

May 13, 2024

BSE Limited
P. J. Towers,
Dalal Street, Fort,
Mumbai – 400 001.
Scrip Code: 511218

National Stock Exchange of India Limited Listing Department,
Exchange Plaza, 5th Floor,
Plot no. C/1, G- Block,
Bandra-Kurla Complex,
Mumbai – 400 051.
NSE Symbol: SHRIRAMFIN

-Dear Sir/Madam,

Sub.: Outcome of the Board Meeting held on May 13, 2024

Ref.: Disclosure under Regulation 30 of the Securities and Exchange of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”)

Pursuant to the provisions of Regulation 30 of the SEBI Listing Regulations and SEBI circular dated July 13, 2023 (ref no. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123) in relation to disclosure of material events/ information by listed entities under Regulations 30 and 30A of the SEBI Listing Regