crisil.com
Contact Person: Ms. Rupali Shanker
SEBI Registration No.: IN/CRA/001/1999

India Ratings and Research Private Limited

Wockhardt Towers, 4th Floor,

Bandra Kurla Complex, Bandra (East),
Mumbai- 400 051
Tel: +91 22 4000 1700
Fax: +91 22 4000 1701
Email: shrikant.dev@indiaratings.com
Website: www.indiaratings.com
Contact Person: Shrikant Dev, Compliance Officer
SEBI Registration No.: IN/CRA/002/1999

Legal Advisor to the Issue:

J Sagar Associates

Vakils House,
18, Sprott Road
Ballard Estate
Mumbai- 400 001
Tel: +91 22 4341 8500
Fax: +91 22 6656 1515

Advisors to the Issuer

VNS Legal

Advocates
5th Floor, Mookambika Complex
4, Lady Desika Road
Mylapore
Chennai - 600 004, India
Email: shiva@vnslegal.in
Tel: + 91 94440 76813, +91 44 2499 7133
Fax: + 91 44 2499 0549

Bankers to the Issue:

Axis Bank Limited

Bandra Kurla Complex Branch,
Fortune 2000, Ground Floor,
Bandra East, Mumbai- 400 051
Tel: +91 22 6148 3100
Fax: +91 22 6148 3119
Email: singh.sandeep@axisbank.com
Website: www.axisbank.com
Contact person: Mr. Sandeep R. Singh
SEBI Registration No.: INBI00000017

ICICI Bank Limited

Capital Market Division,
122, 1st Floor, Mistry Bhavan,
Dinshaw Vaccha Road, Backbay Reclamation,
Churchgate, Mumbai- 400 020
Tel: +91 22 2285 9932
Fax: +91 22 2261 1138
Email: rishav.bagrecha@icicibank.com
Website: www.icicibank.com
Contact person: Mr. Rishav Bagrecha
SEBI Registration No.: INBI00000004

Yes Bank Limited (Escrow Collection Bank and

HDFC Bank Limited

HDFC Bank Ltd., FIG OPS Department-
Lodha, I Think Techno Campus, O-3 Level,
Next to Kanjurmarg Railway Station,
Kanjurmarg (East), Mumbai- 400 042
Tel: +91 22 3075 2928
Fax: +91 22 2579 9801
Email: uday.dixit@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Mr. Uday Dixit
SEBI Registration No.: INBI00000063

IndusInd Bank Limited

IndsInd Bank Ltd., Cash Management Operations
(CMSHUB), PNA House, 4th Floor,
Plot No. 57, Road No. 17, Near SRL
MIDC, Andheri (East), Mumbai - 400 093
Tel: +91 22 6106 9361 / 9300
Fax: +91 22 6623 8021
Contact Person: Mr. Suresh Esaki
Email: suresh.esaki@indusind.com /
cmshelpdesk@indusind.com
Website: www.indusind.com
SEBI Registration No.: INBI00000002

Refund Bank)

IFC Tower 2, 8th Floor,
 Senapathi Bapat Marg,
 Elphinstone (W) , Mumbai- 400 013
 Tel: +91 22 3347 7251
 Fax: + 91 22 2421 4504
 Email: dlbtiservices@yesbank.in
 Website: www.yesbank.in
 Contact Person: Mr. Shankar Vichare/Avinash Pawar
 SEBI Registration No.: INBI00000935

Lead Brokers:
A. K. Stockmart Private Limited

30-39, Free Press House, Free Press Journal House,
 215, Nariman Point, Mumbai- 400 021
 Tel: +91 22 6634 9300
 Fax: +91 22 6754 4666
 Contact Person: Mr. Ankit Gupta
 Email: ankit@akgroup.co.in
 Website: www.akcapindia.com
 SEBI Registration No.: INB231269532/INB011269538

Just Trade Securities Limited

(Formerly Bajaj Capital Investor Services Limited)
 Bajaj House, 97, Nehru Place,
 New Delhi- 110019
 Tel: +91 11 6616 1111/4169 3000
 Fax: +91 11 6660 8888
 Contact Person: Mr. Harish Sabharwal
 Email: harishs@bajajcapital.com
 Website: www.justtrade.in
 SEBI Registration No.: NSE- INB231269334
 BSE- INB011296330

HDFC Securities Limited

HDFC Securities Limited, I Think Techno Campus
 Building-B, "Alpha", Office Floor 8, Opp. Crompton
 Greaves, Near Kanjurmarg Station, Kanjurmarg (East),
 Mumbai- 400 042
 Tel: +91 22 3075 3400
 Fax: +91 22 3075 3435
 Contact Person: Sunil Raula/ Sharmila Kambli
 Email:
 sunil.raula@hdfcsec.com/sharmila.kambli@hdfcsec.com
 Website: www.hdfcsec.com
 SEBI Registration No.: NSE: INB231109431
 BSE: INF011109437

Axis Capital Limited

Axis House, Level 1, C-2,
 Wadia International Centre,
 P.B. Marg, Worli,
 Mumbai- 400025
 Tel: +91 22 4325 2131
 Fax: +91 22 4325 3000
 Contact Person: Vinayak Ketkar
 Email: vinayak.ketkar@axiscap.in
 Website: www.axiscapital.co.in
 SEBI Registration No.: INM000012029

Edelweiss Broking Limited

Edelweiss House, Off C.S.T. Road,
 Kalina, Mumbai- 400 098
 Correspondence Address: 104, PJ Towers, BSE
 Building, Fort, Mumbai- 01
 Tel: +91 99303 62969/93203 31070
 Fax: +91 6747 1347
 Contact Person: Mr. Amit Dalvi/Mr. Prakash Boricha
 Email: amit.dalvi@edelweissfin.com/
 prakash.boricha@edelweissfin.com
 Website: www.edelweissfin.com
 SEBI Registration No: NSE-INB/INF/INE231311631
 BSE-INB011311637

India Infoline Limited

IIFL House, Sun Infotech Park, 3rd Floor
 Road No. 16V, Plot No. - B 23,
 MIDC, Thane Industrial Area, Wagle Estate,
 Thane (West)- 400 604
 Tel: +91 22 4103 5274/73/4103 0211
 Fax: +91 22 2580 6654
 Contact Person: Mr. Anwar Ahmed
 Email: ncd@indiainfoline.com
 Website: www.indiainfoline.com
 SEBI Registration No.: INB231097537

Integrated Enterprises (India) Limited

15, 1st Floor, Modern House
 Dr. V.B. Gandhi Marg,
 Fort, Mumbai- 400 023
 Tel: +91 22 4066 1800
 Fax: +91 22 2287 4676
 Contact Person: Mr. V. Krishnan, President
 Email: krishnan@integratedindia.in
 Website: www.integratedindia.in
 SEBI Registration No.: INB231271835

Kotak Securities Ltd.

3rd Floor, Nirlon House, Near Old Passport Office, Dr.
 Annie Besant Road, Worli,
 Mumbai- 400 030
 Tel: +91 22 6652 9191
 Fax: +91 22 6661 7041
 Contact Person: Mr. Umesh Gupta
 Email: umesh.gupta@kotak.com
 Website: www.kotak.com
 SEBI Registration No.: NSE- INB230808130
 BSE- INB010808153

JM Financial Services Limited

2, 3 & 4, Kamanwala Chambers, Sir P.M. Road,
 Fort, Mumbai- 400 001
 Tel: +91 22 3021 3500
 Fax: +91 22 2266 5902
 Contact Person: Mr. Rohit Singh
 Email: rohit.singh@jmfl.com
 Website: www.jmfinancialservices.in
 SEBI Registration No.: INB231054835, INB011054831

SHCIL Services Limited

SHCIL Services Ltd., SHCIL House, P-51, T.T.C.
 Industrial Area, MIDC, Mahape, Navi Mumbai- 400710
 Tel: +91 22 6177 8606
 Fax: +91 22 6177 8609
 Contact Person: Mr. Ravi Ranjan
 Email: raviranjana@stockholding.com
 Website: www.shcilservices.com
 SEBI Registration No.: INB/INF 231253833 (NSE)
 INB011253839 (BSE)

Karvy Stock Broking Limited**

"Karvy House", 46, Avenue 4
 Street No. 1, Banjara Hills,
 Hyderabad- 500 034
 Tel: +91 40 2331 2454
 Fax: +91 40 6662 1474
 Contact Person: Mr. P. B. Ramapriyan
 Email: ksblredressal@karvy.com
 Website: www.karvy.com
 SEBI Registration No.: NSE- INB230770138
 BSE- INB010770130

SMC Global Securities Limited

17, Netaji Subhash Marg,
 Opp Golcha Cinema, Daryaganj, New Delhi
 Tel: +91 98186 20470, 9810059041
 Fax: +91 11 2326 3297
 Contact Person: Mr. Mahesh Gupta/ Mr. Neeraj
 Khanna
 Email: mkg@smcindiaonline.com;
 neerajkhanna@smcindiaonline.com
 Website: www.smctradeonline.com
 SEBI Registration No.: INB23/07714-31

RR Equity Brokers Private Limited

47, MM Road, Rani Jhansi Marg, Jhandewalan,
 New Delhi- 100 005
 Tel: +91 11 2363 6362/63
 Fax: +91 11 2363 6666
 Contact Person: Mr. Manish Agarwal
 Email: manishagarwal@rrfcl.com
 Website: www.rrfcl.com/www.rrfinance.com
 SEBI Registration No.: INB231219636 (NSE)
 INB011219632 (BSE)

Tipsons Stock Brokers Private Limited

5th Floor, Sheraton House, Opposite Ketav Petrol
 Pump, Polytechnic Road, Ambawadi,
 Ahmedabad- 380 015
 Tel: +91 79 3000 2004/ 3061 1139
 Fax: +91 22 3061 1134/ 3048 0298
 Contact Person: Mr. Hiren Chandarana
 Website: www.truevalueindia.com
 SEBI Registration No.: INB011428035

Trust Financial Consultancy Services Private Limited

109/110, first floor, Balrama,
Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051
Tel: +91 22 4084 5060
Fax: +91 22 4084 5066
Contact Person: Mr. Pranav Inamdar
Email: info@trustgroup.co.in
Website: www.trustgroup.co.in.
SEBI Registration No.: INB231198731

ICICI Securities Limited

H.T. Parekh Marg, Churchgate,
Mumbai- 400 020
Tel: +91 22 2288 2460
Fax: +91 22 2282 6580
Contact Person: Manvendra Tiwari/ Payal Kulkarni
Email: stfcncdissue2014@icicisecurities.com
Website: customercare@icicisecurities.com
SEBI Registration No.: NSE: INB230773037
BSE: INB011286854

** SEBI had, vide its order dated March 14, 2014 (“**Impugned Order**”), prohibited Karvy Stock Broking Limited, from taking up any new assignment or contract or launch a new scheme (i.e. not to take new clients/customers) for a period of 6 months in respect of its business as a stock broker. Further, the Securities Appellate Tribunal, vide its order dated April 16, 2014 stayed the operation of the Impugned Order until June 23, 2014. The Securities Appellate Tribunal has vide its Order dated June 9, 2014 has granted a further extension of time until July 25, 2014.

Lenders to our Company:**ABU DHABI COMMERCIAL BANK**

75, Rehmat Manzil,
Veer Nariman Road,
Churchgate,
Mumbai – 400 020.
Tel: +91 22 3953 4100
Fax: +91 22 3953 4106

ALLAHABAD BANK

Industrial Finance Branch
Anna Theatre Building,
41, Mount Road,
Chennai – 600 002.
Tel: +91 44 2854 7497 / 6272
Fax: +91 44 2855 5959

ANDHRA BANK

Specialized Corporate Finance Branch,
16th Floor, Earnest House,
194, NCPA Marg,
Nariman Point,
Mumbai – 400 021.
Tel: +91 22 2288 5846
Fax: +91 22 2288 5841

AXIS BANK LIMITED

Fortune 2000,
Ground Floor, BKC,
Bandra (East), Mumbai- 51.
Tel: +91 22 6148 3125
Fax: +91 22 6148 3119

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED

Cnergy, 6th Floor, Appasaheb Marathe Marg,
Prabhadevi, Mumbai – 400 025.
Tel: +91 22 3362 0000
Fax: +91 22 3362 0005

BANK OF BAHRAIN & KUWAIT B.S.C

Jolly Maker Chambers II, Ground Floor, 225,
Nariman Point,
Mumbai – 400 021.
Tel: +91 22 4334 9200
Fax: +91 22 2281 5672

BANK OF AMERICA N.A.

19th Floor, Express Tower,
Nariman Point, Mumbai – 400 021.
Tel: +91 22 6632 3032
Fax: +91 22 2282 5217

BANK OF CEYLON

No. 20/21, Casa Major Road,
N. No. 2 (Old No. 11), Zerat Garden, 2nd Lane,
Egmore,
Chennai – 600 008.
Tel: +91 44 3951 9999
Fax: +91 44 2819 0972/73

BANK OF BARODA

Corporate Financial Services Branch,
3, Walchand Hirachand Marg,
Ballard Pier,
Mumbai – 400 001.
Tel: +91 22 4340 7301
Fax: +91 22 2265 5788

BANK OF INDIA

Mumbai Large Corporate Branch,
Oriental Building, 364, D. N. Road,
Fort, Mumbai - 400 001.
Tel: 022 6187 0408
Fax: 022 2288 4474

BARCLAYS BANK PLC

601/603 Ceejay House,
Shivsagar Estate, Dr. Annie Besant Road,
Worli, Mumbai – 400 018, India
Tel: +91 22 6719 6400
Fax: +91 22 6719 6767

CENTRAL BANK OF INDIA

Corporate Finance Branch, Ewart House
3rd Floor, Fort,
Mumbai – 400 023
Tel: +91 22 4078 5809
Fax: +91 22- 4078 5840

CORPORATION BANK

104, Bharat House,
Ground Floor, M.S. Marg, Fort, Mumbai- 400023
Tel : +91 22 2267 7088 / 0951
Fax: + 91 22 2265 7580

DHANALAXMI BANK LIMITED

Plot no 11/12, Ground Floor,
Janmabhoomi Bhavan, Janmabhoomi Marg,
Fort, Mumbai- 400 001
Tel: +91 22 2287 1658/ 2202 2943
Fax: +91 22 2287 1637

DEUTSCHE BANK, AG (Mumbai Branch)

The Capital, C-70,
G Block, Bandra Kurla Complex
Mumbai– 400 051.
Tel: +91 22 6658 4600
Fax: +91 22 2207 5844

BANK OF MAHARASHTRA

1st Floor, Janmangal 45/47,
Mumbai Samachar Marg,
Fort, Mumbai-400 023
Tel: +91 22 2265 2595
Fax: +91 22 2265 2912

THE BANK OF TOKYO – MITSUBISHI UFJ, LIMITED

15th Floor, Hoechst House, 193,
Vinay K. Shah Marg, Backbay Reclamation,
Nariman Point,
Mumbai – 400 021.
Tel: +91 22 6669 3175
Fax: +91 22 6669 3010

CITI BANK, N. A.

FIFC, 14th Floor,
Bandra-Kurla Complex,
Mumbai – 400 051.
Tel: +91 22 6175 5206
Fax: +91 22 2653 5872

CANARA BANK

Prime Corporate Branch-BKC, Mumbai
Canara Bank Building, ‘A’ Wing,
1st Floor, C-14, G-Block
Bandra Kurla Complex, Bandra (East)
Mumbai – 400 051
Tel: +91 22 2672 8105/10
Fax: +91 22 2672 8107

CITY UNION BANK LIMITED

402 Jain Arcade, 14th Road, Khar (W),
Mumbai – 400 052.
Tel: +91 22 2605 5575/2646 1746
Fax: +91 22 2604 3907

DBS BANK LIMITED

Fort House, 1st Floor,
221, Dr. DN Road,
Fort, Mumbai – 400 001., India
Tel: +91 22 6638 8888
Fax: +91 22 6638 8898

DENA BANK

Saptagiri Apartment,
83, T. T. K. Road,
Alwarpet,
Chennai – 600 018.
Tel: +91 44 2499 4279
Fax: +91 44 2498 8892

DEVELOPMENT CREDIT BANK LIMITED

Peninsula Business Park, Tower A, 6th Floor,
 Senapati Bapat Marg, Lower Parel,
 Mumbai 400 013.
 Tel: +91 22 6618 7000
 Fax: +91 22 6658 9970

HDFC BANK LTD.

4th Floor, Peninsula Business Park,
 Lower Parel, Mumbai – 400 013.
 Tel: +91 22 3395 8127

ICICI BANK LIMITED

ICICI Bank Towers,
 Bandra-Kurla Complex,
 Bandra East,
 Mumbai – 400 051.
 Tel: +91 22 2653 6479

INDIAN BANK

Vile Parle Branch,
 325, Gitanjali Building,
 1st Floor, Nehru Road, Vile Parle (East),
 Mumbai – 400 057
 Tel: +91 22 2614 8753 / 6662
 Fax: +91 22 2615 3613

INDUSIND BANK LIMITED

IndusInd House, 1st Floor,
 425, D.B. Marg,
 Opera House,
 Mumbai – 400 004.
 Tel: +91 22 4345 7537
 Fax: +91 22 4345 7534

ING VYSYA BANK LIMITED

ING House, Plot C-12, 'G' Block, 8th Floor,
 BKC,
 Bandra (East),
 Mumbai – 400 051.
 Tel : +91 22 3309 5404/5405
 Fax : +91 22 2652 2812

J&K BANK LIMITED

1st Floor, National Business Centre, (Near MMRDA
 Ground), Bandra-Kurla Complex,
 Bandra (East), Mumbai – 400 051.
 Tel : +91 22 2638 4221/2/3
 Fax : +91 22 2656 6295

THE FEDERAL BANK LIMITED

Corporate Banking Branch/ Mumbai,
 Express Towers, Ground,
 Nariman Point, Mumbai-400021.
 Tel: +91 22 61990200/201
 Fax: +91 22 6199 0205

THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED

52/60, Mahatma Gandhi Road, Fort,
 Mumbai – 400 001
 Tel: +91 22 6746 5710
 Fax: +91 22 6653 6016

IDBI BANK LIMITED

IDBI Bank Ltd., Corporate Banking Group,
 224-A, 2nd Floor, A Wing, Mittal Court,
 Nariman Point,
 Mumbai – 400 021
 Tel: +91 22 6658 8100
 Fax: +91 22 6658 8130

INDIAN OVERSEAS BANK

Ground Floor, Merchant Chambers,
 Opp. SNDT University, New Marine Lines,
 Mumbai- 400 020
 Phone: +91 22 2205 7686/ 2203 6621/ 2201 2528
 Fax: +91 22 2203 5571

IDFC LIMITED

Naman Chambers, C-32, G Block,
 Bandra Kurla Complex,
 Bandra (East),
 Mumbai – 400 051.
 Tel: +91 22 6622 2600
 Fax: +91 22 2654 0365

KARNATAKA BANK LIMITED

Corporate Finance Branch, Haroon House, 294-A,
 Perin Nariman Street, Fort,
 Mumbai – 400 001
 Tel: +91 22 2266 2283/3256/3725
 Fax: + 91 22 2266 1685

THE KARUR VYSYA BANK LIMITED

Mumbai, Fort Branch
 The Karur Vysya Bank Ltd. Noble Chambers, S.A.
 Brevli Road, Fort, Mumbai- 400001
 Tel: +91 22 2283 7668
 Fax: +91 22 2283 3902

MIZUHO BANK, LTD

Maker Chambers III,
 1st Floor, Jamnalal Bajaj Road,
 Nariman Point, Mumbai – 400 021
 Tel: +91 22 2288 6638/9
 Fax: +91 22 2268 6640/ 2282 8774

PUNJAB & SIND BANK

165, Thambu Chetty Street, George Town,
 Chennai – 600 001
 Tel: +91 44 2234 2562,
 Fax: +91 44 2534 2016

THE RATNAKAR BANK LIMITED

One Indiabulls Centre, Tower 2, 6th Floor,
 841, Senapati Bapat Marg, Lower Parel (W),
 Mumbai – 400 013.
 Tel: +91 22 4302 0646
 Fax : +91 22 4302 0522

SHINHAN BANK

5th Floor, Wockhardt Tower (West Wing),
 Bandra-Kurla Complex, Bandra East
 Mumbai – 400051.
 Tel: +91 22 6199 2000
 Fax: +91 22 6199 2010

STANDARD CHARTERED BANK

Crescenzo Building, G Block,
 Bandra Kurla Complex, Bandra (East),
 Mumbai
 Tel: +91 22 4265 8280
 Fax: +91 22 4265 9099

STATE BANK OF BIKANER AND JAIPUR

United India Life Building,
 Sir P. M. Road, Fort,
 Mumbai – 400 023
 Tel: +91 22 2266 3189/2573
 Fax: +91 22 2266 0875

STATE BANK OF HYDERABAD

C-11, 1st Floor, Mittal Tower,
 210, Nariman Point,
 Mumbai – 400 021.
 Tel: +91 22 2284 3543
 Fax: +91 22 2284 1096

KOTAK MAHINDRA BANK LIMITED

27 BKC, 3rd Floor,
 Plot No. C-27, G Block,
 Bandra Kurla Complex,
 Bandra (East),
 Mumbai – 400 051
 Tel: +91 22 6166 0366
 Fax: +91 22 6713 2417

ORIENTAL BANK OF COMMERCE

18th Floor, Maker Tower,
 E Wing, Cuffe Parade,
 Mumbai – 400005.
 Tel: +91 22 4347 1539 / 2218 9337
 Fax: +91 22 2265 8419

PUNJAB NATIONAL BANK

10, Raja Street, AGMO:
 T. Nagar,
 Chennai – 600 017. (Tamil Nadu)
 Tel : +91 44 2434 2286
 Fax : +91 44-2434 1050

SYNDICATE BANK

Large Corporate Branch
 3rd Floor, No. 10 Homji Street,
 Fort, Mumbai – 400 023
 Tel: +91 22 2262 2234
 Fax: +91 22 2263 4328

THE SOUTH INDIAN BANK LIMITED

289, EMCA House,
 Shaheed Bhagat Singh Road,
 Fort,
 Mumbai – 400 038.
 Tel: +91 22 2261 1209
 Fax: +91 22 2261 4749

SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA

“Overseas Towers”, 756 L,
 Anna Salai (Opp. TVS),
 Chennai – 600 002.
 Tel: +91 44 6663 6026-52
 Fax: +91 44 2852 0692

STATE BANK OF MAURITIUS LIMITED

1st Floor, Raheja Centre,
 Free Press Journal Marg,
 Nariman Point,
 Mumbai – 400 021.
 Tel: +91 22 4302 8888
 Fax: +91 22 2284 2966

SOCIETE GENERALE

Maker Chambers IV,
 13th Floor, Nariman Point,
 Mumbai - 400 021.
 Tel: +91 22 6630 9500
 Fax: +91 22 2204 5459

STATE BANK OF PATIALA

Commercial Branch, 1st Floor,
 Atlanta Building, Nariman Point,
 Mumbai
 Tel: + 91 22 2285 1775
 Fax: +91 22 2285 6626

UCO BANK

Flagship Corporate Branch,
 1st Floor, Mafatlal Centre,
 Nariman Point, Mumbai – 400 021.
 Tel: +91 22 4054 9101
 Fax: +91 22 4054 9122

UNITED BANK OF INDIA

25, Sir P. M. Road, 2nd Floor,
 Fort, Mumbai – 400 001.
 Tel: +91 22 2202 0431/32
 Fax: +91 22 2281 0440

YES BANK LIMITED

Nehru Centre, 9th Floor,
 Discovery of India,
 Dr. A. B. Road, Worli, Mumbai – 400 018.
 Tel: + 91 22 6669 9000
 Fax: + 91 22 2490 0314

UNITED OVERSEAS BANK LIMITED

3 North Avenue, Maker Maxity,
 Unit 31 & 37, 3rd Floor, Bandra Kurla Complex
 Bandra (East),
 Mumbai - 400 051.
 Tel: +91 22 4247 2805
 Fax: +91 22 2659 1022

CITICORP FINANCE (INDIA) LIMITED

8th Floor, First International Financial Centre (FIFC),
 Plot Nos. C-54 & C-55, G Block, Bandra Kurla
 Complex, Bandra (East), Mumbai – 400 051.
 Tel : +91 22 6175 5983
 Fax : +91 22 2653 2212

STATE BANK OF INDIA

‘The Arcade’ 2nd Floor, World Trade Centre,
 Colaba, Mumbai – 400 005.
 Tel: +91 22 2216 1955
 Fax: +91 22 2216 0918

STATE BANK OF MYSORE

Corporate Accounts Branch, Mumbai,
 Mittal Court, ‘C’ Wing, 1st and 4th Floor,
 Nariman Point,
 Mumbai – 400 021
 Tel: +91 22 2279 0501/0534
 Fax: +91 22 2204 4281

STATE BANK OF TRAVANCORE

Commercial Branch, Chennai,
 ‘Jeevan Anand’ No. 556,
 Anna Salai, Teynampet,
 Chennai – 600 018.
 Tel: +91 44 2435 9432/9435
 Fax: +91 44 2435 1671

UNION BANK OF INDIA

Union Bank Bhavan,
 239, Vidhan Bhavan Marg,
 Nariman Point, Mumbai – 400 021
 Tel: +91 22 2289 2158/2050
 Fax: + 91 22 2285 5037

VIJAYA BANK

29, Clover Apartments,
 Cuffe Parade,
 Colaba, Mumbai – 400 005
 Tel: +91 22 2218 6515/ 2546
 Fax: +91 22 2218 2546

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED (ICBC)

Mumbai Branch
 Level 1, East Wing, Wockhardt Tower,
 C-2, G-Block, Bandra Kurla Complex,
 Bandra (E),
 Mumbai - 400 051.
 Tel.: +91 22 3315 5999
 Fax: +91 22 3315 5900

THE LAXMI VILAS BANK LIMITED

Fort Branch, Bharat House,
 104, B.S. Marg,
 Fort, Mumbai- 400 001
 Tel: +91 22 2267 2255/2247/3435
 Fax: +91 22 2267 0267

The list of Designated Branches that have been notified by SEBI to act as SCSBs for the ASBA process is provided on <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>. For more information on the Designated Branches collecting ASBA Applications, see the above mentioned web-link.

Syndicate SCSB Branches

In relation to ASBA Applications submitted to the Lead Managers, the Lead Brokers, sub-brokers or the Trading Members of the Stock Exchange only in the Specified Cities (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat), the list of branches of the SCSBs at the Specified Cities named by the respective SCSBs to receive deposits of ASBA Applications from such Lead Managers, Lead Brokers, sub-brokers or the Trading Members of the Stock Exchange is provided on <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>. For more information on such branches collecting ASBA Applications from Lead Managers, Lead Brokers, sub-brokers or the Trading Members of the Stock Exchange only in the Specified Cities, see the above mentioned web-link.

Impersonation

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

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

Minimum Subscription

If our Company does not receive the minimum subscription of 75 % of the Base Issue Size, i.e. 37,500 lacs, within 30 (thirty) days from the date of issue of this Tranche-I Prospectus or such other period as may be specified by the SEBI, the entire subscription shall be returned within such time and manner as may be prescribed by SEBI in accordance with section 39(3) of the Companies Act, 2013.

Further, in case of non-receipt of minimum subscription, application money to be refunded shall be credited only to the bank account from which the subscription was remitted. However, such procedure of refund of application moneys to the same bank account shall not extend to cases where the payment of application money has been made by instruments and/or modes other than CTS compliant cheques. In case where payment of application money has been made by instruments and/or modes other than CTS compliant cheques, refunds shall be made to the bank account linked to the demat account, in case of applications for Allotment of NCDs in demat form and to the bank account as mentioned in the Application Form/details from the cancelled cheque copy, in case of application for Allotment of NCDs in physical form.

Credit Rating and Rationale

The NCDs proposed to be issued under this Issue have been rated ‘CRISIL AA/Stable’ by CRISIL for an amount of upto ₹ 3,00,000 lacs vide its letter dated June 5, 2014, ‘CARE AA+’ by CARE for an amount of upto ₹ 3,00,000 lacs vide its letter dated June 5, 2014 and ‘IND AA+’ by India Ratings and Research Private Limited for an amount of upto ₹ 3,00,000 lacs. The rating of the NCDs by CRISIL indicates high degree of safety regarding timely servicing of financial obligations and carrying very low credit risk. The rating of the NCDs by CARE indicates high degree of safety regarding timely servicing of financial obligations and carrying very low credit risk. The ratings provided by CRISIL, CARE and/or India Ratings and Research 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.

The rationale for the aforementioned credit rating issued by CRISIL is as follows:

The ratings continue to reflect STFCL's strong market position in the pre-owned commercial vehicle (CV) financing segment, healthy capitalisation, and comfortable earnings profile. These rating strengths are partially offset by STFCL's average, though improving, resource profile, and limited diversity in its business and revenue profiles.

STFCL is the market leader in the pre-owned CV financing segment. STFCL also has a sizeable presence in the new CV financing segment. STFCL predominantly lends to the small road-transport operators (SRTO) segment, which accounts for a significant proportion of its outstanding portfolio. STFCL has been setting up automalls to strengthen its competitive advantage in the CV financing segment, and support its growth strategy. The company has also diversified into related areas, such as construction equipment finance through its wholly-owned subsidiary, Shriram Equipment Finance Company Ltd.

The rationale for the aforementioned rating issued by CARE is as follows:

The rating factors in Shriram Transport Finance Company Limited's (STFCL) leadership position and almost three decades of experience in the pre-owned commercial vehicle (CV) financing segment, comfortable capital adequacy, overall healthy profitability parameters, strong resource raising capabilities and a proactive and experienced management team. STFCL is one of the largest asset financing NBFC in India.

The rationale for the aforementioned rating issued by India Ratings and Research is as follows:

The rating upgrade from 'IND AA' to 'IND AA+' is driven by the on-going de-risking in STFC's asset and liability profile as it shifts its loan portfolio to newer vehicles and increases retail funding. The ratings also factor in STFC's predominant market leadership in used commercial vehicle finance with limited organised competition in its niche segment, healthy capitalisation and reasonable operating performance.

Utilisation of Tranche-I Issue proceeds

Our Board of Directors certifies that:

- all monies received out of the Tranche-I Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;
- details of all monies utilised out of the Tranche-I Issue referred above shall be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies have been utilised along with details, if any, in relation to all such proceeds of the Tranche-I Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Tranche-I Issue;
- details of all unutilised monies out of the Tranche-I Issue, if any, shall be disclosed under an appropriate head in our balance sheet indicating the form in which such unutilised monies have been invested;
- we shall utilize the Tranche-I Issue proceeds only upon creation of security as stated in this Tranche-I Prospectus in the section titled "Issue Structure" beginning on page 32 of this Tranche-I Prospectus; and
- the Tranche-I Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any immovable property.

Issue Programme for the Tranche-I Issue

| ISSUE PROGRAMME* | |
|------------------|---------------|
| ISSUE OPENS ON | July 2, 2014 |
| ISSUE CLOSES ON | July 22, 2014 |

Applications Forms for the Tranche-I Issue will be accepted only between 10 a.m. and 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchanges, during the Issue Period as mentioned above on all days between Monday and Friday (both inclusive barring public holiday), (i) by the Lead Managers, Lead Brokers, sub-brokers or the Trading Members of the Stock Exchange, as the case may be, at the centres

mentioned in Application Form through the non-ASBA mode or, (ii) in case of ASBA Applications, (a) directly by the Designated Branches of the SCSBs or (b) by the centres of the Lead Managers, Lead Brokers, sub-brokers or the Trading Members of the Stock Exchange, as the case maybe, only at the Selected Cities. On the Issue Closing Date Application Forms will be accepted only between 10 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. or such extended time as may be permitted by the Stock Exchanges.

Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and, no later than 3.00 p.m. (Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Tranche-I Issue. Application Forms will only be accepted on Working Days during the Issue Period. Neither our Company, nor the Lead Managers, Lead Brokers, sub-brokers or Trading Members of the Stock Exchanges are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. Please note that the Basis of Allotment under the Tranche-I Issue will be on a date priority basis.

** The subscription list for the Tranche-I Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. during the period indicated above, except that the Tranche-I Issue may close on such earlier date (such early closure being subject to the Base Issue Size being fully subscribed prior to such early closure) or extended date as may be decided at the discretion of the duly authorised committee of Directors of our Company subject to necessary approvals. In the event of such early closure of the Tranche-I Issue, our Company may, at its discretion, retain subscription in excess of the Base Issue Size, received until the date of the early closure, subject to the Shelf Limit and allot NCDs accordingly. In the event of such early closure or extension of the Tranche-I Issue, our Company shall ensure that notice of the same is provided to the prospective investors, on or before such early date of closure or the Issue Closing Date, as the case may be, through an advertisement in a leading national daily newspaper.*

RECENT DEVELOPMENTS

There are no recent material developments in relation to our Company since the filing of the Shelf Prospectus (filed on the same date as this Tranche-I Prospectus) with the Stock Exchanges, including in respect of disclosure under the sections titled “Risk Factors”, “Objects of the Issue”, “Summary Financial Information”, “Capital Structure”, “Industry Overview”, “Business”, “Regulations and Policies”, “Statement of Tax Benefits”, “History and Certain Corporate Matters”, “Management”, “Promoter”, “Stock Market Data for our Debentures” “Disclosures in connection with existing indebtedness”, “Outstanding Litigation”, “Material Developments” and Annexure A and B of the Shelf Prospectus. Our Company further confirms that this Tranche-I Prospectus contains all material disclosures which are true and adequate to enable prospective investors to make an informed investment decision in this Tranche-I Issue, and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances in which they were made, not misleading.

ISSUE RELATED INFORMATION

ISSUE STRUCTURE

The following are the details of the principal terms and conditions of the Tranche-I Issue. This section should be read in conjunction with, and is qualified in its entirety by, the further details in the sections titled “*Terms of the Issue*” on page 37 and “*Issue Procedure*” on page 57 of this Tranche-I Prospectus.

Common Terms and Conditions of the NCDs:

| Issuer | Shriram Transport Finance Company Limited | | | | | | | | | | | | | | | | | | | | | | | | |
|--------------------------|---|------------------------------|-------------------|---|--|---------------|--------|------------------------------|-------------------|--------------------------------|--------|------------------|--------------|----------|---|------|----------|--------------|----------|---|--------------------------|---------|---------------|----------|---|
| Lead Managers | JM Financial Institutional Securities Limited, A.K. Capital Services Limited, ICICI Securities Limited and Edelweiss Financial Services Limited | | | | | | | | | | | | | | | | | | | | | | | | |
| Debenture Trustee | IDBI Trusteeship Services Limited | | | | | | | | | | | | | | | | | | | | | | | | |
| Registrar to the Issue | Integrated Enterprises (India) Limited | | | | | | | | | | | | | | | | | | | | | | | | |
| Issue | Public Issue of Secured Redeemable Non-Convertible Debentures of face value of ₹ 1,000 each, for an amount aggregating upto ₹ 300,000 lacs (“Shelf Limit”). The NCDs will be issued in one or more tranches (each being a “Tranche Issue”) subject to the Shelf Limit. In accordance with the terms and conditions set out in separate Tranche Prospectus for each such Tranche Issue which should be read together with the Shelf Prospectus of the Issue. | | | | | | | | | | | | | | | | | | | | | | | | |
| Tranche-I Issue Size | Issue of NCDs for an amount of ₹ 50,000 lacs with an option to retain oversubscription upto the Shelf Limit, i.e. upto ₹ 3,00,000 lacs | | | | | | | | | | | | | | | | | | | | | | | | |
| Type of Instrument | Secured Redeemable Non Convertible Debentures | | | | | | | | | | | | | | | | | | | | | | | | |
| Face Value (in ₹ / NCD) | 1,000 | | | | | | | | | | | | | | | | | | | | | | | | |
| Issue Price (in ₹ / NCD) | 1,000 | | | | | | | | | | | | | | | | | | | | | | | | |
| Minimum Application | ₹ 10,000/- (10 NCDs) (for all Series of NCDs, namely Series I, Series II, Series III, Series IV, Series V, Series VI, Series VII and Series VIII either taken individually or collectively) | | | | | | | | | | | | | | | | | | | | | | | | |
| In Multiples of | ₹ 1,000/- (1 NCD) | | | | | | | | | | | | | | | | | | | | | | | | |
| Nature of Instrument | Secured | | | | | | | | | | | | | | | | | | | | | | | | |
| Seniority | <p>Senior, (to clarify, the claims of the NCD Holders shall be superior to the claims of any unsecured creditors, subject to applicable statutory and/or regulatory requirements).</p> <p>The NCDs would constitute direct and secured obligations of ours and shall rank pari passu inter se, and subject to any obligations under applicable statutory and/or regulatory requirements, shall also, with regard to the amount invested, be secured by way of first charge on the identified immovable property and the specified future loan receivables of our Company.</p> | | | | | | | | | | | | | | | | | | | | | | | | |
| Mode of Issue | Public Issue | | | | | | | | | | | | | | | | | | | | | | | | |
| Listing | BSE and NSE. For further details, please refer to the section titled “Terms of the Issue” on page 37 of this Tranche-I Prospectus. | | | | | | | | | | | | | | | | | | | | | | | | |
| Credit Rating | <table><tr><th>Rating Agency</th><th>Rating</th><th>Date of Credit Rating Letter</th><th>Limit (₹ in lacs)</th><th>What does the Rating indicate?</th></tr><tr><td>CRISIL</td><td>CRISIL AA/Stable</td><td>June 5, 2014</td><td>3,00,000</td><td>High degree of safety regarding timely servicing of financial obligations and carrying very low credit risk</td></tr><tr><td>CARE</td><td>CARE AA+</td><td>June 5, 2014</td><td>3,00,000</td><td>High degree of safety regarding timely servicing of financial obligations and carrying very low credit risk</td></tr><tr><td>India Ratings & Research</td><td>IND AA+</td><td>June 20, 2014</td><td>3,00,000</td><td>High degree of safety regarding timely servicing of financial obligations and carrying very low credit risk</td></tr></table> <p>The ratings provided by CRISIL, CARE and/or India Ratings & Research 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.</p> | | | | | Rating Agency | Rating | Date of Credit Rating Letter | Limit (₹ in lacs) | What does the Rating indicate? | CRISIL | CRISIL AA/Stable | June 5, 2014 | 3,00,000 | High degree of safety regarding timely servicing of financial obligations and carrying very low credit risk | CARE | CARE AA+ | June 5, 2014 | 3,00,000 | High degree of safety regarding timely servicing of financial obligations and carrying very low credit risk | India Ratings & Research | IND AA+ | June 20, 2014 | 3,00,000 | High degree of safety regarding timely servicing of financial obligations and carrying very low credit risk |
| Rating Agency | Rating | Date of Credit Rating Letter | Limit (₹ in lacs) | What does the Rating indicate? | | | | | | | | | | | | | | | | | | | | | |
| CRISIL | CRISIL AA/Stable | June 5, 2014 | 3,00,000 | High degree of safety regarding timely servicing of financial obligations and carrying very low credit risk | | | | | | | | | | | | | | | | | | | | | |
| CARE | CARE AA+ | June 5, 2014 | 3,00,000 | High degree of safety regarding timely servicing of financial obligations and carrying very low credit risk | | | | | | | | | | | | | | | | | | | | | |
| India Ratings & Research | IND AA+ | June 20, 2014 | 3,00,000 | High degree of safety regarding timely servicing of financial obligations and carrying very low credit risk | | | | | | | | | | | | | | | | | | | | | |
| Who can apply? | <p>Category I – Institutional Investors</p> <ul style="list-style-type: none">Resident public financial institutions as specified in Section 2 (72) of the Companies Act, 2013 authorized to invest in the NCDs;Statutory corporations including State Industrial Development Corporations, commercial banks, co-operative banks and regional rural banks incorporated in India and authorized to invest in the NCDs;Indian Provident funds with a minimum corpus of ₹ 2,500 lacs, pension funds with a minimum corpus of ₹ 2,500 lacs, superannuation funds and gratuity funds, authorized to invest in the NCDs;Indian alternative investment funds registered with SEBI;Venture Capital Funds;Indian insurance companies registered with the IRDA;Indian Mutual Funds registered with SEBI; | | | | | | | | | | | | | | | | | | | | | | | | |

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| | <ul style="list-style-type: none"> National Investment Fund set up pursuant to the resolution F. No. 2/3/2005-DD-II dated November 23, 2005 by the Government of India; and Insurance funds set up and managed by the Indian army, navy or the air force of the Union of India or by the Department of Posts, India <p>Category II –Non Institutional Investors</p> <ul style="list-style-type: none"> Companies, bodies corporate and societies, registered under the applicable laws in India, and authorized to invest in the NCDs; Educational institutions and associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment; which are authorized to invest in the NCDs; Trusts settled under the Indian Trusts Act, 1882, public/private charitable/religious trusts settled and/or registered in India under applicable laws, which are authorized to invest in the NCDs; Resident Indian scientific and/or industrial research organizations, authorized to invest in the NCDs; Partnership firms formed under applicable laws in India in the name of the partners, authorized to invest in the NCDs; and Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009), authorized to invest in the NCDs. <p>Category III –High Net-worth Individuals, ("HNIs")</p> <ul style="list-style-type: none"> Resident Indian individuals who apply for NCDs aggregating to a value more than ₹ 5 lacs, across all Series of NCDs; and Hindu Undivided Families through the Karta who apply for NCDs aggregating to a value more than ₹ 5 lacs, across all Series of NCDs. <p>Category IV – Retail Individual Investors</p> <ul style="list-style-type: none"> Resident Indian individuals who apply for NCDs aggregating to a value not more than ₹ 5 lacs, across all Series of NCDs; and Hindu Undivided Families through the Karta who apply for NCDs aggregating to a value not more than ₹ 5 lacs, across all Series of NCDs. |
| Security | The principal amount of the NCDs to be issued in terms of this Tranche-I Prospectus with all interest due on the NCDs shall be secured by way of first charge in favour of the Debenture Trustee on an identified immovable property and specified future receivables of our Company as may be decided mutually by our Company and the Debenture Trustee. 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 along with the interest due thereon, which shall be free from any encumbrances. For further details please refer to the section titled " <i>Terms of the Issue – Security</i> " on page 37 of this Tranche-I Prospectus. |
| Objects of the Issue | Please refer to section titled " <i>Objects of the Issue</i> " on page 125 of the Shelf Prospectus |
| Details of utilization of the Proceeds | Please refer to section titled " <i>Objects of the Issue</i> " on page 125 of this Shelf Prospectus |
| Coupon rate and Redemption Premium/Discount | Please refer to the paragraph below in this section titled " <i>Specific Terms And Conditions In Connection With Each Series of NCDs</i> " section titled " <i>Issue Structure</i> " on page 34 of this Tranche-I Prospectus. |
| Mode of Allotment | All Series of NCDs will be allotted in the dematerialized form and/or the physical form, at the option of the Applicant, in terms of section 8(1) of the Depositories Act. |
| Trading[^] | The trading of the NCDs on the floor of the Stock Exchanges shall be in dematerialized form only. |
| Trading Lot[^] | 1 (one) NCD |
| Depositories | NSDL and CDSL |
| Issue Schedule* | The Tranche-I Issue shall be open from July 2, 2014 to July 22, 2014 with an option to close earlier and/or extend upto a period as may be determined by the duly authorised committee of Directors of our Company. |
| Pay-in date | The date of Application. The entire Application Amount is payable on Application. |
| Record Date | Date falling 15 days prior to the relevant Interest Payment Date on which the interest is due and payable, or the Redemption Date under the Tranche-I Prospectus, or as may be prescribed by the relevant Stock Exchange/s. In case the record date, as defined herein, falls on a public holiday, the record date shall be the previous Working Day immediately preceding such date. |
| Working Days Convention / Day Count | <p>Working Day</p> <p>All days excluding, Sundays and a public holiday in Mumbai or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881, except with reference to Issue Period, where working days shall mean all days, excluding Saturdays, Sundays and public holidays or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881.</p> <p>Day Count Convention</p> <p>Interest shall be computed on a 365 days-a-year basis on the principal outstanding on the NCDs. However, where the interest period (start date to end date) includes February 29, interest shall be computed on 366 days-a-year basis, on the principal outstanding on the NCDs.</p> <p>Effect of holidays on payments</p> <p>If the date of payment of interest does not fall on a Working Day, then the succeeding Working Day will be considered as the effective date for such payment of interest with interest for such additional period (the "Effective Date"). Such additional interest will be deducted from the interest payable on the next date of</p> |

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| | payment of interest. Interest and principal or other amounts, if any, will be paid on the Effective Date. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. In case the Maturity Date (also being the last Interest Payment Date) does not fall on a Working Day, the payment will be made on the preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment. |
| Issue Opening Date | July 2, 2014 |
| Issue Closing Date* | July 22, 2014 |
| Default Interest Rate | In the event of any default in fulfillment of obligations by our Company under the Debenture Trust Deed, the Default Interest Rate payable to the Applicant shall be as prescribed under the Debenture Trust Deed |
| Interest on Application Money | Please refer to section titled "Issue Structure – Interest on Application Money" on page 49 of this Tranche-I Prospectus |
| Put/Call Option | Not Applicable |
| Deemed Date of Allotment | The Deemed Date of Allotment for the NCDs shall be the date on which the duly authorized committee of the Board of Directors constituted by resolution of the Board dated April 29, 2014 approves the allotment of NCDs and as mentioned on the Allotment Advice/regret or such date as may be determined by the Board of our Company and/or a duly authorized committee thereof and notified to the Stock Exchanges. All benefits under the NCDs including payment of interest will accrue to the NCD Holders from the Deemed Date of Allotment. Actual credit of NCDs to the beneficiary account of the holder of NCD may occur on a date other than the Deemed Date of Allotment. |
| Transaction Documents | Issue Agreement dated June 16, 2014 between our Company and the Lead Managers; Registrar Agreement dated June 13, 2013 with the Registrar to the Issue; Debenture Trust Agreement dated June 3, 2014 executed between our Company and the Debenture Trustee, Escrow Agreement dated June 23, 2014 executed between the Company, the Registrar, the Escrow Collection Banks and the Lead Managers, Lead Broker Agreement dated June 23, 2014 executed between the Company, the Lead Brokers and the Lead Managers and the agreed form of the Debenture Trust Deed to be executed between our Company and the Debenture Trustee. |
| Conditions Precedent and Subsequent to the disbursement | The conditions precedent and subsequent to disbursement will be finalised upon execution of the Debenture Trust Deed. |
| Events of Default/Cross Default | Please refer to the section titled "Terms of the Issue – Events of Default" on page 38 of this Tranche-I Prospectus |
| Role and Responsibilities of the Debenture Trustee | Please refer to the section titled "Terms of the Issue – Trustees for the NCD Holders" on page 38 of this Tranche-I Prospectus |
| Governing Law and Jurisdiction | The Issue shall be governed in accordance with the laws of the Republic of India and shall be subject to the exclusive jurisdiction of the courts of Mumbai. |

[^] **Market Lot & Trading Lot:** The trading of the NCDs on the floor of the Stock Exchanges shall be in dematerialized form only. Since trading of the NCDs is in dematerialized form on the floor of the Stock Exchanges, the tradable lot is one NCD. Please note that the NCDs shall cease to trade from the Record Date (for payment of the principal amount and the applicable premium and interest for such NCDs) prior to redemption of the NCDs. Except for Series IV and V NCDs, Applicants shall have the option to apply for NCDs in the physical form in accordance with Section 8 (1) of the Depositories Act, 1996. Such NCDs which are allotted in the physical form shall not be eligible for being traded on the floor of the Stock Exchanges unless such NCDs are converted into the dematerialized form, but shall be freely transferable otherwise, subject to applicable statutory and/or regulatory requirements. For details of allotment refer to chapter titled "Issue Procedure" under section titled "Issue Related Information" beginning on page 32 of this Tranche-I Prospectus.

** The subscription list for the Tranche-I Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. during the period indicated above, except that the Tranche-I Issue may close on such earlier date (such early closure being subject to the Base Issue Size being fully subscribed prior to such early closure) or extended date as may be decided at the discretion of the duly authorised committee of Directors of our Company subject to necessary approvals. In the event of such early closure of the Tranche-I Issue, our Company may, at its discretion, retain subscription in excess of the Base Issue Size, received until the date of the early closure, subject to the Shelf Limit and allot NCDs accordingly. In the event of such early closure or extension of the Tranche-I Issue, our Company shall ensure that notice of the same is provided to the prospective investors, on or before such early date of closure or the Issue Closing Date, as the case may be, through an advertisement in a leading national daily newspaper.*

SPECIFIC TERMS AND CONDITIONS IN CONNECTION WITH EACH SERIES OF NCDs:

Nature of the NCDs

We are offering secured redeemable NCDs which will be issued at a face value of ₹ 1,000/- per NCD. Interest on the Series I, Series II and Series III NCDs shall be payable on an annual basis. Interest on Series IV NCDs and Series V NCDs shall be payable on a monthly basis. Series VI NCDs shall be redeemable at ₹ 1,368.02 per Series VI NCD (inclusive of premium) held by an Individual and at ₹ 1,325.90 per Series VI NCD (inclusive of premium) held by a Non Individual, at the end of thirty six months from the Deemed Date of Allotment. Senior Citizens (only First Allottee) will be paid an aggregate amount of ₹ 1,377.29 at the end of thirty six months from the Deemed Date of Allotment per Series VI NCD. Series VII NCDs, shall be redeemable at ₹ 1,704.62 per Series VII NCD (inclusive of premium) held by an Individual and at ₹ 1,610.93 per Series VII NCD (inclusive of premium held by a Non Individual, at the end of sixty months from the Deemed Date of Allotment. Senior Citizens (only First Allottee) will be paid an aggregate amount of ₹ 1,723.87 at the end of sixty months from the Deemed Date of Allotment per Series VII NCD. Series VIII NCDs, shall be redeemable at ₹ 2,143.79 per Series VIII NCD (inclusive of premium) held by an Individual and at ₹ 1,968.44 per Series VIII NCD (inclusive of premium) held by a Non Individual, at the end of eighty four months from the Deemed Date of Allotment. Senior Citizens (only First Allottee) will be paid an aggregate amount of ₹ 2,177.70 at the end of eighty four months from the Deemed Date of Allotment per Series VIII NCD.

The specific terms and conditions of each series of NCDs offered pursuant to the Tranche-I Issue are as follows

| Series | I | | II | | III | | IV | V | VI | | VII | | VIII | |
|---|---|-------------------------------------|---|-------------------------------------|---|-------------------------------------|--|--|--|-------------------------------------|---|-------------------------------------|---|-------------------------------------|
| Frequency of Interest Payment | Annual | | Annual | | Annual | | Monthly** | Monthly** | Not Applicable | | Not Applicable | | Not Applicable | |
| Coupon (% per annum) - (A) | 9.85% | | 10.00% | | 10.15% | | 10.71%## | 10.94%## | Not Applicable | | Not Applicable | | Not Applicable | |
| Additional Incentive on Coupon (% per annum) on Any Record Date - (B) | NCD Holders who are Individuals | NCD Holders who are Non Individuals | NCD Holders who are Individuals | NCD Holders who are Non Individuals | NCD Holders who are Individuals | NCD Holders who are Non Individuals | Nil | Nil | Not Applicable | | Not Applicable | | Not Applicable | |
| | 1.15% | Nil | 1.25% | Nil | 1.35% | Nil | | | | | | | | |
| Aggregate of Coupon and Additional Incentive on any Record Date (% per annum) = (A) + (B) | NCD Holders who are Individuals | NCD Holders who are Non Individuals | NCD Holders who are Individuals | NCD Holders who are Non Individuals | NCD Holders who are Individuals | NCD Holders who are Non Individuals | 10.71% | 10.94% | Not Applicable | | Not Applicable | | Not Applicable | |
| | 11.00% | 9.85% | 11.25% | 10.00% | 11.50% | 10.15% | | | | | | | | |
| Effective Yield (% per annum) on any Record Date*** | NCD Holders who are Individuals | NCD Holders who are Non Individuals | NCD Holders who are Individuals | NCD Holders who are Non Individuals | NCD Holders who are Individuals | NCD Holders who are Non Individuals | 11.25% | 11.50% | NCD Holders who are Individuals | NCD Holders who are Non Individuals | NCD Holders who are Individuals | NCD Holders who are Non Individuals | NCD Holders who are Individuals | NCD Holders who are Non Individuals |
| | 11.00% | 9.85% | 11.25% | 10.00% | 11.50% | 10.15% | | | 11.00% | 9.85% | 11.25% | 10.00% | 11.50% | 10.15% |
| Mode of Payment of Interest and/or Redemption of NCDs | Through Various options available | | Through Various options available | | Through Various options available | | Through Various options available | Through Various options available | Through Various options available | | Through Various options available | | Through Various options available | |
| Tenor (Months) | Thirty six months | | Sixty months | | Eighty four months | | Sixty months | Eighty four months | Thirty six months | | Sixty months | | Eighty four months | |
| Redemption Date | Thirty six months from the Deemed Date of Allotment. | | Sixty months from the Deemed Date of Allotment. | | Eighty four months from the Deemed Date of Allotment. | | Sixty months from the Deemed Date of Allotment. | Eighty four months from the Deemed Date of Allotment. | Thirty six months from the Deemed Date of Allotment. | | Sixty months from the Deemed Date of Allotment. | | Eighty four months from the Deemed Date of Allotment. | |
| Redemption Amount (₹ / NCD) | Repayment of the Face Value plus any interest at the applicable Coupon that may have accrued at the Redemption Date plus Additional Incentive as may be applicable for Individual NCD Holders | | Repayment of the Face Value plus any interest at the applicable Coupon that may have accrued at the Redemption Date plus Additional Incentive as may be applicable for Individual NCD Holders | | Repayment of the Face Value plus any interest at the applicable Coupon that may have accrued at the Redemption Date plus Additional Incentive as may be applicable for Individual NCD Holders | | Repayment of the Face Value plus any interest at the applicable Coupon that may have accrued at the Redemption Date plus Additional Incentive as may be applicable for NCD Holders | Repayment of the Face Value plus any interest at the applicable Coupon that may have accrued at the Redemption Date plus Additional Incentive as may be applicable for NCD Holders | NCD Holders who are Individuals [#] | NCD Holders who are Non Individuals | NCD Holders who are Individuals [#] | NCD Holders who are Non Individuals | NCD Holders who are Individuals [#] | NCD Holders who are Non Individuals |
| | | | | | | | | | 1,368.02 per NCD* | 1,325.90 per NCD* | 1,704.62 per NCD* | 1,610.93 per NCD* | 2,143.79 per NCD* | 1,968.44 per NCD* |

* subject to applicable tax deducted at source, if any.

Monthly option shall be available only to **Individuals applying for Allotment of NCDs in demat form only.

*** Senior Citizens (only First Allottees) shall be entitled to an additional yield at the rate of 0.25% per annum

[#] For series VI, VII and VIII, Senior Citizens (only First Allottee) will be paid an aggregate amount of ₹ 1,377.29, ₹ 1,723.87 and ₹ 2,177.70 per NCD, respectively, on the Redemption Date.

^{##} For series IV and V, Senior citizens (only First Allottee) will get a coupon of 10.94% per annum and 11.17% per annum respectively payable monthly.

Note: All categories of persons who are individuals or natural persons (including Hindu Undivided Families acting through their Karta) including without limitation HNIs and Retail Individual Investors who are eligible under applicable laws to hold the NCDs are collectively referred to as “**Individuals**”.

All categories of entities, associations, organizations, societies, trusts, funds, partnership firms, Limited Liability Partnerships, bodies corporate, statutory and/or regulatory bodies and authorities and other forms of legal entities who are NOT individuals or natural persons and are eligible under applicable laws to hold the NCDs including without limitation Institutional Investors and Non Institutional Investors are collectively referred to as “**Non Individuals**”.

Minimum Subscription

If our Company does not receive the minimum subscription of 75 % of the Base Issue, i.e. ₹ 37,500 lacs, within 30 (thirty) days from the date of issue of this Tranche-I Prospectus or such other period as may be specified by the SEBI, the entire subscription shall be returned within such time and manner as may be prescribed by SEBI in accordance with section 39(3) of the Companies Act, 2013.

Further, in case of non-receipt of minimum subscription, application money to be refunded shall be credited only to the bank account from which the subscription was remitted. However, such procedure of refund of application moneys to the same bank account shall not extend to cases where the payment of application money has been made by instruments and/or modes other than CTS compliant cheques. In case where payment of application money has been made by instruments and/or modes other than CTS compliant cheques, refunds shall be made to the bank account linked to the demat account, in case of applications for Allotment of NCDs in demat form and to the bank account as mentioned in the Application Form/details from the cancelled cheque copy, in case of application for Allotment of NCDs in physical form.

TERMS OF THE ISSUE

GENERAL TERMS OF THE ISSUE

Authority for the Issue

This Issue has been authorized by the Board of Directors of our Company pursuant to a resolution passed at their meeting held on April 29, 2014.

Principal Terms & Conditions of this Issue

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

Ranking of NCDs

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

Debenture Redemption Reserve

Section 71 (4) of the Companies Act, 2013 states that where debentures are issued by any company, the company shall create a debenture redemption reserve out of the profits of the company available for payment of dividend. Rule 18 (7) of the Companies (Share Capital and Debentures) Rules, 2014 further states that 'the adequacy' of DRR for NBFCs registered with the RBI under Section 45-IA of the RBI (Amendment) Act, 1997 shall be 25% of the value of debentures issued through a public issue as per the Debt Regulations. The Rules further mandates (a) every company to create/maintain the required DRR before the 30th day of April of each year and (b) deposit or invest, as the case may be, a sum which shall not be less than 15% of the amount of its debentures maturing during the year ending on the 31st day of March following. The abovementioned amount deposited or invested, must not be utilized for any purpose other than for the repayment of debentures maturing during the year provided that the amount remaining deposited or invested must not at any time fall below 15% of the amount of debentures maturing during the period as mentioned above.

Face Value

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

Security

The principal amount of the NCDs to be issued in terms of the Shelf Prospectus and this Tranche-I Prospectus together with all interest due on the NCDs in respect thereof shall be secured by way of first charge in favour of the Debenture Trustee on an identified immovable property and specific future receivables of our Company as may be decided mutually by our Company and the Debenture Trustee. 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 (along with the interest due thereon), which shall be free from any encumbrances.

Our Company intends to enter into an indenture/deed with the Debenture Trustee, ('**Debenture Trust Deed**'), the terms of which will govern the powers, authorities and obligations of the Debenture Trustee. Our Company proposes to complete the execution of the Debenture Trust Deed within one month of the

closure of the Issue and shall utilize the funds only after the stipulated security has been created.

Under the terms of the Debenture Trust Deed, our Company will covenant with the Debenture Trustee that it will pay the NCD Holders the principal amount on the NCDs on the relevant redemption date and also that it will pay the interest due on NCDs on the rate specified in the Tranche-I Prospectus and in the Debenture Trust Deed. The Debenture Trust Deed will also provide that our Company may withdraw any portion of the security and replace with another asset of the same or a higher value.

Trustees for the NCD Holders

We have appointed IDBI Trusteeship Services Limited to act as the Debenture Trustee for the NCD Holders in terms of Regulation 4(4) of the Debt Regulations and Section 71 (5) of the Companies Act, 2013 and the rules prescribed thereunder. We and the Debenture Trustee will execute a Debenture Trust Deed, inter alia, specifying the powers, authorities and obligations of the Debenture Trustee and us. The NCD Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the NCD Holder(s). Any payment made by us to the Debenture Trustee on behalf of the NCD Holder(s) shall discharge us pro tanto to the NCD Holder(s).

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

Events of Default:

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

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

NCD Holder not a Shareholder

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

Rights of NCD Holders

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

1. The NCDs shall not, except as provided in the Act, our Memorandum and Articles of Association and/or the Debenture Trust Deed, confer upon the holders thereof any rights or privileges available to our Company's members/shareholders including, without limitation, the right to attend and/or vote at any general meeting of our Company's members/shareholders. However, if any resolution affecting the rights attached to the NCDs is to be placed before the members/shareholders of our Company, the said resolution will first be placed before the concerned registered NCD Holders for their consideration. In terms of Section 136 (1) of the Companies Act, 2013, holders of NCDs shall be entitled to a copy of the balance sheet and copy of trust deed on a specific request made to our Company.

2. Subject to applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, including requirements of the RBI, the rights, privileges and conditions attached to the NCDs may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution passed at a meeting of the concerned NCD Holders, provided that nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the NCDs, if the same are not acceptable to us.
3. Subject to applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, the registered NCD Holder or in case of joint-holders, the one whose name stands first in the register of debenture holders shall be entitled to vote in respect of such NCDs, either in person or by proxy, at any meeting of the concerned NCD Holders and every such holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights on every resolution placed before such meeting of the NCD Holders shall be in proportion to the outstanding nominal value of NCDs held by him/her.
4. The NCDs are subject to the provisions of the Debt Regulations, the Act, the Memorandum and Articles of Association of our Company, the terms of the Shelf Prospectus, the Tranche-I Prospectus, the Application Forms, the terms and conditions of the Debenture Trust Deed, requirements of the RBI, other applicable statutory and/or regulatory requirements relating to the issue and listing, of securities and any other documents that may be executed in connection with the NCDs.
5. A register of NCD Holders holding NCDs in physical form ("**Register of NCD Holders**") will be maintained in accordance with Section 88 of the Companies Act, 2013 and all interest and principal sums becoming due and payable in respect of the NCDs will be paid to the registered holder thereof for the time being or in the case of joint-holders, to the person whose name stands first in the Register of NCD Holders as on the Record Date. For the NCDs issued in dematerialized form, the Depositories shall also maintain the upto date record of holders of the NCDs in dematerialized Form. In terms of Section 88(3) of the Companies Act, 2013, the register and index of beneficial of NCDs maintained by a Depository for any NCD in dematerialized form under Section 11 of the Depositories Act shall be deemed to be a Register of NCD holders for this purpose.
6. Subject to compliance with RBI requirements, NCDs can be rolled over only with the consent of the holders of at least 75% of the outstanding amount of the NCDs after providing at least 21 days prior notice for such roll over and in accordance with the Debt Regulations. Our Company shall redeem the debt securities of all the debt securities holders, who have not given their positive consent to the roll-over.

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

Nomination facility to NCD Holder

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

NCD Holder(s) are advised to provide the specimen signature of the nominee to us to expedite the transmission of the NCD(s) to the nominee in the event of demise of the NCD Holder(s). The signature can

be provided in the Application Form or subsequently at the time of making fresh nominations. This facility of providing the specimen signature of the nominee is purely optional.

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

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

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

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

Applicants who have opted for allotment of NCDs in the physical form and/or persons holding NCDs in the physical form should provide required details in connection with their nominee to our Company and inform our Company in connection with NCDs held in the physical form.

Jurisdiction

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

Application in the Tranche-I Issue

Applicants shall have the option to apply for all Series NCDs in the physical form (in terms of Section 8(1) of the Depositories Act) or in the dematerialized form through a valid Application Form filled in by the Applicant along with attachment, as applicable.

In terms of Regulation 4(2)(d) of the Debt Regulations, our Company will make public issue of the NCDs in the dematerialised form. However, in terms of Section 8(1) of the Depositories Act, our Company, at the request of the Investors who wish to hold the NCDs in physical form will fulfil such request. However, trading of the NCDs on stock exchange/s shall be compulsorily in dematerialized form.

Form and Denomination

In case of NCDs held in physical form, a single certificate will be issued to the NCD Holder for the aggregate amount ("**Consolidated Certificate**") for each type of NCDs. A successful Applicant can also request for the issue of NCD certificates in the denomination of 1 (one) NCD at any time post allotment of the NCDs ("**Market Lot**").

In respect of Consolidated Certificates, we will, only upon receipt of a request from the NCD Holder, split such Consolidated Certificates into smaller denominations subject to the minimum of Market Lot. No fees would be charged for splitting of NCD certificates in Market Lots, but stamp duty payable, if any, would be borne by the NCD Holder. The request for splitting should be accompanied by the original NCD certificate which would then be treated as cancelled by us.

Transfer/Transmission of NCD(s)

The NCDs shall be transferred or transmitted freely in accordance with the applicable provisions of the Companies Act, 2013. The provisions relating to transfer and transmission and other related matters in respect of our shares contained in the Articles and the Act shall apply, mutatis mutandis (to the extent applicable to debentures) to the NCD(s) as well. In respect of the NCDs held in physical form, a suitable instrument of transfer as may be prescribed by the Issuer may be used for the same. The NCDs held in

dematerialized form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant DPs of the transfer or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer or Registrar.

Please see “*Issue Structure – Interest/Premium*” on page 43 for the implications on the interest applicable to NCDs held by Individual Investors on the Record Date and NCDs held by Non Individual Investors on the Record Date.

For NCDs held in electronic form:

The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of the NCDs held in electronic form. The seller should give delivery instructions containing details of the buyer’s DP account to his depository participant.

In case the transferee does not have a DP account, the seller can re-materialise the NCDs and thereby convert his dematerialized holding into physical holding. Thereafter the NCDs can be transferred in the manner as stated above.

In case the buyer of the NCDs in physical form wants to hold the NCDs in dematerialized form, he can choose to dematerialize the securities through his DP.

Title

In case of:

the NCDs held in the dematerialized form, the person for the time being appearing in the record of beneficial owners maintained by the Depository; and

the NCD held in physical form, the person for the time being appearing in the Register of NCD Holders as NCD Holder,

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

No transfer of title of a NCD will be valid unless and until entered on the Register of NCD Holders or the register and index of NCD Holders maintained by the Depository prior to the Record Date. In the absence of transfer being registered, interest and/or Maturity Amount, as the case may be, will be paid to the person, whose name appears first in the Register of NCD Holders maintained by the Depositories and/or our Company and/or the Registrar, as the case may be. In such cases, claims, if any, by the purchasers of the NCDs will need to be settled with the seller of the NCDs and not with our Company or the Registrar. The provisions relating to transfer and transmission and other related matters in respect of our Company’s shares contained in the Articles of Association of our Company and the Companies Act shall apply, mutatis mutandis (to the extent applicable) to the NCD (s) as well.

Succession

Where NCDs are held in joint names and one of the joint holders dies, the survivor(s) will be recognized as the NCD Holder(s). It will be sufficient for our Company to delete the name of the deceased NCD Holder after obtaining satisfactory evidence of his death. Provided, a third person may call on our Company to register his name as successor of the deceased NCD Holder after obtaining evidence such as probate of a will for the purpose of proving his title to the debentures. In the event of demise of the sole or first holder of the Debentures, the Company will recognise the executors or administrator of the deceased NCD Holders, or the holder of the succession certificate or other legal representative as having title to the Debentures only if such executor or administrator obtains and

produces probate or letter of administration or is the holder of the succession certificate or other legal representation, as the case may be, from an appropriate court in India. The directors of the Company in their absolute discretion may, in any case, dispense with production of probate or letter of administration or succession certificate or other legal representation.

Where a non-resident Indian becomes entitled to the NCDs by way of succession, the following steps have to be complied with:

Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the NCDs were acquired by the non-resident Indian as part of the legacy left by the deceased NCD Holder.

Proof that the non-resident Indian is an Indian national or is of Indian origin.

Such holding by a non-resident Indian will be on a non-repatriation basis.

Joint-holders

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

Procedure for Re-materialization of NCDs

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

Restriction on transfer of NCDs

There are no restrictions on transfers and transmission of NCDs and on their consolidation/ splitting except as may be required under applicable statutory and/or regulatory requirements including any requirements of the RBI and/or as provided in our Articles of Association.

Period of Subscription

| ISSUE PROGRAMME | |
|-------------------------|----------------------|
| ISSUE OPENS ON | July 2, 2014 |
| ISSUE CLOSSES ON | July 22, 2014 |

Applications Forms for the Tranche-I Issue will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchanges, during the Issue Period as mentioned above on all days between Monday and Friday (both inclusive barring public holiday), (i) by the Lead Managers, Lead Brokers, sub-brokers or the Trading Members of the Stock Exchange, as the case maybe, at the centers mentioned in Application Form through the non-ASBA mode or, (ii) in case of ASBA Applications, (a) directly by the Designated Branches of the SCSBs or (b) by the centers of the Lead Managers, Lead Brokers, sub-brokers or the Trading Members of the Stock Exchange, as the case maybe, only at the Selected Cities. On the Issue Closing Date Application Forms will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. or such extended time as may be permitted by the Stock Exchanges.

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

are received on the Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Tranche-I Issue. Application Forms will only be accepted on Working Days during the Issue Period. Neither our Company, nor the Lead Managers, Lead Brokers, sub-brokers or Trading Members of the Stock Exchanges are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. Please note that the Basis of Allotment under the Tranche-I Issue will be on a date priority basis in accordance with SEBI Circular dated October 29, 2013.

Interest/Premium

1. Applicable Interest/Premium:

- (a) *For Series I NCDs:* Interest would be paid annually at the following rates of interest in connection with the relevant categories of NCD Holders as on the Record Date, on the amount outstanding from time to time, commencing from the Deemed Date of Allotment:

| Category of NCD Holder as on the Record Date | Rate of Interest/Coupon (% per annum) – (A) | Additional Incentive on any Record Date (% per annum) – (B) | Aggregate of Coupon and Additional Incentive on any Record Date (% per annum) = (A)+(B) |
|--|---|---|---|
| NCD Holder who is an Individual** | 9.85% | 1.15% | 11.00% |
| NCD Holder who is a Non Individual* | 9.85% | Nil | 9.85% |

* NCD Holders who are Non Individuals SHALL NOT be eligible for the additional incentive of 1.15% per annum for Series I NCDs held on any Record Date

** Senior Citizens (only First Allottees) shall be entitled to an additional yield at the rate of 0.25% per annum

- (b) *For Series II NCDs:* Interest would be paid annually at the following rates of interest in connection with the relevant categories of NCD Holders as on the Record Date, on the amount outstanding from time to time, commencing from the Deemed Date of Allotment:

| Category of NCD Holder as on the Record Date | Rate of Interest/Coupon (% per annum) – (A) | Additional Incentive on any Record Date (% per annum) – (B) | Aggregate of Coupon and Additional Incentive on any Record Date (% per annum) = (A)+(B) |
|--|---|---|---|
| NCD Holder who is an Individual** | 10.00% | 1.25% | 11.25% |
| NCD Holder who is a Non Individual* | 10.00% | Nil | 10.00% |

* NCD Holders who are Non Individuals SHALL NOT be eligible for the additional incentive of 1.25% per annum for Series II NCDs held on any Record Date.

** Senior Citizens (only First Allottees) shall be entitled to an additional yield at the rate of 0.25% per annum

- (c) *For Series III NCDs* Interest would be paid annually at the following rates of interest in connection with the relevant categories of NCD Holders as on the Record Date, on the amount outstanding from time to time, commencing from the Deemed Date of Allotment:

| Category of NCD Holder as on the Record Date | Rate of Interest/Coupon (% per annum) – (A) | Additional Incentive on any Record Date (% per annum) – (B) | Aggregate of Coupon and Additional Incentive on any Record Date (% per annum) = (A)+(B) |
|--|---|---|---|
| NCD Holder who is an Individual** | 10.15% | 1.35% | 11.50% |
| NCD Holder who is a Non Individual* | 10.15% | Nil | 10.15% |

* NCD Holders who are Non Individuals SHALL NOT be eligible for the additional incentive of 1.35% per annum for Series III NCDs held on any Record Date

** Senior Citizens (only First Allottees) shall be entitled to an additional yield at the rate of 0.25% per annum

- (d) *For Series IV NCDs[#]*: Interest would be paid monthly at the following rates of interest in connection of NCD Holders as on the Record Date, on the amount outstanding from time to time, commencing from the Deemed Date of Allotment:

| NCD Holder as on the Record Date | Rate of Interest/Coupon (% per annum) – (A) ^{##} | Additional Incentive on any Record Date (% per annum) – (B) | Aggregate of Coupon and Additional Incentive on any Record Date (% per annum) = (A)+(B) |
|----------------------------------|---|---|---|
| NCD Holder* | 10.71% | Nil | 10.71% |

* Senior Citizens (only First Allottees) shall be entitled to an additional yield at the rate of 0.25% per annum

[#] Monthly option shall be available only to **Individuals** applying for Allotment of NCDs in demat form only.

^{##} For series IV, Senior citizens (only First Allottee) will get a coupon of 10.94% per annum payable monthly

- (e) *For Series V NCDs[#]*: Interest would be paid monthly at the following rates of interest in connection of NCD Holders as on the Record Date, on the amount outstanding from time to time, commencing from the Deemed Date of Allotment:

| NCD Holder | Rate of Interest/Coupon (% per annum) – (A) ^{##} | Additional Incentive on any Record Date (% per annum) – (B) | Aggregate of Coupon and Additional Incentive on any Record Date (% per annum) = (A)+(B) |
|-------------|---|---|---|
| NCD Holder* | 10.94% | Nil | 10.94% |

* Senior Citizens (only First Allottees) shall be entitled to an additional yield at the rate of 0.25% per annum

[#] Monthly option shall be available only to **Individuals** applying for Allotment of NCDs in demat form only.

^{##} For series V, Senior citizens (only First Allottee) will get a coupon of 11.17% per annum payable monthly.

- (f) *For Series VI NCDs*: Series VI NCDs shall be redeemed at the end of thirty six months from the Deemed Date of Allotment at the following amounts based on the relevant categories of NCD Holders as on the Record Date for redemption of the Series VI NCDs:

| Category of NCD Holder as on the Record Date | Face Value (₹ per NCD) – (A) | Premium Amount (₹ per NCD) – (B) | Aggregate Amount Payable at the Time of Redemption (₹ per NCD) = (A)+(B)* |
|--|------------------------------|----------------------------------|---|
| NCD Holder who is | 1,000 | 368.02 | 1,368.02 [#] |

| Category of NCD Holder as on the Record Date | Face Value (₹ per NCD) – (A) | Premium Amount (₹ per NCD) – (B) | Aggregate Amount Payable at the Time of Redemption (₹ per NCD) = (A)+(B)* |
|--|------------------------------|----------------------------------|---|
| an Individual** | | | |
| NCD Holder who is a Non Individual | 1,000 | 325.90 | 1,325.90 |

* subject to applicable tax deducted at source, if any.

** Senior Citizens (only First Allottees) shall be entitled to an additional yield on the effective yield at the rate of 0.25% per annum

Senior Citizens shall be paid an aggregate amount of ₹ 1,377.29 per NCD on the Redemption Date

- (g) *For Series VII NCDs:* Series VII NCDs shall be redeemed at the end of sixty months from the Deemed Date of Allotment at the following amounts based on the relevant categories of NCD Holders as on the Record Date for redemption of the Series VII NCDs:

| Category of NCD Holder as on the Record Date | Face Value (₹ per NCD) – (A) | Premium Amount (₹ per NCD) – (B) | Aggregate Amount Payable at the Time of Redemption (₹ per NCD) = (A)+(B)* |
|--|------------------------------|----------------------------------|---|
| NCD Holder who is an Individual** | 1,000 | 704.62 | 1,704.62 [#] |
| NCD Holder who is a Non Individual | 1,000 | 610.93 | 1,610.93 |

* subject to applicable tax deducted at source, if any.

** Senior Citizens (only First Allottees) shall be entitled to an additional yield on the effective yield at the rate of 0.25% per annum

Senior Citizens shall be paid an aggregate amount of ₹ 1,723.87 per NCD on the Redemption Date

- (h) *For Series VIII NCDs:* Series VIII NCDs shall be redeemed at the end of eighty four months from the Deemed Date of Allotment at the following amounts based on the relevant categories of NCD Holders as on the Record Date for redemption of the Series VIII NCDs:

| Category of NCD Holder as on the Record Date | Face Value (₹ per NCD) – (A) | Premium Amount (₹ per NCD) – (B) | Aggregate Amount Payable at the Time of Redemption (₹ per NCD) = (A)+(B)* |
|--|------------------------------|----------------------------------|---|
| NCD Holder who is an Individual** | 1,000 | 1,143.79 | 2,143.79 [#] |
| NCD Holder who is a Non Individual | 1,000 | 968.44 | 1,968.44 |

* subject to applicable tax deducted at source, if any.

** Senior Citizens (only First Allottees) shall be entitled to an additional yield on the effective yield at the rate of 0.25% per annum

Senior Citizens shall be paid an aggregate amount of ₹ 2,177.70 per NCD on the Redemption Date

On any relevant Record Date the Registrar and/or our Company shall determine the list and identity of NCD Holders, (based on their DP identification, PAN and/or entries in the register of NCD Holders), and make applicable interest payments based on whether such NCD Holder as on such Record Date is an Individual or a Non Individual. The categories of the NCD Holders, (i.e. Individuals and Non Individuals), will be identified based on the details obtained from the depository database (with respect to NCDs held in dematerialized form) and register of NCD Holders (with respect to the NCDs

held in physical form).

Payment of Interest/Premium:

Annual Payment of Interest for Series I, Series II and Series III NCDs

For NCDs subscribed under Series I, Series II and Series III, the relevant interest will be paid on the anniversary of the Deemed Date of Allotment every year. The last interest payment will be made at the Redemption Date.

Monthly Payment of Interest for Series IV and Series V NCDs

For NCDs subscribed under Series IV and Series V, the first interest payment shall be made on the first day of September, 2014. The first interest payment shall be made from the Deemed Date of Allotment up to the August 31, 2014. The relevant interest accruing after August 31, 2014 will be paid on the first day of every following month for the amount outstanding. Interest payment will be made till the expiry of sixty months and eighty four months from the Deemed Date of Allotment for Series IV and Series V NCDs respectively. The last interest payment will be made at the time of redemption of the NCD on a pro rata basis.

Basis of payment of Interest / Premium

Payment of (a) interest and/or redemption amount in case of Series I, Series II, Series III, Series IV and Series V NCDs and (b) the face value of the NCDs plus the applicable premium on redemption in case of Series VI, Series VII and Series VIII NCDs, will be made to those NCD Holders (or to first holder in case of joint-holders), whose names appear in the register of NCD Holders (in case of NCDs held in physical form) and/or the details obtained from the depository database (in case of NCDs held in dematerialized form), as on the applicable Record Date. On every relevant Record Date, the Registrar and/or our Company shall determine the list and identity of NCD Holders, (based on their DP identification, PAN and/or entries in the register of NCD Holders), and make applicable interest payments based on whether such NCD Holder as on the applicable Record Date is an Individual or a Non Individual.

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

We may offer the facility of NECS, NEFT, RTGS, Direct Credit and any other method permitted by RBI and SEBI from time to time to help NCD Holders. The terms of this facility (including towns where this facility would be available) would be as prescribed by RBI. Refer to the paragraph on “*Manner of Payment of Interest/Refund/Redemption Amounts*” at page 51 in this Tranche-I Prospectus.

Taxation

Any tax exemption certificate/document must be lodged at the office of the Registrar at least 7(seven) days prior to the Record Date or as specifically required, failing which tax applicable on interest will be deducted at source on accrual thereof in our Company's books and/or on payment thereof, in accordance with the provisions of the IT Act and/or any other statutory modification, enactment or notification as the case may be. A tax deduction certificate will be issued for the amount of tax so deducted.

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

However in case of NCDs held in physical form, as per the current provisions of the IT Act, tax will not be deducted at source from interest payable on such NCDs held by the investor (in case of resident Individuals and HUFs), if such interest does not exceed ₹ 5,000 in any financial year. If interest exceeds the prescribed limit of ₹ 5,000 on account of interest on the NCDs, then the tax will be deducted at applicable rate. However

in case of NCD Holders claiming non-deduction or lower deduction of tax at source, as the case may be, the NCD Holder should furnish either (a) a declaration (in duplicate) in the prescribed form i.e. (i) Form 15H which can be given by Individuals who are of the age of 60 years or more (ii) Form 15G which can be given by all Applicants (other than companies, and firms), or (b) a certificate, from the Assessing Officer which can be obtained by all Applicants (including companies and firms) by making an application in the prescribed form i.e. Form No.13. The aforesaid documents, as may be applicable, should be submitted to our Company quoting the name of the sole/ first NCD Holder, NCD folio number and the distinctive number(s) of the NCD held, prior to the Record Date to ensure non-deduction/lower deduction of tax at source from interest on the NCD. The investors need to submit Form 15H/ 15G/certificate in original from Assessing Officer for each financial year during the currency of the NCD to ensure non-deduction or lower deduction of tax at source from interest on the NCD.

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

Subject to the terms and conditions in connection with computation of applicable interest on the Record Date as stated on page 33, please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this Tranche-I Prospectus read with the provisions of the Articles of Association of our Company, the transferee of such NCDs or the deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs.

Day Count Convention:

Interest shall be computed on a 365 days-a-year basis on the principal outstanding on the NCDs. However, where the interest period (start date to end date) includes February 29, interest shall be computed on 366 days-a-year basis, on the principal outstanding on the NCDs.

Effect of holidays on payments:

If the date of payment of interest does not fall on a Working Day, then the succeeding Working Day will be considered as the effective date for such payment of interest with interest for such additional period (the "Effective Date"). Such additional interest will be deducted from the interest payable on the next date of payment of interest. Interest and principal or other amounts, if any, will be paid on the Effective Date. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. In case the Maturity Date (also being the last Interest Payment Date) does not fall on a Working Day, the payment will be made on the preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment.

Illustration for guidance in respect of the day count convention and effect of holidays on payments. INVESTORS SHOULD NOTE THAT THIS EXAMPLE IS SOLELY FOR ILLUSTRATIVE PURPOSES AND IS NOT SPECIFIC TO THE TRANCHE-I ISSUE.

Illustration of cash-flows: For the purpose of this Illustration, we have considered effect of holidays on cash flows only for Series I, Series IV and Series VI NCDs. The effect of holidays on cash flows for the other Series of NCDs shall be similar.

i. Cash flows on Series I NCDs:

| Particulars | Details |
|--|--|
| Company | Shriram Transport Finance Company Limited |
| Face Value (per NCD) | ₹ 1,000 |
| Issue Opening date/ Date of allotment (tentative) | July 2, 2014 / August 1, 2014* (Friday) |
| Redemption Date | August 1, 2017 (Tuesday) |
| Interest rate for Non- Individuals | 9.85 % |
| Interest rate for Individuals | 11.00 %, For Senior Citizens (First Allottee) rate is 11.25% |
| Frequency of interest payment with specified dates | First Coupon/Interest Payment Date on August 1, 2015, and subsequently on August 1 of every year until the Maturity Date/Redemption Date of the Series of NCDs |

| | |
|----------------------|---------------|
| Day count convention | Actual/Actual |
|----------------------|---------------|

**Based on the Issue Closing Date (July 22, 2014) and post-Issue timelines for the present Tranche-I Issue, and may be subject to changes.*

| Cash flows (event) | Due Date | Payment Period (days) | Cash flows for Non-Individuals (Amount in ₹) | Cash Flows for Individuals (Amount in ₹) | Cash Flows for Senior Citizens (Amount in ₹) |
|--------------------|---------------------------|-----------------------|--|--|--|
| First Coupon | August 1, 2015 (Saturday) | 365 | 98.50 | 110.00 | 112.50 |
| Second Coupon | August 1, 2016 (Monday) | 366 | 98.50 | 110.00 | 112.50 |
| Third Coupon | August 1, 2017 (Tuesday) | 365 | 98.50 | 110.00 | 112.50 |
| Principal | August 1, 2017 (Tuesday) | | 1,000.00 | 1,000.00 | 1,000.00 |
| Total | | | 1,295.50 | 1,330.00 | 1,337.50 |

ii. Cash flows on Series IV NCDs:

| Particulars | Details |
|--|--|
| Company | Shriram Transport Finance Company Limited |
| Face Value (per NCD) | ₹ 1,000 |
| Issue Opening date/ Date of allotment (tentative) | July 2, 2014 / August 1, 2014* (Tuesday) |
| Redemption Date | August 1, 2019 (Thursday) |
| Interest rate for Non-Individuals | NA |
| Interest rate for Individuals | 10.71 %, For Senior Citizens (First Allottee) rate is 10.94% |
| Frequency of interest payment with specified dates | Monthly. First Coupon/Interest Payment Date on September 1, 2014, and subsequently on the 1 st of every month until the Maturity Date/Redemption Date of the Series of NCDs |
| Day count convention | Actual/Actual |

**Based on the Issue Closing Date (July 22, 2014) and post-Issue timelines for the present Tranche-I Issue, and may be subject to changes.*

| Cash flows (event) | Due Date | Frequency of Payment | Cash flows for Non-Individuals (Amount in ₹) | Cash Flows for Individuals (Amount in ₹) | Cash Flows for Senior Citizens (Amount in ₹) |
|--------------------|--|----------------------|--|--|--|
| First Coupon | September 1, 2014 (Monday) | Monthly | NA | 8.93 | 9.12 |
| Second Coupon | October 1, 2014 (Wednesday) | Monthly | NA | 8.93 | 9.12 |
| Third Coupon | 1 st of every month till August 1, 2019 | Monthly | NA | 8.93 | 9.12 |
| Principal | August 1, 2019 (Thursday) | | NA | 1,000.00 | 1,000.00 |
| Total | | | | 1,535.80 | 1,547.20 |

iii. Cash flows on Series VI NCDs:

| Particulars | Details |
|---|---|
| Company | Shriram Transport Finance Company Limited |
| Face Value (per NCD) | ₹ 1,000 |
| Issue Opening date/ Date of allotment (tentative) | July 2, 2014 / August 1, 2014* (Tuesday) |
| Redemption Date | August 1, 2017 (Tuesday) |
| Interest rate for Category I and II | 9.85 % |

| | |
|--|---|
| Interest rate for Categories III and IV | 11.00 % For Senior Citizens (First Allottee) rate is 11.25% |
| Frequency of interest payment with specified dates | Cumulative payment |
| Day count convention | Actual/Actual |

**Based on the Issue Closing Date (July 22, 2014) and post-Issue timelines for the present Tranche-I Issue, and may be subject to changes.*

| Cash flows (event) | Due Date | Payment Period (days) | Cash Flows for Non-Individuals (Amount in ₹) | Cash Flows for Individuals (Amount in ₹) |
|--------------------|--------------------------|-----------------------|--|---|
| Redemption | August 1, 2017 (Tuesday) | 1,096 | 1325.90 | 1,368.02. For Senior Citizens (First Allottee) redemption amount is 1,377.29 |

Interest on Application Money

Interest on application monies received which are used towards allotment of NCDs:

Our Company shall pay interest on application money on the amount allotted to the Applicants, other than to ASBA Applicants, subject to deduction of income tax under the provisions of the Income Tax Act, 1961, as amended, as applicable, to any Applicants to whom NCDs are allotted pursuant to the Tranche-I Issue after the date of realization of the cheque(s)/demand draft(s) or 3 (three) days after the date of receipt of the application (being the date of upload of each Application on the electronic Application platform of the Stock Exchanges) whichever is later upto one day prior to the Deemed Date of Allotment/NCD Certificates, at the rate of 9% per annum.

Our Company may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the Applicants. Alternatively, the interest warrant will be dispatched along with the Letter(s) of Allotment/NCD Certificates at the sole risk of the Applicant, to the sole/first Applicant.

Interest on application monies received which are liable to be refunded:

Our Company shall pay interest on application money which is liable to be refunded to the Applicants, other than to ASBA Applicants, in accordance with the provisions of the Debt Regulations and/or the Companies Act, 2013, or other applicable statutory and/or regulatory requirements, subject to deduction of income tax under the provisions of the Income Tax Act, 1961, as amended, after the date of realization of the cheque(s)/demand draft(s) or 3 (three) days after the date of receipt of the application (being the date of upload of each Application on the electronic Application platform of the Stock Exchanges) whichever is later upto one day prior to the Deemed Date of Allotment, at the rate of 4% per annum. Such interest shall be paid along with the monies liable to be refunded. Interest warrant will be dispatched / credited (in case of electronic payment) along with the Letter(s) of Refund at the sole risk of the Applicant, to the sole/first Applicant.

In the event our Company does not receive a minimum subscription of 75% of the Base Issue Size i.e. ₹ 37,500 lacs, on the date of closure of the Tranche-I Issue, our Company shall pay interest on application money which is liable to be refunded to the Applicants, other than to ASBA Applicants, in accordance with the provisions of the Debt Regulations and/or the Companies Act, 2013, or other applicable statutory and/or regulatory requirements, subject to deduction of income tax under the provisions of the Income Tax Act, 1961, as amended.

Provided that, notwithstanding anything contained hereinabove, our Company shall not be liable to pay any interest on monies liable to be refunded in case of (a) invalid applications or applications liable to be rejected, (b) applications which are withdrawn by the Applicant and/or (c) monies paid in excess of the amount of NCDs applied for in the Application Form/ as per the bid file of Stock Exchanges. Please refer to “Rejection of Application” at page 78 of this Tranche-I Prospectus.

Maturity and Redemption

The NCDs issued pursuant to this Tranche-I Prospectus have a fixed maturity date.

- **Series I NCDs:** The date of maturity for Series I NCDs is thirty six months from the Deemed Date of Allotment. Each Series I NCD shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of thirty six months from the Deemed Date of Allotment.
- **Series II NCDs:** The date of maturity for Series II NCDs is sixty months from the Deemed Date of Allotment. Each Series II NCD shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of sixty months from the Deemed Date of Allotment.
- **Series III NCDs:** The date of maturity for Series III NCDs is eighty four months from the Deemed Date of Allotment. Each Series III NCD shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of eighty four months from the Deemed Date of Allotment.
- **Series IV NCDs:** The date of maturity for Series IV NCDs is sixty months from the Deemed Date of Allotment. Each Series IV NCD shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of sixty months from the Deemed Date of Allotment.
- **Series V NCDs:** The date of maturity for Series V NCDs is eighty four months from the Deemed Date of Allotment. Each Series V NCD shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of eighty four months from the Deemed Date of Allotment.
- **Series VI NCDs:** The date of maturity for Series VI NCDs is thirty six months. Each Series VI NCD, shall be redeemable at ₹ 1,368.02 per Series VI NCD (inclusive of premium) held by an Individual and at ₹ 1,325.90 (inclusive of premium) per Series VI NCD held by a Non Individual, at the end of thirty six months from the Deemed Date of Allotment. Senior Citizens (only First Allottee) will be paid an aggregate amount of ₹ 1,377.29 at the end of thirty six months from the Deemed Date of Allotment.
- **Series VII NCDs:** The date of maturity for Series VII NCDs is sixty months. Each Series VII NCD, shall be redeemable at ₹ 1,704.62 per Series VII NCD (inclusive of premium) held by an Individual and at ₹ 1,610.93 per Series VII NCD (inclusive of premium) held by a Non Individual, at the end of sixty months from the Deemed Date of Allotment. Senior Citizens (only First Allottee) will be paid an aggregate amount of ₹ 1,723.87 at the end of sixty months from the Deemed Date of Allotment.
- **Series VIII NCDs:** The date of maturity for Series VIII NCDs is eighty four months. Each Series VIII NCD, shall be redeemable at ₹ 2,143.79 per Series VIII NCD (inclusive of premium) held by an Individual and at ₹ 1,968.44 per Series VIII NCD (inclusive of premium) held by a Non Individual, at the end of eighty four months from the Deemed Date of Allotment. Senior Citizens (only First Allottee) will be paid an aggregate amount of ₹ 2,177.70 at the end of eighty four months from the Deemed Date of Allotment.

Put / Call Option

No Put / Call Option for any Series of NCDs.

Application Size

Each application should be for a minimum of 10 NCDs and multiples of 1 NCD thereof. The minimum application size for each application would be ₹ 10,000/- (for all Series of NCDs namely, Series I, Series II, Series III, Series IV, Series V, Series VI, Series VII and Series VIII NCDs either taken individually or collectively) and in multiples of ₹ 1,000/- thereafter.

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

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

provisions.

Terms of Payment

The entire issue price of ₹ 1,000 per NCD is payable on application itself. In case of allotment of lesser number of NCDs than the number of NCDs applied for, our Company shall refund the excess amount paid on application to the Applicant in accordance with the terms of this Tranche-I Prospectus. For further details please refer to the paragraph on “*Interest on Application Money*” on page 49 of this Tranche-I Prospectus.

Manner of Payment of Interest / Refund / Redemption Amounts

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

For NCDs held in physical form:

In case of allotment in physical form, the bank details will be obtained from the Application Form or from the copy of the cancelled cheque or such other documentary proof as may have been annexed to the Application Form by the Applicant for payment of interest / refund / redemption as the case may be. In case of NCDs held in physical form on account of re-materialization and/or subsequent transfer post-allotment, the bank details will be obtained from the documents submitted to the Company along with the re-materialisation request. *Please refer to “Procedure for Re-materialization of NCDs” on page 42 of this Tranche-I Prospectus for further details.*

For NCDs applied / held in electronic form:

In case of allotment in electronic form, the bank details will be obtained from the Depositories for payment of Interest / refund / redemption as the case may be. Applicants who have applied for or are holding the NCDs in electronic form, are advised to immediately update their bank account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in credit of refunds to the Applicant at the Applicant’s sole risk, and the Lead Managers, our Company nor the Registrar to the Issue shall have any responsibility and undertake any liability for the same.

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

1. **Direct Credit:** Investors having their bank account with the Refund Banks, shall be eligible to receive refunds, if any, through direct credit. The refund amount, if any, would be credited directly to their bank account with the Refund Banker.
2. **NECS:** Payment of interest / refund / redemption shall be undertaken through NECS for Applicants having an account at the centers mentioned in NECS MICR list.

This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code, IFSC code, bank account number, bank name and branch name as appearing on a cheque leaf, from the Depositories. One of the methods for payment of interest / refund / redemption is through NECS for Applicants having a bank account at any of the abovementioned centers.

3. **RTGS:** Applicants having a bank account with a participating bank and whose interest payment / refund / redemption amount exceeds ₹ 2 lacs, or such amount as may be fixed by RBI from time to time, have the option to receive refund through RTGS. Such eligible Applicants who indicate their preference to receive interest payment / refund / redemption through RTGS are required to provide the IFSC code in the Application Form or intimate our Company and the Registrars to the Issue at least 7 (seven) days before the Record Date. Charges, if any, levied by the Applicant’s bank receiving the credit would be borne by the Applicant. In the event the same is not provided, interest payment / refund / redemption shall be made through NECS subject to availability of complete bank account details for the same as stated above.
4. **NEFT:** Payment of interest / refund / redemption shall be undertaken through NEFT wherever the Applicants’ bank has been assigned the Indian Financial System Code (“**IFSC**”), which can be linked

to a Magnetic Ink Character Recognition (“MICR”), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine digit MICR number and their bank account number while opening and operating the de-mat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of interest/refund/redemption will be made to the Applicants through this method.

5. **Registered Post/Speed Post:** For all other Applicants, including those who have not updated their bank particulars with the MICR code, the interest payment / refund / redemption orders shall be dispatched through Speed Post/ Registered Post only to Applicants that have provided details of a registered address in India. Refunds may be made by cheques, pay orders, or demand drafts drawn on the relevant Refund Bank and payable at par at places where Applications are received. All cheques, pay orders, or demand drafts as the case may be, shall be sent by registered/speed post at the Investor’s sole risk. Bank charges, if any, for cashing such cheques, pay orders, or demand drafts at other centres will be payable by the Applicant.

Refunds for Applicants other than ASBA Applicants

Within 12 Working Days of the Issue Closing Date, the Registrar to the Issue will dispatch refund orders/issue instructions for electronic refund, as applicable, of all amounts payable to unsuccessful Applicants (other than ASBA Applicants) and also any excess amount paid on Application, after adjusting for allocation/Allotment of NCDs. In case of Applicants who have applied for Allotment of NCDs in dematerialized form, the Registrar to the Issue will obtain from the Depositories the Applicant’s bank account details, including the MICR code, on the basis of the DP ID and Client ID provided by the Applicant in their Application Forms, for making refunds. In case of Applicants who have applied for Allotment of NCDs in physical form, the bank details will be extracted from the Application Form or the copy of the cancelled cheque. For Applicants who receive refunds through ECS, direct credit, RTGS or NEFT, the refund instructions will be issued to the clearing system within 12 Working Days of the Issue Closing Date. A suitable communication will be dispatched to the Applicants receiving refunds through these modes, giving details of the amount and expected date of electronic credit of refund. Such communication will be mailed to the addresses (in India) of Applicants, as per Demographic Details received from the Depositories or the address details provided in the Application Form, in case of Applicants who have applied for Allotment of NCDs in physical form. The Demographic Details or the address details provided in the Application Form would be used for mailing of the physical refund orders, as applicable. Investors who have applied for NCDs in electronic form, are advised to immediately update their bank account details as appearing on the records of their Depository Participant. Failure to do so could result in delays in credit of refund to the investors at their sole risk and neither the Lead Managers nor the Company shall have any responsibility and undertake any liability for such delays on part of the investors.

Printing of Bank Particulars on Interest Warrants

As a matter of precaution against possible fraudulent encashment of refund orders and interest/redemption warrants due to loss or misplacement, the particulars of the Applicant’s bank account are mandatorily required to be given for printing on the orders/ warrants. In relation to NCDs applied and held in dematerialized form, these particulars would be taken directly from the depositories. In case of NCDs held in physical form either on account of rematerialisation or transfer, the investors are advised to submit their bank account details with our Company / Registrar at least 7 (seven) days prior to the Record Date failing which the orders / warrants will be dispatched to the postal address of the holder of the NCD as available in the records of our Company. Bank account particulars will be printed on the orders/ warrants which can then be deposited only in the account specified.

Loan against NCDs

Pursuant to RBI Circular dated June 27, 2013, our Company, being an NBFC, is not permitted to extend any loans against the security of its NCDs.

Buy Back of NCDs

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

Our Company may from time to time invite the NCD Holders to offer the NCDs held by them through one or more buy-back schemes and/or letters of offer upon such terms and conditions as our Company may from time to time determine, subject to applicable statutory and/or regulatory requirements. Such NCDs which are bought back may be extinguished, re-issued and/or resold in the open market with a view of strengthening the liquidity of the NCDs in the market, subject to applicable statutory and/or regulatory requirements.

Procedure for Redemption by NCD Holders

The procedure for redemption is set out below:

NCDs held in physical form:

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

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

NCDs held in electronic form:

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

Payment on Redemption

The manner of payment of redemption is set out below:

NCDs held in physical form:

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

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

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

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of

redemption of the NCD(s).

NCDs held in electronic form:

On the redemption date, redemption proceeds would be paid by cheque / pay order / electronic mode to those NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us. These names would be as per the Depositories' records on the Record Date fixed for the purpose of redemption. These NCDs will be simultaneously extinguished to the extent of the amount redeemed through appropriate debit corporate action upon redemption of the corresponding value of the NCDs. It may be noted that in the entire process mentioned above, no action is required on the part of NCD Holders.

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

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

Issue of Duplicate NCD Certificate(s)

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

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

Right to Reissue NCD(s)

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

Sharing of Information

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

Notices

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

Market Making

The Company is exploring a possibility of appointment of market maker(s) in connection with the NCDs offered in the Tranche-I Issue. Market maker(s) may be appointed also subject to receipt of statutory approvals as may be required.

Future Borrowings

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

Impersonation

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

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

Pre-closure

Our Company, in consultation with the Lead Managers reserves the right to close the Tranche-I Issue at any time prior to the Issue Closing Date. In the event of such early closure of the Tranche-I Issue, our Company may, at its discretion, retain subscription in excess of the Base Issue Size, received until the date of the early closure, subject to the Shelf Limit and allot NCDs accordingly. In the event of such early closure or extension of the Tranche-I Issue, our Company shall ensure that notice of the same is provided to the prospective investors, on or before such early date of closure or the Issue Closing Date, as the case may be, through an advertisement in a leading national daily newspaper.

However, it is clarified that in the event that our Company does not receive a minimum subscription NCDs aggregating to 75% of the Base Issue Size. i.e. ₹ 37,500 lacs, our Company will not allot any NCDs to Applicants.

Further, in case of non-receipt of minimum subscription, application money to be refunded shall be credited only to the bank account from which the subscription was remitted. However, such procedure of refund of application moneys to the same bank account shall not extend to cases where the payment of application money has been made by instruments and/or modes other than CTS compliant cheques. In case where payment of application money has been made by instruments and/or modes other than CTS compliant cheques, refunds shall be made to the bank account linked to the demat account, in case of applications for Allotment of NCDs in demat form and to the bank account as mentioned in the Application Form/details from the cancelled cheque copy, in case of application for Allotment of NCDs in physical form.

Utilisation of Application Money

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

Utilisation of Tranche-I Issue Proceeds

- a) All monies received pursuant to the Tranche-I Issue of NCDs to public shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of section 40 of the Companies Act, 2013.
- b) Details of all monies utilised out of Tranche-I Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised; and
- c) Details of all unutilised monies out of the Tranche-I Issue of NCDs, if any, referred to in sub-

item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.

- d) We shall utilize the Tranche-I Issue proceeds only upon execution of the documents for creation of security as stated in this Tranche-I Prospectus and on receipt of the minimum subscription.
- e) The Tranche-I Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any immovable property.

Filing of the Shelf Prospectus and the Tranche-I Prospectus with the RoC

A copy of the Shelf Prospectus and the Tranche-I Prospectus has been filed with the RoC, in accordance with Section 26 and Section 31 of Companies Act, 2013.

Pre-Issue Advertisement

Our Company will issue a statutory advertisement on or before the Issue Opening Date. This advertisement will contain the information as prescribed in Schedule IV of Debt Regulations in compliance with the Regulation 8(1) of Debt Regulations. Material updates, if any, between the date of filing of the Shelf Prospectus and this Tranche-I Prospectus with ROC and the date of release of this statutory advertisement will be included in the statutory advertisement.

Listing

The NCDs offered through this Tranche-I Prospectus are proposed to be listed on the BSE and the NSE. Our Company has obtained an 'in-principle' approval for the Issue from the BSE vide their letter dated June 23, 2014 and from NSE vide their letter dated June 23, 2014. For the purposes of the Issue, NSE shall be the Designated Stock Exchange.

Our Company will use best efforts to ensure that all steps for the completion of the necessary formalities for listing at the Stock Exchanges are taken within 12 Working Days of the Issue Closing Date. Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for commencement of trading at the Stock Exchange where the NCDs are proposed to be listed are taken within 12 Working Days from the Issue Closing Date. For the avoidance of doubt, it is hereby clarified that in the event of non subscription to any one or more of the Series, such Series(s) of NCDs shall not be listed.

ISSUE PROCEDURE

This section applies to all Applicants. ASBA Applicants should note that the ASBA process involves application procedures which may be different from the procedures applicable to Applicants who apply for NCDs through any of the other channels, and accordingly should carefully read the provisions applicable to ASBA Applications hereunder. Please note that all Applicants are required to make payment of the full Application Amount along with the Application Form. In case of ASBA Applicants, an amount equivalent to the full Application Amount will be blocked by the Designated Branches of the SCSBs.

ASBA Applicants should note that they may submit their ASBA Applications to the Lead Managers, Lead Brokers, sub-brokers or Trading Members of the Stock Exchanges only in the Specified Cities or directly to the Designated Branches of the SCSBs. Applicants other than ASBA Applicants are required to submit their Applications to the Lead Managers, Lead Brokers, sub-brokers or Trading Members of the Stock Exchanges at the centres mentioned in the Application Form. For further information, please refer to “Submission of Completed Application Forms” on page 76 of this Tranche-I Prospectus.

Please note that this section has been prepared based on the Circular No. CIR/IMD/DF-1/20/2012 dated July 27, 2012 issued by SEBI. The following Issue procedure is subject to the functioning and operations of the necessary systems and infrastructure put in place by the Stock Exchanges for implementation of the provisions of the abovementioned circular, including the systems and infrastructure required in relation to Direct Online Applications through the online platform and online payment facility to be offered by Stock Exchanges and is also subject to any further clarifications, notification, modification, direction, instructions and/or correspondence that may be issued by the Stock Exchange(s) and/or SEBI. Please note that the Applicants will not have the option to apply for NCDs under the Tranche-I Issue, through the direct online applications mechanism of the Stock Exchanges. Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchanges and the Stock Exchanges have confirmed that the necessary infrastructure and facilities for the same have not been implemented by both Stock Exchanges. Hence, the Direct Online Application facility will not be available for this Tranche-I Issue.

PLEASE NOTE THAT ALL TRADING MEMBERS OF THE STOCK EXCHANGE(S) WHO WISH TO COLLECT AND UPLOAD APPLICATIONS IN THIS TRANCHE-I ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGES WILL NEED TO APPROACH THE RESPECTIVE STOCK EXCHANGE(S) AND FOLLOW THE REQUISITE PROCEDURES AS MAY BE PRESCRIBED BY THE RELEVANT STOCK EXCHANGE. THE LEAD MANAGERS, THE LEAD BROKERS AND THE COMPANY SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR OMISSIONS ON THE PART OF THE TRADING MEMBERS IN CONNECTION WITH THE RESPONSIBILITY OF SUCH TRADING MEMBERS IN RELATION TO COLLECTION AND UPLOAD OF APPLICATIONS IN THIS TRANCHE-I ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGES. FURTHER, THE RELEVANT STOCK EXCHANGE SHALL BE RESPONSIBLE FOR ADDRESSING INVESTOR GREIVANCES ARISING FROM APPLICATIONS THROUGH TRADING MEMBERS REGISTERED WITH SUCH STOCK EXCHANGE.

For purposes of the Tranche-I Issue, the term “Working Day” shall mean all days excluding Sundays or a public holiday in Mumbai or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881, except with reference to Issue Period, where working days shall mean all days, excluding Saturdays, Sundays and public holiday in India or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881.

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

PROCEDURE FOR APPLICATION

Availability of the Abridged Prospectus and Application Forms

Please note that there is a single Application Form for ASBA Applicants as well as Non-ASBA Applicants who are Persons Resident in India.

Physical copies of the abridged Shelf Prospectus and Abridged Prospectus containing the salient features of the Shelf Prospectus and the Tranche-I Prospectus, respectively, together with Application Forms may be obtained from:

- (a) Our Company's Registered Office and Corporate Office;
- (b) Offices of the Lead Managers, Lead Brokers and sub-brokers;
- (c) Trading Members; and
- (d) Designated Branches of the SCSBs.

Electronic Application Forms may be available for download on the websites of the Stock Exchanges and on the websites of the SCSBs that permit submission of ASBA Applications electronically. A unique application number ("UAN") will be generated for every Application Form downloaded from the websites of the Stock Exchanges. Our Company may also provide Application Forms for being downloaded and filled at such websites as it may deem fit. In addition, brokers having online demat account portals may also provide a facility of submitting the Application Forms virtually online to their account holders.

Trading Members of the Stock Exchanges can download Application Forms from the websites of the Stock Exchanges. Further, Application Forms will be provided to Trading Members of the Stock Exchanges at their request.

On a request being made by any Applicant before the Issue Closing Date, physical copies of the Shelf Prospectus, the Tranche-I Prospectus and Application Form can be obtained from the Company's Registered and Corporate Office, as well as offices of the Lead Managers. Electronic copies of the Draft Shelf Prospectus, Shelf Prospectus and the Tranche-I Prospectus will be available on the websites of the Lead Managers, the Stock Exchanges, SEBI and the SCSBs.

Who are eligible to apply for NCDs?

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

| Category I | Category II | Category III | Category IV |
|---|---|---|--|
| Institutional Investors | Non Institutional Investors | High Net-worth Individual, ("HNIs"), Investors | Retail Individual Investors |
| <ul style="list-style-type: none"> Resident public financial institutions as specified in Section 2 (72) of the Companies Act, 2013 authorized to invest in the NCDs; Statutory corporations including State Industrial Development Corporations, commercial banks, co-operative banks and regional rural banks incorporated in India and authorized to invest in the NCDs; Indian Provident funds with a minimum corpus of ₹ 2,500 lacs, pension funds with a minimum corpus of ₹ 2,500 lacs, | <ul style="list-style-type: none"> Companies, bodies corporate and societies, registered under the applicable laws in India, and authorized to invest in the NCDs; Educational institutions and associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment; which are authorized to invest in the NCDs; Trusts settled under the Indian Trusts Act, 1882, public/private | <ul style="list-style-type: none"> Resident Indian individuals who apply for NCDs aggregating to a value more than ₹ 5 lacs, across all Series of NCDs; and Hindu Undivided Families through the Karta who apply for NCDs aggregating to a value more than ₹ 5 lacs, across all Series of NCDs. | <ul style="list-style-type: none"> Resident Indian individuals who apply for NCDs aggregating to a value not more than ₹ 5 lacs, across all Series of NCDs; and Hindu Undivided Families through the Karta who apply for NCDs aggregating to a value not more than ₹ 5 lacs, across all Series of NCDs |

| Category I Institutional Investors | Category II Non Institutional Investors | Category III High Net-worth Individual, (“HNIs”), Investors | Category IV Retail Individual Investors |
|---|---|--|--|
| superannuation funds and gratuity funds, authorized to invest in the NCDs; <ul style="list-style-type: none"> Indian alternative investment funds registered with SEBI; Venture Capital Funds; Indian insurance companies registered with the IRDA; Indian Mutual Funds registered with SEBI; National Investment Fund set up pursuant to the resolution F. No. 2/3/2005-DD-II dated November 23, 2005 by the Government of India; and Insurance funds set up and managed by the Indian army, navy or the air force of the Union of India or by the Department of Posts, India | charitable/religious trusts settled and/or registered in India under applicable laws, which are authorized to invest in the NCDs; <ul style="list-style-type: none"> Resident Indian scientific and/or industrial research organizations, authorized to invest in the NCDs; Partnership firms formed under applicable laws in India in the name of the partners, authorized to invest in the NCDs; and; Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009), authorized to invest in the NCDs. | | |

Note: All categories of persons who are individuals or natural persons (including Hindu Undivided Families acting through their Karta) including without limitation HNIs and Retail Individual Investors who are eligible under applicable laws to hold the NCDs are collectively referred to as “Individuals”.

All categories of entities, associations, organizations, societies, trusts, funds, partnership firms, Limited Liability Partnerships, bodies corporate, statutory and/or regulatory bodies and authorities and other forms of legal entities who are NOT individuals or natural persons and are eligible under applicable laws to hold the NCDs including without limitation Institutional Investors and Non Institutional Investors are collectively referred to as “Non Individuals”.

Please note that it is clarified that Persons Resident Outside India shall not be entitled to participate in the Tranche-I Issue and any applications from such persons are liable to be rejected.

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

The Lead Managers and their respective associates and affiliates are permitted to subscribe in the Tranche-I Issue.

Who are not eligible to apply for NCDs?

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

- a) Minors without a guardian name*;
- b) Foreign nationals inter-alia including any NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA;
- c) Persons resident outside India;
- d) Foreign Institutional Investors;
- e) Foreign Portfolio Investors;
- f) Qualified Foreign Investors;
- g) Overseas Corporate Bodies; and
- h) Persons ineligible to contract under applicable statutory/regulatory requirements.

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

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

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

No offer to the public (as defined under Directive 20003/71/EC, together with any amendments and implementing measures thereto, the “**Prospectus Directive**”) has been or will be made in respect of the Issue or otherwise in respect of the NCDs, in any Member State of the European Economic Area which has implemented the Prospectus Directive (a “**Relevant Member State**”) except for any such offer made under exemptions available under the Prospectus Directive, provided that no such offer shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue or otherwise in respect of the NCDs.

Please refer to “*Rejection of Applications*” on page 78 of this Tranche-I Prospectus for information on rejection of Applications.

Modes of Making Applications

Applicants may use any of the following facilities for making Applications:

- (a) ASBA Applications through the Lead Managers, Lead Brokers, sub-brokers or the Trading Members of the Stock Exchanges only in the Specified Cities (namely, Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat) (“**Syndicate ASBA**”). For further details please refer to “*Submission of ASBA Applications*” on page 64 of this Tranche-I Prospectus;
- (b) ASBA Applications through the Designated Branches of the SCSBs. For further details please refer to “*Submission of ASBA Applications*” on page 64 of this Tranche-I Prospectus; and
- (c) Non-ASBA Applications through the Lead Managers, Lead Brokers, sub-brokers or the Trading Members of the Stock Exchanges at the centres mentioned in Application Form. For further details please refer to “*Submission of Non-ASBA Applications (other than Direct Online Applications)*” on page 66 of this Tranche-I Prospectus.

- (d) Non-ASBA Applications for Allotment in physical form through the Lead Managers, Lead Brokers, sub-brokers or the Trading Members of the Stock Exchanges at the centres mentioned in Application Form. For further details please refer to “*Submission of Non-ASBA Applications for Allotment of NCDs in the Physical Form*” on page 64 of this Tranche-I Prospectus.

Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchanges and the Stock Exchanges have confirmed that the necessary infrastructure and facilities for the same have not been implemented by both Stock Exchanges. Hence, the Direct Online Application facility will not be available for this Tranche-I Issue.

APPLICATIONS FOR ALLOTMENT OF NCDs

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

Applications by Mutual Funds

No mutual fund scheme shall invest more than 15% of its NAV in debt instruments issued by a single Company which are rated not below investment grade by a credit rating agency authorized to carry out such activity. Such investment limit may be extended to 20% of the NAV of the scheme with the prior approval of the Board of Trustees and the Board of the relevant asset management company.

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

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

Commercial Banks, Co-operative banks and Regional Rural Banks can apply in the Tranche-I Issue based on their own investment limits and approvals. The Application Form must be accompanied by certified true copies of their (i) memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) resolution authorising investments/containing operating instructions; and (iv) specimen signatures of authorised signatories. **Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

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

Application by Insurance Companies

In case of Applications made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with Application Form. The Applications must be accompanied by certified copies of (i) Memorandum and Articles of Association (ii) Power of Attorney (iii) Resolution authorising investment and containing operating instructions (iv) Specimen signatures of authorized signatories. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Application by Indian Alternative Investment Funds

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

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

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

Applications by Trusts

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

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

The Application must be accompanied by certified true copies of: (i) Any Act/ Rules under which they are incorporated; (ii) Board Resolution authorising investments; and (iii) Specimen signature of authorized person. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

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

The Application must be accompanied by certified true copies of: (i) Any Act/Rules under which they are incorporated; (ii) Power of Attorney, if any, in favour of one or more trustees thereof, (iii) Board Resolution authorising investments; (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements; (iv) Specimen signature of authorized person; (v) certified copy of the registered instrument for creation of such fund/trust; and (vi) Tax Exemption certificate issued by Income Tax Authorities, if

exempt from Tax. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Applications by National Investment Fund

The application must be accompanied by certified true copies of: (i) resolution authorising investment and containing operating instructions; and (ii) Specimen signature of authorized person. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

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

The Application must be accompanied by certified true copies of: (i) Any Act/ Rules under which they are incorporated; (ii) Board Resolution authorising investments; and (iii) Specimen signature of authorized person. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

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

The Application must be accompanied by certified true copies of: (i) Any Act/ Rules under which they are incorporated; (ii) Board Resolution authorising investments; and (iii) Specimen signature of authorized person. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Partnership firms formed under applicable Indian laws in the name of the partners and Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009)

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

Applications under Power of Attorney

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

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

APPLICATIONS FOR ALLOTMENT OF NCDs IN THE PHYSICAL AND DEMATERIALIZED FORM

Application for allotment in the physical form

Applicants can also apply for Allotment of the NCDs in physical form by submitting duly filled in Application Forms to the Lead Managers, the Lead Brokers, sub-brokers or the Trading Members of the Stock Exchanges, with the accompanying account payee cheques or demand drafts representing the full Application Amount and KYC documents as specified under “*Applications for Allotment of NCDs*” and “*Issue Procedure - Additional instructions for Applicants seeking Allotment of the NCDs in physical form*” on page 61 and page 64 of this Tranche-I Prospectus, respectively. The Lead Managers, the Lead Brokers, sub-brokers and the Trading Members of the Stock Exchanges shall, on submission of the Application Forms to them, verify and check the KYC documents submitted by such Applicants and upload details of the Application on the online platforms of Stock Exchanges, following which they shall acknowledge the uploading of the Application Form by stamping the acknowledgment slip with the date and time and returning it to the Applicant.

On uploading of the Application details, the Lead Managers, the Lead Brokers, sub-brokers and Trading Members of the Stock Exchanges will submit the Application Forms, with the cheque/demand draft to the Escrow Collection Bank(s) along with the KYC documents, which will realise the cheque/demand draft, and send the Application Form and the KYC documents to the Registrar to the Issue, who shall check the KYC documents submitted and match Application details as received from the online platforms of Stock Exchanges with the Application Amount details received from the Escrow Collection Bank(s) for reconciliation of funds received from the Escrow Collection Bank(s). In case of discrepancies between the two databases, the details received from the online platforms of Stock Exchanges will prevail, except in relation to discrepancies between Application Amounts. Lead Managers, the Lead Brokers, sub-brokers and the Trading Members of the Stock Exchanges are requested to note that all Applicants are required to be banked with only the designated branches of Escrow Collection Bank(s). On Allotment, the Registrar to the Issue will dispatch NCD certificates/Allotment Advice to the successful Applicants to their addresses as provided in the Application Form. **If the KYC documents of an Applicant are not in order, the Registrar to the Issue will withhold the dispatch of NCD certificates pending receipt of complete KYC documents from such Applicant. In such circumstances, successful Applicants should provide complete KYC documents to the Registrar to the Issue at the earliest. In such an event, any delay by the Applicant to provide complete KYC documents to the Registrar to the Issue will be at the Applicant’s sole risk and neither the Company, the Registrar to the Issue, the Escrow Collection Bank(s), nor the Lead Managers and/or the Lead Brokers, sub-brokers will be liable to compensate the Applicants for any losses caused to them due to any such delay, or liable to pay any interest on the Application Amounts for such period during which the NCD certificates are withheld by the Registrar to the Issue. Further, the Company will not be liable for any delays in payment of interest on the NCDs Allotted to such Applicants, and will not be liable to compensate such Applicants for any losses caused to them due to any such delay, or liable to pay any interest for such delay in payment of interest on the NCDs.**

For instructions pertaining to completing Application Form please see “*Issue Procedure - General Instructions*” and “*Issue Procedure - Instructions for Applicants seeking allotment of NCDs in physical form*” on pages 67 and 72 of this Tranche-I Prospectus, respectively.

Applications for allotment in the dematerialized form

Submission of ASBA Applications

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

- a) Physically or electronically to the Designated Branches of the SCSB(s) with whom an Applicant’s ASBA Account is maintained. In case of ASBA Application in physical mode, the ASBA Applicant shall submit the Application Form at the relevant Designated Branch of the SCSB(s). The Designated Branch shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account and shall also verify that the signature on the Application Form matches with the Investor’s bank records, as mentioned in the ASBA Application, prior to uploading such ASBA Application into the electronic system of the Stock Exchanges. **If sufficient funds are not available in the ASBA Account, the respective Designated Branch shall reject such ASBA Application and shall not upload such ASBA Application in the electronic system of the Stock Exchanges.** If sufficient funds are available in the ASBA Account, the Designated Branch shall block an amount

equivalent to the Application Amount and upload details of the ASBA Application in the electronic system of the Stock Exchanges. The Designated Branch of the SCSBs shall stamp the Application Form and issue an acknowledgement as proof of having accepted the Application. In case of Application in the electronic mode, the ASBA Applicant shall submit the ASBA Application either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for application and blocking funds in the ASBA Account held with SCSB, and accordingly registering such ASBA Applications.

- b) Physically through the Lead Managers, Lead Brokers, sub-brokers or Trading Members of the Stock Exchanges only at the Specified Cities (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Vadodara and Surat), i.e. Syndicate ASBA. Kindly note that ASBA Applications submitted to the Lead Managers, Lead Brokers, sub-brokers or Trading Members of the Stock Exchanges at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Application, is maintained has not named at least one branch at that Specified City for the Lead Managers, Lead Brokers, sub-brokers or Trading Members of the Stock Exchanges, as the case may be, to deposit ASBA Applications (A list of such branches is available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).

Upon receipt of the Application Form by the Lead Managers, Lead Brokers, sub-brokers or Trading Members of the Stock Exchanges, as the case may be, an acknowledgement shall be issued by giving the counter foil of the Application Form to the ASBA Applicant as proof of having accepted the Application. Thereafter, the details of the Application shall be uploaded in the electronic system of the Stock Exchanges and the Application Form shall be forwarded to the relevant branch of the SCSB, in the relevant Specified City, named by such SCSB to accept such ASBA Applications from the Lead Managers, Lead Brokers, sub-brokers or Trading Members of the Stock Exchanges, as the case may be (A list of such branches is available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>). Upon receipt of the ASBA Application, the relevant branch of the SCSB shall perform verification procedures including verification of the Applicant's signature with his bank records and check if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the ASBA Form. **If sufficient funds are not available in the ASBA Account, the relevant ASBA Application is liable to be rejected.** If sufficient funds are available in the ASBA Account, the relevant branch of the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application. The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of the Tranche-I Issue or until withdrawal/ rejection of the Application Form, as the case may be.

ASBA Applicants must note that:

- (a) Physical Application Forms will be available with the Designated Branches of the SCSBs and with the Lead Managers, Lead Brokers, sub-brokers and Trading Members of the Stock Exchanges at the Specified Cities; and electronic Application Forms will be available on the websites of the SCSBs and the Stock Exchanges at least one day prior to the Issue Opening Date. Application Forms will also be provided to the Trading Members of the Stock Exchanges at their request. The Application Forms would be serially numbered. Further, the SCSBs will ensure that this Tranche-I Prospectus is made available on their websites.
- (b) The Designated Branches of the SCSBs shall accept ASBA Applications directly from ASBA Applicants only during the Issue Period. The SCSB shall not accept any ASBA Applications directly from ASBA Applicants after the closing time of acceptance of Applications on the Issue Closing Date. However, in case of Syndicate ASBA, the relevant branches of the SCSBs at Specified Cities can accept ASBA Applications from the Lead Managers, Lead Brokers, sub-brokers or Trading Members of the Stock Exchanges, as the case may be, after the closing time of acceptance of Applications on the Issue Closing Date. For further information on the Issue programme, please refer to "*General Information – Issue Programme*" on page 29 of this Tranche-I Prospectus.
- (c) In case of Applications through Syndicate ASBA, the physical Application Form shall bear the stamp of the Lead Managers, Lead Brokers, sub-brokers or Trading Members of the Stock Exchanges, as the case maybe, if not, the same shall be rejected. **Application Forms directly**

submitted to SCSBs should bear the stamp of SCSBs, if not, the same are liable to be rejected.

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

Submission of Non-ASBA Applications (Other than Direct Online Applications)

Applicants must use the specified Application Form, which will be serially numbered, bearing the stamp of the relevant Lead Manager, Lead Broker, sub-broker or Trading Member of the Stock Exchanges, as the case maybe, from whom such Application Form is obtained. Such Application Form must be submitted to the relevant Lead Manager, Lead Broker, sub-broker or Trading Member of the Stock Exchanges, as the case maybe, at the centers mentioned in the Application Form along with the cheque or bank draft for the Application Amount, before the closure of the Issue Period. **Applicants must use only CTS compliant instruments and refrain from using NON-CTS 2010 instruments the payment of the Application Amount.** The Stock Exchanges may also provide Application Forms for being downloaded and filled. Accordingly the investors may download Application Forms and submit the completed Application Forms together with cheques/ demand drafts to the Lead Manager, Lead Broker, sub-broker or Trading Member of the Stock Exchanges at the centers mentioned in the Application Form. On submission of the complete Application Form, the relevant Lead Manager, Lead Broker, sub-broker or Trading Member of the Stock Exchange, as the case maybe, will upload the Application Form on the electronic system provided by the Stock Exchange, and once an Application Form has been uploaded, issue an acknowledgement of such upload by stamping the acknowledgement slip attached to the Application Form with the relevant date and time and return the same to the Applicant. Thereafter, the Application Form together with the cheque or bank draft shall be forwarded to the Escrow Collection Banks for realization and further processing.

The duly stamped acknowledgment slip will serve as a duplicate Application Form for the records of the Applicant. The Applicant must preserve the acknowledgment slip and provide the same in connection with:

- (a) any cancellation/ withdrawal of their Application;
- (b) queries in connection with allotment and/ or refund(s) of NCDs; and/or
- (c) all investor grievances/ complaints in connection with the Tranche-I Issue.

Submission of Direct Online Applications

Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchanges and the Stock Exchanges have confirmed that the necessary infrastructure and facilities for the same have not been implemented by both Stock Exchanges. Hence, the Direct Online Application facility will not be available for this Tranche-I Issue.

Relevant “know your customer” details of such Applicants will be validated online from the Depositories, on the basis of the DP ID and Client ID provided by them in the Application Form. On successful submission of a Direct Online Application, the Applicant will receive a system-generated UAN and an SMS or an e-mail confirmation on credit of the requisite Application Amount paid through the online payment facility with the Direct Online Application. On Allotment, the Registrar to the Issue shall credit NCDs to the beneficiary account of the Applicant and in case of refund, the refund amount shall be credited directly to the Applicant’s bank account. Applicants applying through the Direct Online Application facility must preserve their UAN and quote their UAN in: (a) any cancellation/withdrawal of their Application; (b) in queries in connection with Allotment of NCDs and/or refund(s); and/or (c) in all investor grievances/complaints in connection with the Tranche-I Issue.

As per Circular No. CIR/IMD/DF-1/20/2012 dated July 27, 2012 issued by SEBI, the availability of the Direct Online Applications facility is subject to the Stock Exchanges putting in place the necessary systems and infrastructure, and accordingly the aforementioned disclosures are subject to any further clarifications, notification, modification deletion, direction, instructions and/or correspondence that may be issued by the Stock Exchanges and/or SEBI.

INSTRUCTIONS FOR FILLING-UP THE APPLICATION FORM

General Instructions

A. General instructions for completing the Application Form

- Applications must be made in prescribed Application Form only;
- Application Forms must be completed in block letters in English, as per the instructions contained in the Draft Shelf Prospectus, the Shelf Prospectus, this Tranche-I Prospectus and the Abridged Prospectus and the Application Form.
- If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names.
- Applications must be for a minimum of ten NCDs and in multiples of one NCD thereafter. For the purpose of fulfilling the requirement of minimum application size of ten NCDs, an Applicant may choose to apply for ten NCDs of the same Series or across different Series. Applicants may apply for one or more Series of NCDs Applied for in a single Application Form.
- If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.
- Applications should be made by Karta in case of HUFs. Applicants are required to ensure that the PAN details of the HUF are mentioned and not those of the Karta.;
- Thumb impressions and signatures other than in English/Hindi/Gujarati/Marathi or any other languages specified in the 8th Schedule of the Constitution needs to be attested by a Magistrate or Notary Public or a Special Executive Magistrate under his/her seal;
- No separate receipts will be issued for the money payable on the submission of the Application Form. However, the Lead Managers, Lead Brokers, sub-brokers, Trading Members of the Stock Exchanges or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicants the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant. Applicants must ensure that the requisite documents are attached to the Application Form prior to submission and receipt of acknowledgement from the relevant Lead Manager, Lead Broker, sub-broker, Trading Member of the Stock Exchanges or the Designated Branch of the SCSBs, as the case may be.
- Every Applicant should hold valid Permanent Account Number (PAN) and mention the same in the Application Form.
- All Applicants are required to tick the relevant column of “Category of Investor” in the Application Form.
- All Applicants are required to tick the relevant box of the “Mode of Application” in the Application Form choosing either ASBA or Non-ASBA mechanism.
- ASBA Applicants should correctly mention the ASBA Account number and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form to the Designated Branch and also ensure that the signature in the Application Form matches with the signature in Applicant’s bank records, otherwise the Application is liable to be rejected.
- KYC Documents to be submitted by Applicants who do not have a Demat account and are applying for NCDs in the Physical Form

The Series, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Lead Managers, Lead Brokers, sub-brokers, Trading Member of the Stock Exchanges in the data entries as such data entries will be considered for allotment.

Applicants should note that neither the Lead Managers, Lead Brokers, sub-brokers, Trading Member of the Stock Exchanges, Escrow Collection Banks nor Designated Branches, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms.

Our Company would allot the Series III NCDs, to all valid Applications, wherein the Applicants have not indicated their choice of the relevant Series of NCDs.

B. Applicant's Beneficiary Account and Bank Account Details

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

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

The Demographic Details would be used for correspondence with the Applicants including mailing of the Allotment Advice and printing of bank particulars on the refund orders, or for refunds through electronic transfer of funds, as applicable. Allotment Advice and physical refund orders (as applicable) would be mailed at the address of the Applicant as per the Demographic Details received from the Depositories. Applicants may note that delivery of refund orders/ Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Applicant (other than ASBA Applicants) in the Application Form would be used only to ensure dispatch of refund orders. **Please note that any such delay shall be at such Applicants sole risk and neither our Company, the Lead Managers, Lead Brokers, sub-brokers, Trading Members of the Stock Exchanges, Escrow Collection Banks, SCSBs, Registrar to the Issue nor the Stock Exchanges shall be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay.** In case of refunds through electronic modes as detailed in this Tranche-I Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

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

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

liable to be rejected.

C. Permanent Account Number (PAN)

The Applicant should mention his or her Permanent Account Number (PAN) allotted under the IT Act. For minor Applicants, applying through the guardian, it is mandatory to mention the PAN of the minor Applicant. However, Applications on behalf of the Central or State Government officials and the officials appointed by the courts in terms of a SEBI circular dated June 30, 2008 and Applicants residing in the state of Sikkim who in terms of a SEBI circular dated July 20, 2006 may be exempt from specifying their PAN for transacting in the securities market. In accordance with Circular No. MRD/DOP/Cir-05/2007 dated April 27, 2007 issued by SEBI, the PAN would be the sole identification number for the participants transacting in the securities market, irrespective of the amount of transaction. **Any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction. It is to be specifically noted that the Applicants should not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.**

However, the exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Applications, the Registrar to the Issue will check under the Depository records for the appropriate description under the PAN field i.e. either Sikkim category or exempt category.

D. Joint Applications

If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form

E. Additional/ Multiple Applications

An Applicant is allowed to make one or more Applications for the NCDs for the same or other Series of NCDs, subject to a minimum application size of ₹ 10,000/- and in multiples of ₹ 1,000/- thereafter. **Any Application for an amount below the aforesaid minimum application size will be deemed as an invalid application and shall be rejected.** However, multiple Applications by the same individual Applicant aggregating to a value exceeding ₹ 5 lacs shall be deem such individual Applicant to be a HNI Applicant and all such Applications shall be grouped in the HNI Portion, for the purpose of determining the basis of allotment to such Applicant. However, any Application made by any person in his individual capacity and an Application made by such person in his capacity as a karta of a Hindu Undivided family and/or as Applicant (second or third Applicant), shall not be deemed to be a multiple Application. For the purposes of allotment of NCDs under the Tranche-I Issue, Applications shall be grouped based on the PAN, i.e. Applications under the same PAN shall be grouped together and treated as one Application. Two or more Applications will be deemed to be multiple Applications if the sole or first Applicant is one and the same. For the sake of clarity, two or more applications shall be deemed to be a multiple Application for the aforesaid purpose if the PAN number of the sole or the first Applicant is one and the same.

Do's and Don'ts

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

Do's

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

- mandatory for all Applicants.
5. Ensure that the Application Forms are submitted at the collection centres provided in the Application Forms, bearing the stamp of a Lead Manager, Lead Broker, sub-brokers or Trading Members of the Stock Exchange, as the case may be, for Applications other than ASBA Applications.
 6. Ensure that you have been given an acknowledgement as proof of having accepted the Application Form;
 7. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic application platform of the Stock Exchanges as per the procedures and requirements prescribed by each relevant Stock Exchange, ensure that you have first withdrawn your original Application and submit a fresh Application. For instance, as per the notice No: 20120831-22 dated August 31, 2012 issued by the BSE, fields namely, quantity, series, application no., sub-category codes will not be allowed for modification during the Tranche-I Issue. In such a case the date of the fresh Application will be considered for date priority for allotment purposes.
 8. Ensure that signatures other than in the languages specified in the Eighth Schedule to the Constitution of India is attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.
 9. Ensure that the DP ID, the Client ID and the PAN mentioned in the Application Form, which shall be entered into the electronic system of the Stock Exchanges, match with the DP ID, Client ID and PAN available in the Depository database;
 10. In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta;
 11. Ensure that the Applications are submitted to the Lead Managers, Lead Brokers, sub-brokers, Trading Members of the Stock Exchange or Designated Branches of the SCSBs, as the case may be, before the closure of application hours on the Issue Closing Date. For further information on the Issue programme, please refer to "*General Information – Issue Programme*" on page 29 of this Tranche-I Prospectus.
 12. Ensure that the Demographic Details including PAN are updated, true and correct in all respects;
 13. Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek allotment of NCDs pursuant to the Tranche-I Issue;
 14. **Permanent Account Number:** Except for Application (i) on behalf of the Central or State Government and officials appointed by the courts, and (ii) (subject to SEBI circular dated April 3, 2008) from the residents of the state of Sikkim, each of the Applicants should provide their PAN. Application Forms in which the PAN is not provided will be rejected. The exemption for the Central or State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same;
 15. Ensure that if the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form;
 16. Applicants are requested to write their names and Application serial number on the reverse of the instruments by which the payments are made;
 17. All Applicants are requested to tick the relevant column "Category of Investor" in the Application Form; and
 18. Tick the Series of NCDs in the Application Form that you wish to apply for.
 19. Submit KYC documents in case you are applying for physical allotment.

Don'ts:

1. Do not apply for lower than the minimum application size;
2. Do not pay the Application Amount in cash, by money order or by postal order or by stockinvest;
3. Do not send Application Forms by post; instead submit the same to the Lead Managers, Lead Brokers, sub-brokers, Trading Members of the Stock Exchange or Designated Branches of the SCSBs, as the case may be;
4. Do not fill up the Application Form such that the NCDs applied for exceeds the Issue size and/or investment limit or maximum number of NCDs that can be held under the applicable laws or regulations

- or maximum amount permissible under the applicable regulations;
5. Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground;
6. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
7. Do not submit the Application Forms without the full Application Amount;
8. Do not submit Applications on plain paper or on incomplete or illegible Application Forms;
9. Do not submit Applications in a colour prescribed for another category of investor;
10. Do not apply if you are not competent to contract under the Indian Contract Act, 1872;
11. Do not submit an Application in case you are not eligible to acquire NCDs under applicable law or your relevant constitutional documents or otherwise;
12. Do not submit an Application that does not comply with the securities law of your respective jurisdiction;
13. Do not apply if you are a person ineligible to apply for NCDs under the Tranche-I Issue including Applications by Persons Resident Outside India, (inter-alia including NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA);
14. Applicants other than ASBA Applicants should not submit the Application Form directly to the Escrow Collection Banks/ Bankers to the Issue, and the same will be rejected in such cases; and
15. Do not make an application of the NCD on multiple copies taken of a single form.

Additional Instructions Specific to ASBA Applicants

Do's:

1. Check if you are eligible to Apply under ASBA;
2. Read all the instructions carefully and complete the Application Form;
3. Ensure that you tick the ASBA option in the Application Form and give the correct details of your ASBA Account including bank account number/ bank name and branch;
4. Ensure that your Application Form is submitted either at a Designated Branch of a SCSB where the ASBA Account is maintained or with the Lead Managers, Lead Brokers, sub-brokers or Trading Members of the Stock Exchange at the Specified Cities, and not directly to the Escrow Collecting Banks (assuming that such bank is not a SCSB) or to our Company or the Registrar to the Issue;
5. In case of ASBA Applications through Syndicate ASBA, before submitting the physical Application Form to the Lead Managers, Lead Brokers, sub-brokers or Trading Members of the Stock Exchange, ensure that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at-least one branch in that Specified City for the Lead Managers, Lead Brokers, sub-brokers or Trading Members of the Stock Exchange, as the case may be, to deposit ASBA Forms (A list of such branches is available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>);
6. In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, in case of an SCSB making an ASBA Application, such ASBA Application should be made through an ASBA Account utilised solely for the purpose of applying in public issues and maintained in the name of such SCSB Applicant with a different SCSB, wherein clear demarcated funds are available.
7. Ensure that the Application Form is signed by the ASBA Account holder in case the ASBA Applicant is not the account holder;
8. Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form and that your signature in the Application Form matches with your available bank records;
9. Ensure that you have correctly ticked, provided or checked the authorisation box in the Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form; and
10. Ensure that you receive an acknowledgement from the Designated Branch or the concerned Lead Manager, Lead Broker, sub-broker or Trading Member of the Stock Exchange, as the case may be, for the submission of the Application Form.

The Reserve Bank of India has issued standard operating procedure in terms of paragraph 2(a) of RBI circular number DPSS.CO.CHD.No./133/04.07.05/2013-14 dated July 16, 2013, detailing the procedure for processing CTS 2010 and non-CTS 2010 instruments in the three CTS grid locations.

SEBI Circular No. CIR/CFD/DIL/1/2011 dated April 29, 2011 stipulating the time between closure of the Issue and listing at 12 Working Days. In order to enable compliance with the above timelines, investors are advised to use CTS cheques or use ASBA facility to make payment. Investors using non-CTS cheques are cautioned that applications accompanied by such cheques are liable to be rejected due to any clearing delays beyond 6 Working Days from the date of the closure of the Issue to avoid any delay in the timelines mentioned in the aforesaid SEBI Circular.

Don'ts:

1. Payment of Application Amount in any mode other than through blocking of Application Amount in the ASBA Accounts shall not be accepted under the ASBA process;
2. Do not submit the Application Form to the Lead Managers, Lead Brokers, sub-brokers or Trading Members of the Stock Exchange, as the case may be, at a location other than the Specified Cities.
3. Do not send your physical Application Form by post. Instead submit the same to a Designated Branch or the Lead Managers, Lead Brokers, sub-brokers or Trading Members of the Stock Exchange, as the case may be, at the Specified Cities; and
4. Do not submit more than five Application Forms per ASBA Account.

Kindly note that ASBA Applications submitted to the Lead Managers, Lead Brokers, sub-brokers or Trading Members of the Stock Exchange at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that Specified City for the Lead Managers, Lead Brokers, sub-brokers or Trading Members of the Stock Exchange, as the case may be, to deposit such Application Forms (A list of such branches is available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).

Please refer to “*Rejection of Applications*” on page 78 of this Tranche-I Prospectus for information on rejection of Applications.

ADDITIONAL INSTRUCTIONS FOR APPLICANTS SEEKING ALLOTMENT OF NCDs IN PHYSICAL FORM

Only Applicants who do not have a demat account as on date of the Application shall be eligible to apply for Allotment of NCDs in the physical form. Any Applicant who subscribes to the NCDs in physical form shall undertake the following steps:

Complete the Application Form in all respects, by providing all the information including PAN and Demographic Details. However, do not provide DP details in the Application Form. The requirement for providing DP details shall be mandatory only for Applicants who wish to subscribe to the NCDs in dematerialised form.

Provide the following documents with the Application Form:

- (a) Self-attested copy of the PAN card
- (b) Proof of identification in case of Applications by or on behalf of the Central or State Government and the officials appointed by the courts and by Applicants residing in the State of Sikkim. Any one of the following documents shall be considered as a verifiable proof of identification:
 - i. valid passport issued by the GoI; or
 - ii. voter's identity card issued by the GoI; or
 - iii. valid driving license issued by any transport authority of the Republic of India; or
 - iv. Government ID card; or
 - v. Defence ID card; or

- vi. ration card issued by the GoI
 - vii. Aadhar Card, Photo PAN Card
 - viii. Self-attested copy of proof of residence.
- (c) Any one of the following documents shall be considered as a verifiable proof of residence:
- i. ration card issued by the GoI; or
 - ii. valid driving license issued by any transport authority of the Republic of India; or
 - iii. electricity bill (not older than three months); or
 - iv. landline telephone bill (not older than three months); or
 - v. valid passport issued by the GoI; or
 - vi. voter's identity card issued by the GoI; or
 - vii. passbook or latest bank statement issued by a bank operating in India; or
 - viii. registered leave and license agreement or agreement for sale or rent agreement or flat
 - ix. maintenance bill.
- (d) AADHAAR letter, issued by Unique Identification Authority of India, GoI.
- (e) Self-attested copy of a cancelled cheque of the bank account to which the amounts pertaining to payment of refunds, interest and redemption, as applicable, should be credited. In the absence of such cancelled cheque, the Company reserves the right to reject the Application or to consider the bank details given on the Application Form at its sole discretion. In such case the Company, the Lead Managers and the Registrar to the Issue shall not be liable for any delays/errors in payment of refund and/or interest.

The Applicant shall be responsible for providing the above information accurately. Delays or failure in credit of the payments due to inaccurate details shall be at the sole risk of the Applicants and neither the Lead Managers, the Lead Brokers nor the Company shall have any responsibility and undertake any liability for the same. Applications for Allotment of the NCDs in physical form, which are not accompanied with the abovestated documents, may be rejected at the sole discretion of the Company.

In relation to the issuance of the NCDs in physical form, note the following:

1. An Applicant has the option to seek Allotment of NCDs in either dematerialised or physical mode. **However, an Applicant can seek Allotment of NCDs in physical mode only if the Applicant does not have a beneficiary account. No partial Application for the NCDs shall be permitted; any such partial Application is liable to be rejected.**
2. **Any Applicant who provides Depository Participant details in the Application Form shall be Allotted the NCDs in dematerialised form only, irrespective of whether such Applicant has provided the details required for Allotment in physical form. Such Applicant shall not be Allotted NCDs in physical form.**
3. In case of NCDs issued in physical form, the Company will issue one certificate to the holders of the NCDs for the aggregate amount of the NCDs for each of the Series of NCDs that are applied for (each such certificate, a "**Consolidated NCD Certificate**"). A successful Applicant can also request for the issue of NCD certificates in the denomination of 1 (one) NCD at any time post allotment of the NCDs.
4. The Company shall dispatch the Consolidated NCD Certificate to the (Indian) address of the Applicant provided in the Application Form, within the time and in the manner stipulated under Section 113 of the Companies Act, 2013 read with the Company's Articles of Association.

All terms and conditions disclosed in relation to the NCDs held in physical form pursuant to rematerialisation shall be applicable mutatis mutandis to the NCDs issued in physical form.

The Applicant shall be responsible for providing the above information and KYC documents accurately. Delay or failure in credit of payments or receipt of Allotment Advice or NCD certificates due to inaccurate or incomplete details shall be at the sole risk of the Applicants and the Lead Managers, the Lead Brokers, the sub-brokers, the Company and the Registrar to the Issue shall have no responsibility and undertake no liability in this relation. In case of Applications for Allotment of NCDs in physical form, which are not accompanied with the aforestated documents, Allotment of NCDs in physical form may be held in abeyance by the Registrar to the Issue, pending receipt of KYC documents.

TERMS OF PAYMENT

The entire issue price for the NCDs is payable on Application only. In case of Allotment of lesser number of NCDs than the number applied, our Company shall refund the excess amount paid on Application to the Applicant.

Payment mechanism for ASBA Applicants

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

For ASBA Applications submitted to the Lead Managers, Lead Brokers, sub-brokers or Trading Members of the Stock Exchange at the Specified Cities, the ASBA Application will be uploaded onto the electronic system of the Stock Exchange and deposited with the relevant branch of the SCSB at the Specified City named by such SCSB to accept such ASBA Applications from the Lead Managers, Lead Brokers, sub-brokers or Trading Members of the Stock Exchange, as the case may be (A list of such branches is available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>). The relevant branch of the SCSB shall perform verification procedures and block an amount in the ASBA Account equal to the Application Amount specified in the ASBA Application.

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

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

The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of the Tranche-I Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is approved, the Registrar to the Issue shall send an appropriate request to the controlling branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount pertaining to NCDs allocable to the successful ASBA Applicants to the Public Issue Account(s). In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

Escrow Mechanism for Applicants other than ASBA Applicants

Our Company shall open an Escrow Account with each of the Escrow Collection Bank(s) in whose favour the Applicants (other than ASBA Applicants) shall draw the cheque or demand draft in respect of his or her Application. Cheques or demand drafts received for the full Application Amount from Applicants would be deposited in the Escrow Account(s). All cheques/ bank drafts accompanying the Application should be crossed "A/c Payee only" for eligible Applicants must be made payable to "Escrow Account STFC NCD VII Public Issue". **Applicants must use only CTS compliant instruments and refrain from using NON-CTS 2010 instruments the payment of the Application Amount.**

The Escrow Collection Bank(s) shall transfer the funds from the Escrow Account into the Public Issue Account(s), as per the terms of the Escrow Agreement, this Tranche-I Prospectus.

The Escrow Collection Banks will act in terms of the Tranche-I Prospectus and the Escrow Agreement. The Escrow Collection Banks, for and on behalf of the Applicants, shall maintain the monies in the Escrow Account until the Designated Date. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Applicants. On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by Allotment of NCDs (other than in respect of Allotment to

successful ASBA Applicants) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account(s).

The balance amount after transfer to the Public Issue Account(s) shall be transferred to the Refund Account. Payments of refund to the relevant Applicants shall also be made from the Refund Account as per the terms of the Escrow Agreement and the Tranche-I Prospectus.

The Applicants should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Lead Managers, the Escrow Collection Banks and the Registrar to the Issue to facilitate collections from the Applicants.

Each Applicant shall draw a cheque or demand draft mechanism for the entire Application Amount as per the following terms:

1. All Applicants would be required to pay the full Application Amount at the time of the submission of the Application Form.
2. The Applicants shall, with the submission of the Application Form, draw a payment instrument for the Application Amount in favour of the Escrow Accounts and submit the same along with their Application. If the payment is not made favouring the Escrow Accounts along with the Application Form, the Application is liable to be rejected by the Escrow Collection Banks. Application Forms accompanied by cash, stockinvest, money order or postal order will not be accepted.
3. The payment instruments for payment into the Escrow Account should be drawn in favour of “Escrow Account STFC NCD VII Public Issue”
4. The monies deposited in the Escrow Accounts will be held for the benefit of the Applicants (other than ASBA Applicants) till the Designated Date.
5. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Accounts as per the terms of the Escrow Agreement into the Public Issue Account(s) with the Bankers to the Issue and the refund amount shall be transferred to the Refund Account.
6. Payments should be made by cheque or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers’ clearing house located at the centre where the Application Form is submitted. Outstation cheques, post dated cheques and cheques/ bank drafts drawn on banks not participating in the clearing process will not be accepted and Applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ stockinvest/ money orders/ postal orders will not be accepted. Please note that cheques without the nine digit Magnetic Ink Character Recognition (“MICR”) code are liable to be rejected.
7. Applicants are advised to provide the Application Form number on the reverse of the cheque or bank draft to avoid misuse of instruments submitted with the Application Form.
8. Applicants must use only CTS compliant instruments and refrain from using NON-CTS 2010 instruments the payment of the Application Amount.

Payment by cash/ stockinvest/ money order

Payment through cash/ stockinvest/ money order shall not be accepted in this Tranche-I Issue.

Payment mechanism for Direct Online Applicants

Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchanges and the Stock Exchanges have confirmed that the necessary infrastructure and facilities for the same have not been implemented by both Stock Exchanges. Hence, the Direct Online Application facility will not be available for this Tranche-I Issue.

SUBMISSION OF COMPLETED APPLICATION FORMS

| Mode of Submission of Application Forms | To whom the Application Form has to be submitted |
|---|--|
| ASBA Applications | <p>(i) If using <u>physical Application Form</u>, (a) to the Lead Managers, Lead Brokers, sub-brokers or Trading Members of the Stock Exchanges only at the Specified Cities (“Syndicate ASBA”), or (b) to the Designated Branches of the SCSBs where the ASBA Account is maintained; or</p> <p>(ii) If using <u>electronic Application Form</u>, to the SCSBs, electronically through internet banking facility, if available.</p> |
| Non-ASBA Applications | <p>The Lead Managers, Lead Brokers, sub-brokers or Trading Members of the Stock Exchanges at the centres mentioned in the Application Form.</p> <p>Note: Applications for Allotment in physical form can be made only by using non-ASBA Applications and Applicants are not permitted to make Applications for Allotment in physical form using ASBA Applications and Direct Online Applications.</p> |

Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchanges and the Stock Exchanges have confirmed that the necessary infrastructure and facilities for the same have not been implemented by both Stock Exchanges. Hence, the Direct Online Application facility will not be available for this Tranche-I Issue.

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

Syndicate ASBA Applicants must ensure that their ASBA Applications are submitted to the Lead Managers, Lead Brokers, sub-brokers or Trading Members of the Stock Exchanges only at the Specified Cities (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat). Kindly note that ASBA Applications submitted to the Lead Managers, Lead Brokers, sub-brokers or Trading Members of the Stock Exchanges at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Application, is maintained has not named at least one branch at that Specified City for the Lead Managers, Lead Brokers, sub-brokers or Trading Members of the Stock Exchanges, as the case may be, to deposit ASBA Applications (A list of such branches is available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).

For information on the Issue programme and timings for submission of Application Forms, please refer to “General Information – Issue Programme” on page 29 of this Tranche-I Prospectus.

Applicants other than ASBA Applicants are advised not to submit the Application Form directly to the Escrow Collection Banks/ Bankers to the Issue, and the same will be rejected in such cases and the Applicants will not be entitled to any compensation whatsoever.

Electronic Registration of Applications

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

Exchange.

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

- (b) The Stock Exchange will offer an electronic facility for registering Applications for the Tranche-I Issue. This facility will be available on the terminals of Lead Managers, Lead Brokers, sub-brokers, Trading Members of the Stock Exchange and the SCSBs during the Issue Period. The Lead Managers, Lead Brokers, sub-brokers and Trading Members of the Stock Exchange can also set up facilities for off-line electronic registration of Applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Applications on a regular basis, and before the expiry of the allocated time on the Issue Closing Date. On the Issue Closing Date, the Lead Managers, Lead Brokers, sub-brokers, Trading Members of the Stock Exchange and the Designated Branches of the SCSBs shall upload the Applications till such time as may be permitted by the Stock Exchange. This information will be available with the Lead Managers, Lead Brokers, sub-brokers, Trading Members of the Stock Exchange and the Designated Branches of the SCSBs on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation. For further information on the Issue programme, please refer to “*General Information – Issue Programme*” on page 29 of this Tranche-I Prospectus.
- (c) At the time of registering each Application, other than ASBA Applications and Direct Online Applications, the Lead Managers, Lead Brokers, sub-brokers or Trading Members of the Stock Exchange shall enter the requisite details of the Applicants in the on-line system including:
- Application Form number
 - PAN (of the first Applicant, in case of more than one Applicant)
 - Investor category and sub-category
 - DP ID (not applicable to Applications for Allotment of NCDs in physical form)
 - Client ID (not applicable to Applications for Allotment of NCDs in physical form)
 - Series of NCDs applied for
 - Number of NCDs Applied for in each Series of NCD
 - Price per NCD
 - Application amount
 - Cheque number
- (d) With respect to ASBA Applications submitted directly to the SCSBs at the time of registering each Application, the Designated Branches shall enter the requisite details of the Applicants in the on-line system including:
- Application Form number
 - PAN (of the first Applicant, in case of more than one Applicant)
 - Investor category and sub-category
 - DP ID
 - Client ID
 - Series of NCDs applied for
 - Number of NCDs Applied for in each Series of NCD
 - Price per NCD
 - Bank code for the SCSB where the ASBA Account is maintained
 - Bank account number
 - Application amount

- (e) With respect to ASBA Applications submitted to the Lead Managers, Lead Brokers, sub-brokers or Trading Members of the Stock Exchange only at the Specified Cities, at the time of registering each Application, the requisite details of the Applicants shall be entered in the on-line system including:
- Application Form number
 - PAN (of the first Applicant, in case of more than one Applicant)
 - Investor category and sub-category
 - DP ID
 - Client ID
 - Series of NCDs applied for
 - Number of NCDs Applied for in each Series of NCD
 - Price per NCD
 - Bank code for the SCSB where the ASBA Account is maintained
 - Location of Specified City
 - Application amount
- (f) A system generated acknowledgement will be given to the Applicant as a proof of the registration of each Application. **It is the Applicant's responsibility to obtain the acknowledgement from the Lead Managers, Lead Brokers, sub-brokers, Trading Members of the Stock Exchange and the Designated Braches of the SCSBs, as the case may be. The registration of the Application by the Lead Managers, Lead Brokers, sub-brokers, Trading Members of the Stock Exchange and the Designated Braches of the SCSBs, as the case may be, does not guarantee that the NCDs shall be allocated/ Allotted by our Company. The acknowledgement will be non-negotiable and by itself will not create any obligation of any kind.**
- (g) Applications can be rejected on the technical grounds listed on page 78 of this Tranche-I Prospectus or if all required information is not provided or the Application Form is incomplete in any respect.
- (h) The permission given by the Stock Exchange to use their network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Lead Managers are cleared or approved by the Stock Exchange; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Tranche-I Prospectus; nor does it warrant that the NCDs will be listed or will continue to be listed on the Stock Exchanges.
- (i) Only Applications that are uploaded on the online system of the Stock Exchange shall be considered for allocation/ Allotment. The Lead Managers, Lead Brokers, sub-brokers, Trading Members of the Stock Exchange and the Designated Braches of the SCSBs shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Application data in the electronic systems of the Stock Exchange. In order that the data so captured is accurate the Lead Managers, Lead Brokers, sub-brokers, Trading Members of the Stock Exchange and the Designated Braches of the SCSBs will be given up to one Working Day after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

REJECTION OF APPLICATIONS

Applications would be liable to be rejected on the technical grounds listed on page 78 of this Tranche-I Prospectus below or if all required information is not provided or the Application Form is incomplete in any respect. The Board of Directors and/or any committee of our Company reserves its full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof.

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

- i. Applications submitted without payment of the entire Application Amount. However, our Company may allot NCDs up to the value of application monies paid, if such application monies exceed the minimum application size as prescribed hereunder;
- ii. In case of partnership firms, NCDs may be applied for in the names of the individual partner(s) and no firm as such shall be entitled to apply for in its own name. However a Limited Liability Partnership firm can apply in its own name;
- iii. Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, except bids by Minors having valid demat account as per demographic details provided by the Depository Participants;
- iv. Minor Applicants (applying through the guardian) without mentioning the PAN of the minor Applicant;
- v. PAN not mentioned in the Application Form, except for Applications by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participants. In case of minor Applicants applying through guardian, when PAN of the Applicant is not mentioned;
- vi. DP ID and Client ID not mentioned in the Application Form(except in case Applicant has applied for Allotment of NCDs in the physical form);
- vii. GIR number furnished instead of PAN;
- viii. Applications by OCBs;
- ix. Applications for an amount below the minimum application size;
- x. Submission of more than five ASBA Forms per ASBA Account;
- xi. Applications by persons who are not eligible to acquire NCDs of our Company in terms of applicable laws, rules, regulations, guidelines and approvals;
- xii. In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
- xiii. Applications accompanied by Stockinvest/ money order/ postal order/ cash;
- xiv. Signature of Applicant missing;
- xv. ASBA Application Forms not being signed by the ASBA Account holder, if the account holder is different from the Applicant or the signature of the ASBA Account holder on the Application Form does not match with the signature available on the Applicant's bank records;
- xvi. Application Forms submitted to the Lead Managers, Lead Brokers, sub-brokers or Trading Members of the Stock Exchange does not bear the stamp of the relevant Lead Manager, Lead Broker, sub-broker or Trading Member of the Stock Exchange, as the case may be. ASBA Applications submitted directly to the Designated Branches of the SCSBs does not bear the stamp of the SCSB and/or the Designated Branch and/or the Lead Managers, Lead Brokers, sub-brokers or Trading Members of the Stock Exchange, as the case may be;
- xvii. ASBA Applications not having details of the ASBA Account to be blocked;
- xviii. In case no corresponding record is available with the Depositories that matches three parameters namely, DP ID, Client ID and PAN or if PAN is not available in the Depository database;
- xix. With respect to ASBA Applications, inadequate funds in the ASBA Account to enable the SCSB to block the Application Amount specified in the ASBA Application Form at the time of blocking such Application Amount in the ASBA Account or no confirmation is received from the SCSB for blocking of funds;
- xx. SCSB making an ASBA application (a) through an ASBA account maintained with its own self or (b)through an ASBA Account maintained through a different SCSB not in its own name or (c) through an ASBA Account maintained through a different SCSB in its own name, where clear demarcated funds are not present or (d) through an ASBA Account maintained through a different SCSB in its own name which ASBA Account is not utilised solely for the purpose of applying in public issues;
- xxi. Applications for amounts greater than the maximum permissible amounts prescribed by the regulations and applicable law;
- xxii. Applications where clear funds are not available in Escrow Accounts as per final certificates from Escrow Collection Banks;
- xxiii. Authorization to the SCSB for blocking funds in the ASBA Account not provided;
- xxiv. Applications by persons prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority;
- xxv. Applications by any person outside India;
- xxvi. Applications by other persons who are not eligible to apply for NCDs under the Tranche-I Issue under applicable Indian or foreign statutory/regulatory requirements;
- xxvii. Applications not uploaded on the online platform of the Stock Exchanges;
- xxviii. Applications uploaded after the expiry of the allocated time on the Issue Closing Date, unless extended by the Stock Exchange, as applicable;

- xxix. Application Forms not delivered by the Applicant within the time prescribed as per the Application Form and the Draft Shelf Prospectus and as per the instructions in the Application Form, the Shelf Prospectus and the Tranche-I Prospectus;
- xxx. Applications by Applicants whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;
- xxxi. Where PAN details in the Application Form and as entered into the electronic system of the Stock Exchange, are not as per the records of the Depositories;
- xxxii. ASBA Applications submitted to the Lead Managers, Lead Brokers, sub-brokers or Trading Members of the Stock Exchange at locations other than the Specified Cities or at a Designated Branch of a SCSB where the ASBA Account is not maintained, and ASBA Applications submitted directly to an Escrow Collecting Bank (assuming that such bank is not a SCSB), to our Company or the Registrar to the Issue;
- xxxiii. Applications tendered to the Trading Members of the Stock Exchange at centers other than the centers mentioned in the Application Form;
- xxxiv. Category not ticked; and/or
- xxxv. Application Form accompanied with more than one cheque.
- xxxvi. In case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application.
- xxxvii. Forms not uploaded on the electronic software of the stock exchanges.
- xxxviii. ASBA Application submitted directly to escrow banks who aren't SCSBs.
- xxxix. Application by non-individuals under Series IV and Series V.

Kindly note that ASBA Applications submitted to the Lead Managers, Lead Brokers, sub-brokers or Trading Members of the Stock Exchange at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has not named at least one branch at that Specified City for the Lead Managers, Lead Brokers, sub-brokers or Trading Members of the Stock Exchange, as the case may be, to deposit ASBA Applications (A list of such branches is available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).

For information on certain procedures to be carried out by the Registrar to the Offer for finalization of the basis of allotment, please refer to “*Information for Applicants*” on page 80 of this Tranche-I Prospectus.

Information for Applicants

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

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

In case of non-ASBA Applications, the basis of allotment will be based on the Registrar's validation of the electronic details with the Depository records, and the complete reconciliation of the final certificates received from the Escrow Collection Banks with the electronic details in terms of the SEBI circular CIR/CFD/DIL/3/2010 dated April 22, 2010 and the SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011. The Registrar will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, the Company, in consultation with the Designated Stock Exchange, the Lead Managers and the Registrar to the Issue, reserves the right to proceed as per the Depository records or treat such Applications as rejected.

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

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

BASIS OF ALLOTMENT

Grouping of Applications and Allocation Ratio: For the purposes of the basis of allotment:

- (a) Applications received from Applicants who are Institutional Investors: Applications received from Institutional Investors, shall be grouped together, ("**Institutional Portion**");
- (b) Applications received from Applicants who are Non Institutional Investors: Applications received from Non Institutional Investors, shall be grouped together, ("**Non Institutional Portion**");
- (c) Applications received from HNI Investors: Applications received from HNI Investors, shall be grouped together, ("**HNI Portion**") and
- (d) Applications received from Retail Individual Investors: Applications received from Retail Individual Investors, shall be grouped together, ("**Retail Individual Portion**");

For removal of doubt, "Institutional Portion", "Non-Institutional Portion", "HNI Portion" and "Retail Individual Portion" are individually referred to as "**Portion**" and collectively referred to as "**Portions**".

For the purposes of determining the number of NCDs available for allocation to each of the abovementioned Portions, our Company shall have the discretion of determining the number of NCDs to be allotted over and above the Base Issue Size, in case our Company opts to retain any oversubscription in the Tranche-I Issue upto the Shelf Limit. The aggregate value of NCDs decided to be allotted over and above the Base Issue Size, (in case our Company opts to retain any oversubscription in the Issue), and/or the aggregate value of NCDs upto the Base Issue Size shall be collectively termed as the "**Overall Issue Size**".

Basis of Allotment for the NCDs

a. Allotments in the first instance:

- i. Applicants belonging to the Category I, in the first instance, will be allocated NCDs upto 10% of the Issue Size on first come first serve basis (determined on the basis of date of upload of the Applications on the online Application platform of the stock exchanges);
- ii. Applicants belonging to the Category II, in the first instance, will be allocated NCDs upto 10% of Issue Size on first come first serve basis (determined on the basis of date of upload of the Applications on the online Application platform of the stock exchanges);
- iii. Applicants belonging to the Category III, in the first instance, will be allocated NCDs upto 30% of Issue Size on first come first serve basis (determined on the basis of date of upload of the Applications on the online Application platform of the stock exchanges);
- iv. Applicants belonging to the Category IV, in the first instance, will be allocated NCDs upto 50% of Issue Size on first come first serve basis (determined on the basis of date of upload of the Applications on the online Application platform of the stock exchanges).

b. Under subscription:

If there is any under subscription in any Portion (while other Portions are oversubscribed), priority in Allotments will be given in the following order (in decreasing order of priority):

- i. Category IV Portion;
- ii. Category III Portion;
- iii. Category II Portion; and
- iv. Category I Portion.

c. Treatment of Applications for each Portion:

For all Portions, all Applications uploaded on the same day on the online Application platform of the relevant stock exchanges would be treated at par with each other.

d. Minimum Allotment:

Minimum allotment of one NCD would be made in case of each valid Application.

e. Allotments in case of oversubscription:

In case of an oversubscription in any of the Portions, Allotments to the maximum extent, as possible, will be made on a first-come first-serve basis and thereafter on proportionate basis, i.e. full Allotment of NCDs to the Applicants on a first come first basis up to the date falling 1 (one) day prior to the date of oversubscription and proportionate allotment of Bonds to the Applicants on the date of oversubscription (based on the date of upload of each Application on the online Application platform of the relevant stock exchanges, in each Portion). The method of proportionate allotment is as described below:

- i. Allotments to the applicants shall be made in proportion to their respective Application size, rounded off to the nearest integer,
- ii. If the process of rounding off to the nearest integer results in the actual allocation of NCDs being higher than the Issue size, not all applicants will be allotted the number of NCDs arrived at after such rounding off. Rather, each Applicant whose Allotment size, prior to rounding off, had the highest decimal point would be given preference;
- iii. In the event, there are more than one Applicant whose entitlement remains equal after the manner of distribution referred to above, our Company will ensure that the basis of allotment is finalised by draw of lots in a fair and equitable manner.

f. Applicants applying for more than one Series of NCDs:

If an Applicant has applied for more than one Series of NCDs, and in case such Applicant is entitled to allocation of only a part of the aggregate number of NCDs applied for, the Series-wise allocation of NCDs to such Applicants shall be in proportion to the number of NCDs with respect to each Series, applied for by such Applicant, subject to rounding off to the nearest integer, as appropriate, in consultation with the Lead Managers and the Designated Stock Exchange.

For removal of doubt, “Institutional Portion”, Non-Institutional Portion” “HNI Portion” and “Retail Individual Portion” are individually referred to as “**Portion**” and collectively referred to as “**Portions**”.

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

For the purposes of determining the number of NCDs available for allocation to each of the abovementioned Portions, our Company shall have the discretion of determining the number of NCDs to be allotted over and above the Base Issue Size, in case our Company opts to retain any oversubscription in the Tranche-I Issue upto the Shelf Limit. The aggregate value of NCDs decided to be allotted over and above the Base Issue Size, (in case our Company opts to retain any oversubscription in the Issue), and/or the aggregate value of NCDs upto the Base Issue Size shall be collectively termed as the “**Overall Issue Size**”.

Allocation Ratio

Reservations shall be made for each of the Portions in the below mentioned format:

| Particulars | Institutional Category | Non Institutional Category | HNI Category | Retail Individual Category |
|-------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Size in % | 10% of the Tranche-I Issue | 10% of the Tranche-I Issue | 30% of the Tranche-I Issue | 50% of the Tranche-I Issue |

Basis of Allotment for NCDs

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

Retention of oversubscription

Our Company is making a public Issue of NCDs aggregating upto ₹ 100,000 lacs with an option to retain oversubscription of NCDs up to the Shelf Limit i.e. ₹ 3,00,000 lacs.

PAYMENT OF REFUNDS

Refunds for Applicants other than ASBA Applicants

Within 12 Working Days of the Issue Closing Date, the Registrar to the Issue will dispatch refund orders/ give instructions for electronic refund, as applicable, of all amounts payable to unsuccessful Applicants (other than ASBA Applicants) and also any excess amount paid on Application, after adjusting for allocation/ Allotment of NCDs.

The Registrar to the Issue will obtain from the Depositories the Applicant's bank account details, including the MICR code, on the basis of the DP ID and Client ID provided by the Applicant in their Application Forms, for making refunds.

For Applicants who receive refunds through ECS, direct credit, RTGS or NEFT, the refund instructions will be given to the clearing system within 12 Working Days from the Issue Closing Date. A suitable communication shall be dispatched to the Applicants receiving refunds through these modes, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund. Such communication will be mailed to the addresses of Applicants, as per the Demographic Details received from the Depositories.

The Demographic Details would be used for mailing of the physical refund orders, as applicable.

Mode of making refunds for Applicants other than ASBA Applicants

The payment of refund, if any, for Applicants other than ASBA Applicants would be done through any of the following modes:

1. Direct Credit – Applicants having bank accounts with the Refund Bank(s), as per Demographic Details received from the Depositories, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company.
2. NECS – Payment of refund would be done through NECS for Applicants having an account at any of the centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code from the Depositories.
3. RTGS – Applicants having a bank account at any of the centres where such facility has been made available and whose refund amount exceeds ₹ 2 lacs, have the option to receive refund through RTGS provided the Demographic Details downloaded from the Depositories contain the nine digit MICR code of the Applicant's bank which can be mapped with the RBI data to obtain the corresponding Indian Financial System Code (IFSC). Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant.
4. NEFT – Payment of refund shall be undertaken through NEFT wherever the Applicant's bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage, hence use of NEFT is subject

to operational feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in the sections.

5. For all other Applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be dispatched through Speed Post or Registered Post. Such refunds will be made by cheques, pay orders or demand drafts drawn on the relevant Refund Bank and payable at par at places where Applications are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Applicants.

Mode of making refunds for ASBA Applicants

In case of ASBA Applicants, the Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account for withdrawn, rejected or unsuccessful or partially successful ASBA Applications within 12 Working Days of the Issue Closing Date.

TRANSFER OF NCDs AND ISSUANCE OF ALLOTMENT ADVICE

With respect to Applicants other than ASBA Applicants, our Company shall (i) ensure dispatch of Allotment Advice/ intimation within 12 Working Days of the Issue Closing Date, and (ii) give instructions for credit of NCDs to the beneficiary account with Depository Participants, for successful Applicants who have been allotted NCDs in dematerialized form, within 12 Working Days of the Issue Closing Date. The Allotment Advice for successful Applicants who have been allotted NCDs in dematerialized form will be mailed to their addresses as per the Demographic Details received from the Depositories.

With respect to the ASBA Applicants, our Company shall ensure dispatch of Allotment Advice and/ or give instructions for credit of NCDs to the beneficiary account with Depository Participants within 12 Working Days of the Issue Closing Date. The Allotment Advice for successful ASBA Applicants will be mailed to their addresses as per the Demographic Details received from the Depositories.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for commencement of trading at the Stock Exchange where the NCDs are proposed to be listed are taken within 12 Working Days from the Issue Closing Date.

Allotment Advices shall be issued or Application Money shall be refunded within fifteen days from the Issue Closing Date or such lesser time as may be specified by Securities and Exchange Board or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of fifteen per cent. per annum for the delayed period

The Company will provide adequate funds required for dispatch of refund orders and Allotment Advice, as applicable, to the Registrar to the Issue.

OTHER INFORMATION

Withdrawal of Applications during the Issue Period

Withdrawal of ASBA Applications

ASBA Applicants can withdraw their ASBA Applications during the Issue Period by submitting a request for the same to Lead Manager, Lead Broker, sub-broker, Trading Member of the Stock Exchange or the Designated Branch, as the case may be, through whom the ASBA Application had been placed. In case of ASBA Applications submitted to the Lead Managers, Lead Brokers, sub-brokers or Trading Members of the Stock Exchange at the Specified Cities, upon receipt of the request for withdrawal from the ASBA Applicant, the relevant Lead Manager, Lead Broker, sub-broker or Trading Member of the Stock Exchange, as the case may be, shall do the requisite, including deletion of details of the withdrawn ASBA Application Form from the electronic system of the Stock Exchange. In case of ASBA Applications submitted directly to the Designated Branch of the SCSB, upon receipt of the request for withdraw from the ASBA Applicant, the relevant Designated Branch shall do the requisite, including deletion of details of the withdrawn ASBA Application Form from the electronic system of the Stock

Exchanges and unblocking of the funds in the ASBA Account directly.

Withdrawal of Non-ASBA Applications (other than Direct Online Applications)

Non-ASBA Applicants can withdraw their Applications during the Issue Period by submitting a request for the same to Lead Manager, Lead Broker, sub-broker or Trading Member of the Stock Exchange, as the case may be, through whom the Application had been placed. Upon receipt of the request for withdrawal from the Applicant, the relevant Lead Manager, Lead Broker, sub-broker or Trading Member of the Stock Exchange, as the case may be, shall do the requisite, including deletion of details of the withdrawn Non-ASBA Application Form from the electronic system of the Stock Exchange.

Withdrawal of Applications after the Issue Period

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

Revision of Applications

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

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

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

Depository Arrangements

We have made depository arrangements with NSDL and CDSL for issue and holding of the NCDs in dematerialized form. Please note that Tripartite Agreements have been executed between our Company, the Registrar and both the depositories.

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

- i Agreement dated April 30, 1999 between us, the Registrar to the Issue and NSDL, and dated March 29, 2000, between us, the Registrar to the Issue and CDSL, respectively for offering depository option to the investors.
- ii. An Applicant must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the Application.
- iii. The Applicant must necessarily provide the DP ID and Client ID details in the Application Form.
- iv. NCDs Allotted to an Applicant in the electronic form will be credited directly to the Applicant's respective beneficiary account(s) with the DP.
- vi. Non-transferable Allotment Advice/ refund orders will be directly sent to the Applicant by the Registrar to this Issue.

- ix. It may be noted that NCDs in electronic form can be traded only on the Stock Exchange having electronic connectivity with NSDL or CDSL. The Stock Exchanges have connectivity with NSDL and CDSL.
- x. Interest or other benefits with respect to the NCDs held in dematerialized form would be paid to those NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us as on Record Date. In case of those NCDs for which the beneficial owner is not identified by the Depository as on the Record Date/ book closure date, we would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to us, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.
- xi. The trading of the NCDs on the floor of the Stock Exchanges shall be in dematerialized form only.

Please also refer to “*Instructions for filling up the Application Form - Applicant’s Beneficiary Account and Bank Account Details*” .

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

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

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

Communications

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

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

Grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSB. Grievances relating to Direct Online Applications may be addressed to the Registrar to the Issue, with a copy to the relevant Stock Exchange.

Interest in case of Delay

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

Undertaking by the Issuer

Statement by the Board:

- (a) All monies received pursuant to the Tranche-I Issue of NCDs to public shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of section 40 of the Companies Act, 2013.
- (b) Details of all monies utilised out of Tranche-I Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had

been utilised; and

- (c) Details of all unutilised monies out of Tranche-I Issue, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.
- (d) the details of all utilized and unutilised monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized, and the securities or other forms of financial assets in which such unutilized monies have been invested;
- (e) We shall utilize the Tranche-I Issue proceeds only upon execution of the documents for creation of security as stated in this Tranche-I Prospectus and on receipt of the minimum subscription of 75% of the Base Issue.
- (f) The Tranche-I Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any immovable property.

Other Undertakings by the Company

The Company undertakes that:

- (a) Complaints received in respect of the Tranche-I Issue will be attended to by the Company expeditiously and satisfactorily;
- (b) Necessary cooperation to the relevant credit rating agency(ies) will be extended in providing true and adequate information until the obligations in respect of the NCDs are outstanding;
- (c) Our Company will take necessary steps for the purpose of getting the NCDs listed within the specified time, i.e., within 12 Working Days of the Issue Closing Date;
- (d) Funds required for dispatch of refund orders/Allotment Advice/NCD Certificates will be made available by our Company to the Registrar to the Issue;
- (e) Our Company will forward details of utilisation of the proceeds of the Tranche-I Issue, duly certified by the Statutory Auditor, to the Debenture Trustee;
- (f) Our Company will provide a compliance certificate to the Debenture Trustee on an annual basis in respect of compliance with the terms and conditions of the Issue as contained in this Tranche-I Prospectus.
- (g) Our Company will disclose the complete name and address of the Debenture Trustee in its annual report.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

At the meeting of the Board of Directors of our Company, held on April 29, 2014, the Directors approved the issue of NCDs to the public in one or more tranches, upto an amount not exceeding ₹ 3,00,000 lacs.

Prohibition by SEBI

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

Disclaimer Clause of the NSE

As required, a copy of this Offer Document has been submitted to NSE. NSE has given vide its letter ref.: NSE/LIST/242587-8 dated June 23, 2014 permission to the Issuer to use the Exchange's name in this Offer Document as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the Offer Document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Offer Document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquires any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer Clause of the BSE

BSE Limited ("the Exchange") has given vide its letter dated June 23, 2014, permission to this Company to use the Exchange's name in this offer document as one of the stock exchanges on which this Company's securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- a. warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- b. warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or
- c. take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

And it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer Clause of the RBI

THE COMPANY IS HAVING A VALID CERTIFICATE OF REGISTRATION DATED APRIL 17, 2007

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

Track record of past public issues handled by the Lead Managers

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

| Name of Lead Manager | Website |
|---|--|
| JM Financial Institutional Securities Limited | www.jmfi.com |
| A.K. Capital Services Limited | www.akcapindia.com |
| Edelweiss Financial Services Limited | www.edelweissfin.com |
| ICICI Securities Limited | www.icicisecurities.com |

Listing

An application has been made to the NSE and the BSE for permission to deal in and for an official quotation of our NCDs. NSE has been appointed as the Designated Stock Exchange.

If permissions to deal in and for an official quotation of our NCDs are not granted by NSE and/or BSE, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of this Tranche-I Prospectus.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within 12 Working Days from the date of closure of the Tranche-I Issue.

For the avoidance of doubt, it is hereby clarified that in the event of non subscription to any one or more of the Series, such NCDs with Series shall not be listed.

Consents

Consents in writing of: (a) the Directors, (b) our Company Secretary and Compliance Officer (c) Bankers to our Company (d) Lead Managers; (e) the Registrar to the Issue, (f) Legal Advisors to the Issue, (g) Credit Rating Agencies, (h) the Debenture Trustee, (i) the Escrow Collection Bank, (j) the Refund bank and (k) the Lead Brokers to the Issue to act in their respective capacities, have been obtained and the same will be filed along with a copy of the Shelf Prospectus with the ROC and this Tranche-I Prospectus.

Expert Opinion

Except as disclosed in the Shelf Prospectus, our Company has not obtained any expert opinions in connection with the Issue.

Common form of Transfer

The Issuer undertakes that there shall be a common form of transfer for the NCDs and the provisions of the Companies Act, 2013 and all applicable laws shall be duly complied with in respect of all transfer of debentures and registration thereof.

Minimum Subscription

If our Company does not receive the minimum subscription of 75 % of the Base Issue, i.e. ₹ 37,500 lacs, within 30 (thirty) days from the date of issue of this Tranche-I Prospectus or such other period as may be specified by the

SEBI, the entire subscription shall be returned within such time and manner as may be prescribed by SEBI in accordance with section 39(3) of the Companies Act, 2013.

Further, in case of non-receipt of minimum subscription, application money to be refunded shall be credited only to the bank account from which the subscription was remitted. However, such procedure of refund of application moneys to the same bank account shall not extend to cases where the payment of application money has been made by instruments and/or modes other than CTS compliant cheques. In case where payment of application money has been made by instruments and/or modes other than CTS compliant cheques, refunds shall be made to the bank account linked to the demat account, in case of applications for Allotment of NCDs in demat form and to the bank account as mentioned in the Application Form/details from the cancelled cheque copy, in case of application for Allotment of NCDs in physical form.

Filing of the Shelf Prospectus and the Tranche-I Prospectus with the RoC

A copy of the Shelf Prospectus and the Tranche-I Prospectus has been filed with the RoC, in accordance with Section 26 and Section 31 of Companies Act, 2013.

Debenture Redemption Reserve

Section 71 (4) of the Companies Act, 2013 states that where debentures are issued by any company, the company shall create a debenture redemption reserve out of the profits of the company available for payment of dividend. Rule 18 (7) of the Companies (Share Capital and Debentures) Rules, 2014 further states that 'the adequacy' of DRR for NBFCs registered with the RBI under Section 45-1A of the RBI (Amendment) Act, 1997 shall be 25% of the value of debentures issued through a public issue as per the Debt Regulations. The Rules further mandates (a) every company to create/maintain the required DRR before the 30th day of April of each year and (b) deposit or invest, as the case may be, a sum which shall not be less than 15% of the amount of its debentures maturing during the year ending on the 31st day of March following. The abovementioned amount deposited or invested, must not be utilized for any purpose other than for the repayment of debentures maturing during the year provided that the amount remaining deposited or invested must not at any time fall below 15% of the amount of debentures maturing during the period as mentioned above.

Issue Related Expenses

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

The estimated breakdown of the total expenses for the Tranche-I Issue is as follows:

| Activity | Tranche-I Issue Expenses (Rs. in lacs) | As a % of total Tranche-I Expenses | As a % of Tranche-I Issue |
|---|---|---|--|
| Lead management fees, selling commissions and brokerage | 5,760.00 | 70.18 | 1.92 |
| Commission/processing fee for SCSBs and Syndicate for ASBA* | 2.00 | 0.02 | 0.00 |
| Advertising and marketing expenses | 1,600.00 | 19.50 | 0.53 |
| Printing and stationery | 512.00 | 6.24 | 0.17 |
| Advisors' fees | 30.00 | 0.37 | 0.01 |
| Registrar's fees | 15.00 | 0.18 | 0.01 |
| Other Miscellaneous (legal fees, credit rating expenses, listing fees etc.) | 288.00 | 3.51 | 0.10 |
| Total Issue Expenses | 8,207.00 | 100.00 | 2.74 |

**SCSBs would be entitled to a processing fee of ₹15 per Bid cum Application Form for processing the Bid cum Application Forms procured by the Syndicate or Registered Brokers and submitted to SCSB.*

Underwriting

The Tranche-I Issue has not been underwritten.

Mechanism for redressal of investor grievances

The Registrar Agreement dated June 13, 2014 between the Registrar to the Issue and our Company will provide for retention of records with the Registrar to the Issue for a period of at least three years from the last date of despatch of the Allotment Advice, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

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

Integrated Enterprises (India) Limited

2nd Floor, Kences Towers, No. 1, Ramakrishna Street,

North Usman Road, T. Nagar, Chennai - 600 017

Tel: + 91 44 2814 0801-03

Fax: +91 99 2814 2479

Email: stfcipo@integratedindia.in

Investor Grievance Email: sureshbabu@integratedindia.in

Website: www.integratedindia.in

Contact Person: Anusha N/ Sriram S

SEBI Registration No: INR000000544

We estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances will be 7 (seven) business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

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

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

Mr. Vivek M. Achwal,

Wockhardt Towers, Level-3

West Wing, C-2, G Block, Bandra – Kurla Complex

Bandra (East)

Mumbai – 400 051

Tel. No. +91 22 4095 9595

Fax No.: +91 22 4095 9596/97

Email: stfcncd7comp@stfc.in

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

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

A. Material Contracts

1. Engagement Letter dated June 16, 2014 received from the Company appointing the Lead Managers.
2. Issue Agreement dated June 16, 2014 between the Company and the Lead Managers.
3. Registrar Agreement dated June 13, 2014 with the Registrar to the Issue
4. Debenture Trust Agreement dated June 3, 2014 executed between the Company and the Debenture Trustee.
5. Escrow Agreement dated June 23, 2014 executed between the Company, the Escrow Collection Banks, the Refund Banker, the Lead Managers and the Registrar to the Issue
6. Lead Broker Agreement dated June 23, 2014 executed between the Company, the Lead Brokers to the Issue, the Lead Managers and the Registrar to the Issue.
7. Agreed form of the Debenture Trust Deed to be entered into between the Company and the Debenture Trustee.

B. Material Documents

1. Certificate of Incorporation of the Company dated June 30, 1979, issued by Registrar of Companies, Tamil Nadu, Chennai
2. Memorandum and Articles of Association of the Company, as last amended in the 34th AGM of the Company held on July 5, 2013.
3. The certificate of registration No. 07-00459 dated April 17, 2007 issued by Reserve Bank of India under section 45 IA of the Reserve Bank of India Act, 1934.
4. Credit rating letter dated June 5, 2014 from CRISIL, credit rating letter dated June 5, 2014 from CARE and credit rating letter dated June 20, 2014 from India Ratings and Research granting credit ratings to the NCDs.
5. Copy of the Board Resolution dated April 29, 2014 approving the Issue.
6. Resolution passed by the shareholders of the Company at the Annual General Meeting held on July 5, 2013 approving the overall borrowing limit of the Company.
7. Consents of the Directors, Lead Managers to the Issue, Compliance Officer of our Company, Debenture Trustee, Credit Rating Agencies for the Issue, Legal Advisor to the Issue, Bankers to the Company, Lead Brokers, Bankers to the Issue and the Registrar to the Issue, to include their names in the Shelf Prospectus.
8. The joint consent of the Joint Statutory Auditors of our Company, namely S. R. Batliboi & Co. LLP and G. D. Apte & Co. for inclusion of their names as the Joint Statutory Auditors in this Tranche-I Prospectus.
9. Due Diligence certificate dated June 24, 2014 filed by the Lead Managers with SEBI.
10. In-principle approval dated June 23, 2014 received from the National Stock Exchange of India Limited.
11. In-principle approval dated June 23, 2014 received from the BSE Limited

DECLARATION

We, the Directors of the Shriram Transport Finance Company Limited, certify that all the applicable provisions of the Companies Act, 1956, all the relevant provisions of the Companies Act, 2013 and the rules prescribed thereunder to the extent applicable as on date to this Tranche-I Prospectus, the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended and the guidelines issued by the Government of India / Reserve Bank of India and the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be have been complied with and no statement made in this Tranche-I Prospectus is contrary to the provisions of the above mentioned acts, rules, guidelines and circulars as applicable to this Tranche-I Prospectus.

On behalf of the Board of Directors of SHRIRAM TRANSPORT FINANCE COMPANY LIMITED:

MR. ARUN DUGGAL

MR. UMESH GOVIND REVANKAR

MR. RAMACHANDRAN SRIDHAR

MR. MAYASHANKER VERMA

MR. SUMATI PRASAD MISHRILAL BAFNA

MR. PUNEET BHATIA

MR. LAKSHMINARAYANAN SUBRAMANIAN

MRS. KISHORI UDESHI

MR. AMITABH CHAUDHRY

MR. GERRIT LODEWYK VAN HEERDE

Place: MUMBAI

Date: June 24, 2014

CONFIDENTIAL

Ref. no.: MS/FSR/STFCL/2014-15/472

June 5, 2014

Mr. Parag Sharma
 Chief Financial Officer
Shriram Transport Finance Company Limited
 Wockhardt Tower, 3rd floor, west wing
 C-2, G-Block, Bandra- Kurla Complex
 Bandra(E) , Mumbai 400051
 Fax : - 4095 9596

Dear Mr. Sharma,

Re: CRISIL Rating for the Rs.30.0 billion Non-Convertible Debenture Issue of Shriram Transport Finance Company Limited.

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

CRISIL has, after due consideration, assigned a “**CRISIL AA/Stable**” (pronounced “CRISIL double A rating with stable outlook”) rating to the captioned Debt Programme. Instruments with this rating are considered to have the **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 suspend, withdraw, or revise the rating / outlook assigned to the captioned programme 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^[1] 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**. 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**

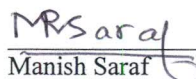
Should you require any clarifications, please feel free to get in touch with us.

With warm regards,

Yours sincerely,



Rupali Shanker
 Director – Financial Sector Ratings



Manish Saraf
 Associate Director – Financial Sector Ratings



^[1] Please refer to SEBI circular (bearing reference number: CIR/IMD/DF/17/2013) on Centralized Database for Corporate bonds/ Debentures dated October 22, 2013

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.

CRISIL has a practice of keeping all its ratings under surveillance and 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 its ratings. For the latest rating information on any instrument of any company rated by CRISIL, please contact CRISIL RATING DESK at **CRISILratingdesk@crisil.com** or at (+91 22) 3342 3001 – 09.

CRISIL Limited

Corporate Identity Number : L67120MH1987PLC042363

Details of the Rs.30.0 billion Non-Convertible Debenture Issue of Shriram Transport Finance Company Limited.

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

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

CRISIL Limited

Corporate Identity Number : L67120MH1987PLC042363



June 06, 2014
Mumbai

Shriram Transport Finance Company Limited

'CRISIL AA/Stable' assigned to NCD issue

| | |
|---|--------------------------------------|
| Total Bank Loan Facilities Rated | Rs.250000 Million |
| Long Term Rating | CRISIL AA/Stable (Reaffirmed) |
| Short Term Rating | CRISIL A1+ (Reaffirmed) |

(Refer to Annexure 1 for Facility-wise details)

| | |
|---|--------------------------------------|
| Rs.30 Billion Non Convertible Debentures | CRISIL AA/Stable (Assigned) |
| Non-Convertible Debentures Aggregating Rs.102.80 Billion | CRISIL AA/Stable (Reaffirmed) |
| Subordinated Debt Issue (Tier-II Bonds) Aggregating Rs.15.00 Billion | CRISIL AA/Stable (Reaffirmed) |
| Fixed Deposits | FAA+/Stable (Reaffirmed) |
| Rs.20 Billion Short Term Debt Programme | CRISIL A1+ (Reaffirmed) |

CRISIL has assigned its '**CRISIL AA/Stable**' rating to the Rs.30.0 billion non-convertible debenture issue of Shriram Transport Finance Company Ltd (STFCL), and has reaffirmed its ratings on the company's bank facilities and other debt instruments at '**CRISIL AA/FAA+/Stable/CRISIL A1+**'.

The ratings continue to reflect STFCL's strong market position in the pre-owned commercial vehicle (CV) financing segment, healthy capitalisation, and comfortable earnings profile. These rating strengths are partially offset by STFCL's average, though improving, resource profile, and limited diversity in its business and revenue profiles.

STFCL is the market leader in the pre-owned CV financing segment with a market share of around 25 per cent. STFCL also has a sizeable presence in the new CV financing segment. The company's overall assets under management (AUM) were Rs.531.0 billion as on March 31, 2014, with CV financing constituting around 70 per cent of the AUM. STFCL predominantly lends to the small road-transport operators (SRT0) segment, which accounts for a significant proportion of its outstanding portfolio. STFCL's AUM grew at a relatively slow pace of 7 per cent in 2013-14 (estimated industry average of 9 per cent; refers to financial year, April 1 to March 31), as against healthy growth of 24 per cent in the previous year. STFCL's growth was largely driven by pre-owned vehicle financing, which grew by 17 per cent, while the growth in the new vehicle financing segment declined sharply by 34 per cent due to subdued primary market sales and intense competition from banks. The company's growth is likely to continue to be driven by the growth in the pre-owned vehicle financing segment in the near term, aided by the company's expansion into rural areas. Moreover, STFCL has been setting up automalls to strengthen its competitive advantage in the CV financing segment, and support its growth strategy. The company has also diversified into related areas, such as construction equipment finance through its wholly-owned subsidiary, Shriram Equipment Finance Company Ltd (rated 'CRISIL AA/Stable/CRISIL A1+').

STFCL has healthy capitalisation, supported by large net worth of Rs.82.3 billion and adequate gearing (including securitisation) of 6.4 times as on March 31, 2014 (Rs.71.6 billion, and 6.9 times, respectively, as on March 31, 2013). The company's tier-I and overall capital adequacy ratio were 17.7 per cent and 23.4 per cent, as on March 31, 2014 (16.7 per cent and 20.7 per cent, respectively, a year ago), respectively. STFCL's healthy capitalisation provides adequate flexibility to support its growth, and to absorb asset-side risks. The net worth coverage for net non-performing assets remained comfortable, at 27 times, as on March 31, 2014 (30 times as on March 31, 2013). CRISIL believes that STFCL's capitalisation will remain healthy over the medium term, given its ability to access equity markets, and its comfortable return on net worth (16.4 per cent in 2013-14).

STFCL has a comfortable earnings profile, with healthy net interest margins, driven by its strong competitive position in the high yielding pre-owned CV financing segment, and low operating costs. The company had a healthy net interest margin (including securitisation income) of 6.0 per cent during 2013-14 (6.3 per cent in 2012-13). STFCL's operating costs are also relatively lower than those of its peers, with an operating expenses ratio at 1.5 per cent in 2013-14 (similar level in the previous year). However, STFCL's profitability has been impacted on account of an increase in provisioning costs and moderation in securitisation income. The company's return on managed assets ratio (RoMA), at 2.0 per cent in 2013-14 (2.3 per cent in 2012-13), was in line with industry average. The company's earnings profile remains susceptible to increase in credit costs in the near term because of the continued pressure on asset quality; delinquencies have increased over the past two years because of macroeconomic challenges and the relatively riskier profile of the borrowers. Nevertheless, CRISIL believes that STFCL is expected to maintain profitability in line with that of its peers over the next few quarters, supported by its healthy interest margins and low operating costs.

However, STFCL has an average resource profile. The company's dependence on securitisation remained

high, at around 32 per cent of overall borrowings (including securitisation) as on March 31, 2014, despite declining from 44 per cent as on March 31, 2012. Furthermore, STFCL's cost of borrowings at 11.2 per cent during 2013-14 (11.3 per cent in 2012-13; based on quarterly average borrowings) remained higher than that of its peers. CRISIL believes that STFCL's ability to diversify its resource profile, reduce dependence on securitisation, and maintain competitive borrowing costs will remain key monitorables over the medium term.

STFCL's business segments have relatively low diversity, and continue to depend significantly on the CV financing market, which is cyclical and intensely competitive. The entry of new players in the pre-owned CV finance segment, and intense competition from banks in the new CV segment, are likely to continue to exert pricing pressures over the medium term.

Outlook: Stable

CRISIL believes that STFCL will maintain its market position in the pre-owned CV financing segment, along with its healthy capitalisation and comfortable earnings, over the medium term. The outlook may be revised to 'Positive' if the company's competitive position and resource profile improve significantly. Conversely, the outlook may be revised to 'Negative' if STFCL's asset quality and earnings weaken significantly.

About the Company

STFCL was incorporated in 1979 and is the flagship company of the Shriram group. The company is registered with the Reserve Bank of India as a deposit-taking, asset-financing non-banking financial company. It operates in the asset-financing sector and provides financing for vehicles such as CVs (both pre-owned and new), tractors, and passenger vehicles. The company has a pan-India presence, with 654 branches and 629 rural centres as on March 31, 2014.

STFCL reported a total income and a profit after tax (PAT) of Rs.77.7 billion and Rs.12.6 billion, respectively, for 2013-14, and Rs.65.6 billion and Rs.13.6 billion, respectively, for 2012-13.

Annexure 1 - Details of various bank facilities

| Current facilities | | | Previous facilities | | |
|---|---------------------|------------------|---|---------------------|------------------|
| Facility | Amount (Rs.Million) | Rating | Facility | Amount (Rs.Million) | Rating |
| Bank Guarantee | 27575 | CRISIL A1+ | Bank Guarantee | 27575 | CRISIL A1+ |
| Bank Guarantee | 8000 | CRISIL AA/Stable | Bank Guarantee | 8000 | CRISIL AA/Stable |
| Cash Credit & Working Capital demand loan | 60395 | CRISIL AA/Stable | Cash Credit & Working Capital demand loan | 60395 | CRISIL AA/Stable |
| Long Term Bank Facility | 88661.3 | CRISIL AA/Stable | Long Term Bank Facility | 88661.3 | CRISIL AA/Stable |
| Proposed Long Term Bank Loan Facility | 53388.7 | CRISIL AA/Stable | Proposed Long Term Bank Loan Facility | 53388.7 | CRISIL AA/Stable |
| Short Term Bank Facility | 11980 | CRISIL A1+ | Short Term Bank Facility | 11980 | CRISIL A1+ |
| Total | 250000 | -- | Total | 250000 | -- |

| Media Contacts | Analytical Contacts | Customer Service Helpdesk |
|---|---|---|
| Tanuja Abhinandan Communications and Brand Management CRISIL Limited Phone: +91 22 3342 1818 Email: tanuja.abhinandan@crisil.com Jyoti Parmar Communications and Brand Management CRISIL Limited Phone: +91 22 3342 1835 E-mail: jyoti.parmar@crisil.com | Pawan Agrawal Senior Director - CRISIL Ratings Phone: +91 22 3342 3301 Email: pawan.agrawal@crisil.com Rupali Shanker Director - CRISIL Ratings Phone: +91 22 3342 1952 Email: rupali.shanker@crisil.com | Timings: 10.00 am TO 7.00 pm Toll free Number: 1800 267 1301 Email: CRISILratingdesk@crisil.com |

Note:

This rating rationale is transmitted to you for the sole purpose of dissemination through your newspaper / magazine / agency. The rating rationale may be used by you in full or in part without changing the meaning or context thereof but with due credit to CRISIL. However, CRISIL alone has the sole right of distribution of its rationales for consideration or otherwise through any media including websites, portals etc.

Crisil complexity levels are assigned to various types of financial instruments. The crisil complexity levels are available on www.crisil.com/complexity-levels. Investors are advised to refer to the crisil complexity levels for instruments that they desire to invest in. Investors may also call the Customer Service Helpdesk with queries on specific instruments.

About CRISIL LIMITED

CRISIL is a global analytical company providing ratings, research, and risk and policy advisory services. We are India's leading ratings agency. We are also the foremost provider of high-end research to the world's largest banks and leading corporations.

About CRISIL Ratings

CRISIL Ratings is India's leading rating agency. We pioneered the concept of credit rating in India in 1987. With a tradition of independence, analytical rigour and innovation, we have a leadership position. We have rated over 75,000 entities, by far the largest number in India. We are a full-service rating agency. We rate the entire range of debt instruments: bank loans, certificates of deposit, commercial paper, non-convertible debentures, bank hybrid capital instruments, asset-backed securities, mortgage-backed securities, perpetual bonds, and partial guarantees. CRISIL sets the standards in every aspect of the credit rating business. We have instituted several innovations in India including rating municipal bonds, partially guaranteed instruments and microfinance institutions. We pioneered a globally unique and affordable rating service for Small and Medium Enterprises (SMEs). This has significantly expanded the market for ratings and is improving SMEs' access to affordable finance. We have an active outreach programme with issuers, investors and regulators to maintain a high level of transparency regarding our rating criteria and to disseminate our analytical insights and knowledge.

CRISIL PRIVACY NOTICE

CRISIL respects your privacy. We use your contact information, such as your name, address, and email id, to fulfil your request and service your account and to provide you with additional information from CRISIL and other parts of McGraw Hill Financial you may find of interest.

For further information, or to let us know your preferences with respect to receiving marketing materials, please visit www.crisil.com/privacy. You can view McGraw Hill Financial's Customer Privacy Policy at <http://www.mhfi.com/privacy>.

Last updated: May, 2013

Disclaimer: 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. For the latest rating information on any instrument of any company rated by CRISIL, please contact CRISIL RATING DESK at CRISILratingdesk@crisil.com, or at (+91 22) 3342 3000.

June 06, 2014

<http://www.crisil.com>

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Mr. Parag Sharma
Executive Director & CFO
Shriram Transport Finance Co. Ltd.
Wockhardt Towers, Level 3
West Wing, C-2, G Block
Bandra Kurla Complex
Bandra (East)
Mumbai – 400 051

June 5, 2014

Confidential

Dear Sir,

Credit Rating for proposed issue of Non convertible Debenture

Please refer to your request for rating of proposed issue of Non convertible Debenture Issue aggregating to Rs.3,000 crore of your company.

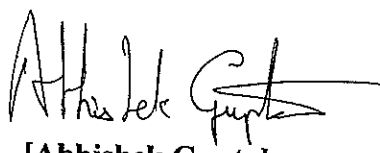
2. Our Rating Committee has assigned a 'CARE AA+' [Double A Plus] rating to the aforesaid NCD issue. (Details in Annexure I) Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. Our rating symbols for various medium and long term instruments are given in Annexure II. The rationale for the rating will be communicated to you separately.
3. Please arrange to get the rating revalidated, in case the proposed issue is not made within a period of **six months** from the date of our initial communication of rating to you (that is June 4, 2014).
4. In case there is any change in the size or terms of the proposed issue, please get the rating revalidated.
5. Please inform us the details of issue [date of issue, name of investor, amount issued, interest-rate, date of payment of interest, date and amount of repayment etc.] as soon as the NCD issue has been placed.

CREDIT ANALYSIS & RESEARCH LTD.

6. Kindly arrange to submit to us a copy of each of the documents pertaining to the NCD issue, including the offer document and the trust deed.
7. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
8. CARE reserves the right to suspend/withdraw/revise the rating assigned on the basis of new information or in the event of failure on the part of the company to furnish such information, material or clarifications as may be required by CARE. CARE shall also be entitled to publicize/disseminate such suspension/withdrawal/revision in the assigned rating in any manner considered appropriate by it, without reference to you.
9. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.
10. CARE ratings are **not** recommendations to buy, sell or hold any securities.

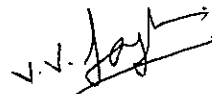
If you need any clarification, you are welcome to approach us in this regard.

Thanking you,



[Abhishek Gupta]
Manager

Yours faithfully,



[Vishal Sanghavi]
Senior Manager

Encl.: A/a

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

CREDIT ANALYSIS & RESEARCH LTD.

CORPORATE OFFICE: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (E), Mumbai 400 022.
Tel.: +91-22-6754 3456; Fax: +91-22-6754 3457 | Email: care@careratings.com | www.careratings.com

CIN: L67190MH1999PLC01671

Annexure I

| Instrument | Amount Rated (Rs. crore) | Tenure | Rating assigned |
|------------------------------|-------------------------------------|---------------|------------------------|
| Non convertible Debenture | 3,000 | Upto 5 years | CARE AA+ |

Annexure II

Rating Symbols and Definitions for Long /Medium Term Debt Instruments

| Symbols | Rating Definition |
|-----------------|--|
| CARE AAA | Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk. |
| CARE AA | 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. |
| CARE A | Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk. |
| CARE BBB | Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such instruments carry moderate credit risk. |
| CARE BB | Instruments with this rating are considered to have moderate risk of default regarding timely servicing of financial obligations. |
| CARE B | Instruments with this rating are considered to have high risk of default regarding timely servicing of financial obligations. |
| CARE C | Instruments with this rating are considered to have very high risk of default regarding timely servicing of financial obligations. |
| CARE D | Instruments with this rating are in default or are expected to be in default soon. |

Modifiers {"+" (plus) / "-"(minus)} can be used with the rating symbols for the categories CARE AA to CARE C. The modifiers reflect the comparative standing within the category.

Annexure I

Rating Rationale

Shriram Transport Finance Company Ltd. (STFCL)

Ratings

| Instrument | Rated Amount (Rs. crore) | Rating ¹ | Remarks |
|---------------------------|-----------------------------|---------------------|----------|
| Non convertible Debenture | 3,000 | CARE AA+ | Assigned |

Rating Rationale

The rating factors in Shriram Transport Finance Company Ltd's (STFCL) leadership position and almost three decades of experience in the pre-owned commercial vehicle (CV) financing segment, comfortable capital adequacy, overall healthy profitability parameters, strong resource raising capabilities and a proactive and experienced management team. The rating is however constrained by STFCL's concentration in a single asset class and the underlying industry risk linked with its target customer segment of Small Truck Operators, who may be relatively more vulnerable to the economic downturn. Asset quality, capital adequacy and profitability are key rating sensitivities.

Background

STFCL is the flagship company of the Chennai-based Shriram Group and was founded by Mr R Thyagarajan, Mr T. Jayaraman and Mr A. V. S. Raja. It is classified as a deposit-taking Asset Financing NBFC. The company was incorporated in 1979, with an objective to provide hire purchase and lease finance for the medium and heavy commercial vehicles to individual truck operators. It is the largest asset financing NBFC in India, concentrated mainly in the pre-owned

¹ Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications

vehicle financing business. STFCL has two wholly owned subsidiaries, namely, Shriram Equipment Finance Company Limited and Shriram Automall India Ltd. STFCL has a pan India presence with a network of 654 branches and 629 rural centres at the end of March 2014. The total employee strength as on March 31, 2014 stands at 18,122 which include 11,209 field officers.

Credit Risk Assessment

Leadership position and almost three decades of experience in the pre-owned commercial vehicle (CV) financing segment

STFCL is one of the largest asset financing NBFC in India with Rs.56,519 crore of assets under management (AUM) (on a consolidated basis) as on March 31, 2014. Over its 30 years of experience in CV financing, it has garnered a market share of 25% in pre-owned CV financing. STFCL is in the business of financing small / medium truck operators who generally require loans with smaller ticket size. Majority of these operators have requirement for pre-owned vehicles, due to which the loan portfolio of the company is skewed towards financing pre-owned CV. Over its 30 years of operations, STFCL has developed a strong relationship with its customers and major part of its lending is being done through 'reference based' model.

Healthy profitability parameters

During FY14, interest income from on-balance sheet portfolio increased by 35%, with securitisation income declining by 27%. The decline in securitisation income was primarily due to changes in the regulatory environment for securitisation transactions, which resulted in STFCL securitizing relatively lower yielding assets from its total loan portfolio. The yields on STFCL's loan portfolio increased with an increase in the proportion of Used CVs in FY14. However, Net Interest Margin (NIM) (including securitization income) declined to 5.56% in FY14

(6.13% in FY13) on account of higher cost of borrowings. Operating costs have increased by 19%, though, STFCL has managed to maintain its operating costs / average assets at 1.6% in FY14 (1.5% in FY13). Economic slowdown over the past few years has lead to an increase in delinquencies. Higher credit costs and decline in NIM have resulted in STFCL's Return on Total Assets (ROTA) declining to 2.03% in FY14 (2.44% in FY13). However, STFCL's profitability remains comfortable as compared to other players in the industry.

Strong resource raising capabilities and comfortable liquidity profile

STFCL has continuously been diversifying its resource profile by tapping retail / wholesale debentures and term loans from banks. On a consolidated basis, retail borrowing constituted 18% of total borrowings as on March 31, 2014. Securitisation route is also one of the important sources of funding for STFCL. On a consolidated basis, the outstanding securitised portfolio forms around 29% of the total assets under management (AUM) as on March 31, 2014.

STFCL's loan portfolio has a relatively shorter tenure as compared to its borrowings. On account of the above, STFCL's liquidity profile is comfortable with positive cumulative mismatches across all the time brackets.

Proactive and experienced management team

The senior management of the company is equipped with a rich experience of operating the CV financing business. Long track record of operations has enabled the management to operate the business in different economic cycles.

Concentration in a single asset class

On a consolidated level, CV financing accounted for 93% of the total AUM as on March 31, 2014 (Pre-owned CV – 82% of total AUM), followed by construction equipment - 6%. STFCL has ventured into construction equipment financing through its wholly-owned subsidiary 'Shriram

Equipment Finance Company Ltd.' which focuses on end-to-end equipment financing. STFCL also has a small presence in 2-3 wheeler loans, tractor and agricultural equipment loans.

Underlying industry risk linked with its target customer segment of small truck operators

In an environment of economic slowdown, STFCL's asset quality has been under pressure since it has high exposure to small fleet operators and first-time buyers who are more vulnerable to the negative effects of an economic downturn.

Moderate asset quality

STFCL has historically maintained a comfortable asset quality and over the years it has built strong credit appraisal and collection skills in the small truck operator segment. The relationship-based model followed by the company, which lays more emphasis on the relationship with each of its customers has helped the company to maintain lower delinquencies. Over the past 2 years, STFCL saw rise in slippages due to the overall economic slowdown. On a consolidated basis, the Gross NPA ratio increased from 3.10% as on March 31, 2013 to 3.75% as on March 31, 2014. However, STFCL continues to maintain a healthy provision cover, with a ratio of 79% as on March 31, 2014.

Comfortable capital adequacy

STFCL is currently supported by strong institutional investors who have the financial strength to support STFCL's capital needs. STFCL has maintained capital adequacy above the regulatory minimum of 15% for deposit taking NBFCs. On a standalone basis, STFCL reported CAR of 23.37% as on March 31, 2014 as compared to 20.74% as on March 31, 2013.

Prospects

Based on various policy actions and increasing share of NBFC total assets to bank total assets, it is clear that the NBFC sector has become systemically important for the Reserve Bank of India and hence is expected to attract the related support and regulatory scrutiny. Total NBFC assets as compared to total bank assets have increased from 12.5% in FY12 to 13% in FY13. The sector has at the same time become more heterogeneous with growth of new asset classes like loan against property (LAP), gold loans, SME loans, infrastructure loans and corporate loans along with the traditional CV and CE loans. Overall the NBFC sector has grown by 20% in FY13 over FY12 (Source: Report on Trend and Progress of Banking in India 2012-13). The three positive structural shifts in NBFC sector viz. shift towards secured asset classes, higher regulatory capital adequacy and conservative ALM approach have given overall strength to the NBFC sector.

The current NBFC scenario warrants caution due to several cyclical factors. Asset quality is under stress with Gross NPA of 3.4% for 9MFY14 as compared to 3.2% for FY13 and 2.6% for FY12. Segments directly linked to specific economic sectors are witnessing some asset quality stress like infrastructure loans, commercial vehicle (CV) loans and construction equipment (CE) loans due to general economic slowdown. For other segments like LAP and secured SME loans, due to the low seasoning of the large part of the portfolio performance is yet to be established. Many of the NBFCs are adjusting to the new regulatory environment that may affect funding sources, exposure limit of banks towards NBFCs and provisioning requirements. In the medium term it may affect the profitability of these companies. Higher borrowing cost and credit cost has impacted the profitability of NBFCs during FY14. Return on Total Assets (ROTA) witnessed declined from 2.2% in FY13 to 1.8% in 9MFY14. However, healthy capital adequacy ratio (CAR) and good asset liability management (ALM) provides comfort.

STFCL is primarily into financing of pre-owned commercial vehicles. During FY13, CV sales (no. of units) dropped by approximately 3% due to decline in domestic demand and exports. Decline in exports was much severe at 13.2% as compared to domestic sales decline of 2%. Sales of light commercial vehicles (goods segment) witnessed a growth of 16% in FY13 whereas Medium & Heavy Commercial Vehicle sales declined by 26%. In an environment of economic slowdown, STFCL which has exposure towards small truck operators which are financially vulnerable may face asset quality pressures. Thus, going forward, profitability, asset quality and capital adequacy are the key rating sensitivities for STFCL.

Financial Result (Consolidated)

| (Rs. Cr) | | | |
|---|--------------|--------------|--------------|
| As on / Year ended March 31 | FY12 | FY13 | FY14 |
| Interest income from loans | 3,618 | 4,710 | 6,363 |
| Income from securitization | 2,215 | 2,001 | 1,470 |
| Income from investments | 142 | 68 | 120 |
| Other Operating income | 204 | 236 | 522 |
| Other Income | 0.72 | 1.53 | 4.17 |
| Total Income | 6,179 | 7,016 | 8,480 |
| Interest expense | 2,563 | 3,092 | 4,233 |
| Operating Expenses | 883 | 889 | 1,063 |
| Total Provision / Write offs | 776 | 872 | 1,213 |
| PBT | 1,958 | 2,163 | 1,970 |
| Tax | 649 | 699 | 613 |
| PAT after share of profit of associate | 1,309 | 1,463 | 1,358 |
| Tangible Net worth | 5,771 | 7,012 | 8,209 |
| Total borrowings | 24,428 | 34,141 | 38,672 |
| Total Loan Portfolio | 23,913 | 34,486 | 39,891 |
| AUM | 42,139 | 52,718 | 56,519 |
| Total Assets | 36,776 | 46,949 | 52,021 |
| Key Ratios (%) | | | |
| Total Gearing (times) | 4.23 | 4.87 | 4.71 |
| Interest Coverage (before prov. And depreciation) (times) | 2.07 | 1.99 | 1.76 |
| NIM (including off balance sheet assets)* | 6.61 | 6.13 | 5.56 |
| Other income / Adjusted Total Assets* | 0.40 | 0.40 | 0.79 |
| Operating expense / Adjusted Total Assets * | 1.72 | 1.48 | 1.59 |
| ROTA (PAT / Adjusted Total Assets)* | 2.54 | 2.44 | 2.03 |
| RONW* | 25.00 | 22.90 | 17.84 |
| Tier I CAR (Standalone) | 17.26 | 16.70 | 17.69 |
| CAR (Standalone) | 22.26 | 20.74 | 23.37 |
| Gross NPA Ratio | 2.92 | 3.10 | 3.75 |
| Net NPA Ratio | 0.43 | 0.79 | 0.83 |
| Provision Coverage (%) | 85.80 | 75.17 | 78.53 |
| Net NPA to Net worth (%) | 1.72 | 3.78 | 3.91 |

** Note: Ratios have been computed based on average of annual opening and closing balances.
Adjusted Total Assets includes off balance sheet portfolio.*

Note:- Mr. P. P. Pattanayak, who is a Director on the board of Shriram City Union Finance Ltd. (which is part of the Shriram Group), is a member of the Rating Committee in CARE. Mr Pattanayak did not participate in the rating process or in the meeting of the Rating Committee when the rating of STFCL was discussed.

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

Annexure II

Brief Rationale

CARE assigns 'CARE AA+' rating to the proposed issue of Non-convertible Debenture of Shriram Transport Finance Company Ltd.

Ratings

| Instrument | Rated Amount (Rs. crore) | Rating ² | Remarks |
|---------------------------|-----------------------------|---------------------|----------|
| Non convertible Debenture | 3,000 | CARE AA+ | Assigned |

Rating Rationale

The rating factors in Shriram Transport Finance Company Ltd's (STFCL's) leadership position and almost three decades of experience in the pre-owned commercial vehicle (CV) financing segment, comfortable capital adequacy, overall healthy profitability parameters, strong resource raising capabilities, and proactive and experienced management team. The rating is, however, constrained by STFCL's concentration in a single asset class and the underlying industry risk linked with its target customer segment of Small Truck Operators, who may be relatively more vulnerable to the economic downturn. Asset quality, capital adequacy and profitability are the key rating sensitivities.

Background

STFCL is the flagship company of the Chennai-based Shriram Group and was founded by Mr R Thyagarajan, Mr T. Jayaraman and Mr A. V. S. Raja. It is classified as deposit taking Asset Financing NBFC. The company was incorporated in 1979, with an objective to provide hire

²Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications



purchase and lease finance for the medium and heavy commercial vehicles to individual truck operators. It is the largest asset financing NBFC in India concentrated mainly in pre-owned vehicle financing business. STFCL has two wholly owned subsidiaries, namely, Shriram Equipment Finance Company Limited and Shriram Automall India Ltd. STFCL has a pan India presence with a network of 654 branches and 629 rural centres at the end of March 2014. The total employee strength as on March 31, 2014 stands at 18,122 which include 11,209 field officers.

On a consolidated basis, Total AUM stood at Rs.56,519 crore as on March 31, 2014 as compared to Rs.52,718 crore as on March 31, 2013. During FY14 (refers to the period April 01, 2013 to March 31, 2014) STFCL earned PAT of Rs.1,358 crore (Rs.1,463 crore in FY13) on total income of Rs.8,480 crore (Rs.7,016 crore in FY13). As on March 31, 2014, Gross NPA and Net NPA ratio stood at 3.75% and 0.83%, respectively with a provision coverage ratio of 78.53%. STFCL reported CAR of 23.37% (on a standalone basis) as on March 31, 2014.

Note:- Mr. P. P. Pattanayak, who is a Director on the board of Shriram City Union Finance Ltd. (which is part of the Shriram Group), is a member of the Rating Committee in CARE. MrPattanayak did not participate in the rating process or in the meeting of the Rating Committee when the rating of STFCL was discussed.

Analyst Contact

Name: Vishal Sanghavi

Tel# 022-67543430

Email:vishal.sanghavi@careratings.com

CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy,

adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

Mr. Parag Sharma

Executive Director & CFO

Shriram Transport Finance Company

C-2, Level 3, West Wing, Wockhardt Towers,

Bandra Kurla Complex, Bandra (E),

2, NSC Bose Road,

Mumbai-400 051.

June 20, 2014

Dear Mr. Sharma,

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

India Ratings (see definition below) communicates the following ratings of STFC:-

Long-term issuer rating: 'IND AA+'; Outlook Stable

INR30bn retail non-convertible debentures (to be issued in FY15): 'IND AA+'

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 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.

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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.

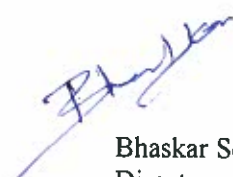
In this letter, "India Ratings" means India Ratings & Research Pvt. Ltd. and any successor in interest.

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 22 4000 1700.

Sincerely,
India Ratings



Ananda Bhoulmik
Senior Director



Bhaskar Som
Director

Ind-Ra Upgrades Shriram Transport Finance to 'IND AA+'; Rates Retail NCDs

Ind-Ra-Mumbai-20 June 2014: India Ratings & Research has upgraded Shriram Transport Finance Company Limited's (STFC) Long-Term Issuer Rating to 'IND AA+' from 'IND AA'. The Outlook is Stable. Also, the agency has assigned STFC's proposed INR30bn retail non-convertible debentures (NCDs, to be issued in FY15) an 'IND AA+' rating. A full rating breakdown is at the end of the commentary.

KEY RATING DRIVERS

The rating upgrade is driven by the on-going de-risking in STFC's asset and liability profile as it shifts its loan portfolio to newer vehicles and increases retail funding. This, in Ind-Ra's opinion, will strengthen the company's asset quality through a reduction in through-the-cycle credit costs and thus earnings volatility. The increase in retail funding could increase funding costs; however, it will also result in a more stable funding profile, especially during periods of liquidity stress in the system. The ratings also factor in STFC's predominant market leadership in used commercial vehicle finance with limited organised competition in its niche segment, healthy capitalisation and reasonable operating performance.

STFC has a strong competitive advantage in managing asset quality and demonstrated resilient performance over the cycles. The company's credit costs (based on assets under management - AUM) have largely ranged between 1.5%-2% of loans since FY04. Credit costs should contract as the company's portfolio transits into newer vehicles, which show better operating metrics and entail slightly lower-risk borrowers than funding older vehicles.

Asset quality could, however, remain under stress in the near term as the lagged impact of sluggish economy continues to impact truck operators' cash flow. Nevertheless, the company's pre-provision operating margins to credit costs buffers (FY14: 2.6x, FY13: 3.4x) should remain reasonable. In addition, its lower AUM growth in FY14 results in a highly seasoned portfolio and should help in an early recovery when economic activities pick up.

Delinquencies on AUM on 180 days past due basis (FY14: 2.7%, FY13: 2.1%) could double, if the company moves to 90-days-past-due recognition basis, according to the regulator's proposed draft guidelines. Provision costs could impact return on assets by 20bp on a steady state basis while actual losses are unlikely to change.

Funding diversity is likely to improve with the company targeting to increase the retail portion of funding to about 30% of the total borrowings on a sustained basis. STFC's access to institutional funding remains strong with its borrowings spread over several banks and debt market institutions with no significant concentration. Liquidity is robust with a well-matched assets and liability profile along with sizeable liquid assets on balance sheet, which cushions the company against short-term market disruptions.

Ind-Ra is of the view that STFC may not need capital infusions, if AUM growth is closer to the management projected growth of around 10%-15%. In FY14, Tier 1 ratio was healthy at 17.7% and internal accruals were reasonably strong at 13%. The company has been able to consistently attract a strong set of investors and has comfortable access to the equity capital market with demonstrated ability to raise growth capital.

Profitability has come under pressure with reduced yield on advances and lower securitisation income. Return on assets fell to 2.7% in FY14 from 3.4% in FY13. A cyclical pick-up in profitability is likely from reduced credit costs when the economic cycle improves. Ind-Ra, however, does not expect long-term profitability to rebound to historical highs as it transits into a lower-risk, lower-yield customer segment.

RATING SENSITIVITIES

Positive: Though unlikely in medium term, sharply diversified funding with lower concentration and significantly higher credit costs buffers, while maintaining the dominant franchise in the used commercial vehicle financing segment could be positive for the Long-Term Issuer Rating.

Negative: Any sharp rise in the credit costs from an unexpected increase in slippages, weakened funding or liquidity and/or a significant loss of franchise could result in a negative rating action.

COMPANY PROFILE

STFC is the largest non-bank finance company in India in the asset finance segment. It is the flagship company of Chennai-based Shriram group of companies, which are also into consumer finance, insurance and engineering.

STFC's ratings:

- Long-Term Issuer rating: upgraded to 'IND AA+' from 'IND AA'; Outlook Stable
- Short-Term Issuer Rating: affirmed at 'IND A1+'
- INR30bn long-term retail NCDs: assigned 'IND AA+'
- INR55bn long-term NCDs: upgraded to 'IND AA+' from 'IND AA'
- INR120bn long-term bank loans: upgraded to IND AA+ from 'IND AA'
- INR26.2bn lower tier II sub-debt: upgraded to IND AA+ from 'IND AA'
- INR10bn short-term bank loans: affirmed at 'IND A1+'
- INR15bn short-term debt/commercial paper programme: affirmed at 'IND A1+'
- Term deposit rating: upgraded to 'IND tAA+' from 'IND tAA'
- INR1.7bn lower tier II sub-debt: 'IND AA' withdrawn as the instrument has been repaid

Contacts:

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Prakash Agarwal

Associate Director

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India Ratings & Research Pvt Ltd

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Bandra Kurla Complex, Bandra (E)

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Additional information is available at www.indiaratings.co.in. The ratings above were solicited by, or on behalf of, the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

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.

Applicable criteria, 'Financial Institutions Rating Criteria' and 'Rating of Bank Legacy Hybrids and Sub-debt Criteria', both dated 12 September 2012, are available on www.indiaratings.co.in

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IDBI Trusteeship Services Ltd.

804/ITSL/OPR/2014-15

June 12, 2014

Regd. Office :Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate,
Mumbai - 400 001.

Shriram Transport Finance Company Ltd
Wockhardt Towers, Level – 3, West Wing,
C-2, G Block, Bandra-Kurla Complex,
Bandra (East), Mumbai – 400 051

Kind attn:- Mr. Vivek Achwal / Vikram Seth

Dear Sirs,

Re: Proposed public issue of secured redeemable non-convertible debentures of total value not exceeding Rs.3000 Crores in one or more tranches through a Shelf Prospectus and one or more information memorandum/s, ("NCDs"), by Shriram Transport Finance Company Limited, ("Company"), ("Proposed Issue")

Subject: IDBI Trusteeship Services Limited consent to act as Debenture Trustee for the Proposed Issue

We, IDBI Trusteeship Services Limited, do hereby consent to act as the Debenture Trustee to the Company in accordance with Regulation 4 (4) of the Securities and Exchange Board Of India (Issue and Listing of Debt Securities) Regulations, 2008 with respect to the Issue and to our name being inserted as the Debenture Trustee to the Issue, in the draft shelf prospectus to be filed with the stock exchange(s) for the purposes of receiving public comments, the final shelf prospectus and tranche prospectus(es) to be filed with the Registrar of Companies which the Company intends to issue in respect of the Issue and also all related advertisements and the subsequent communications sent to the holders of debt securities pursuant to the Issue.

We hereby authorise you/your representatives to deliver this letter of consent to the stock exchange(s) or any other regulatory authorities as may be required by law. The following details with respect to us may be disclosed:

Name: IDBI Trusteeship Services Limited Fax: + 91 22 66311776

Contact Person: Mr. Shivaji Gunware

Address: IDBI Trusteeship Services Limited, Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai – 400 001

Email: sgunware@idbitrustee.com

SEBI Registration No: IND000000460

Tel: +91 22 40807000

Website: <http://www.idbitrustee.com>

We confirm that we are registered with the SEBI and that such registration is valid as on date of this letter. Enclosed please find our SEBI registration certificate and further certify that we have not been prohibited from SEBI to act as an intermediary in capital market issues nor have we been debarred from functioning by any regulatory authority.

We also agree to keep strictly confidential, until such time the proposed transaction is publicly announced by the Company in the form of a press release, (i) the nature and scope of this respect; and (ii) Our knowledge of the proposed transaction of the Company.

IDBI Trusteeship Services Ltd.



Regd. Office :

Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate,
Mumbai - 400 001.

We shall immediately intimate the lead managers to the Issue of any alterations in respect of the matters covered in this certificate till the date when the securities of the Company, offered, issued and allotted pursuant to the Issue, are traded on the Indian stock exchanges. In absence of any such communication from us, the above information should be taken as updated information until the listing and trading of the NCDs on the stock exchanges.

Yours faithfully,
For IDBI Trusteeship Services Limited

V. Chaturvedi

Authorised Signatory
Name: Vibhore Chaturvedi
Designation: Manager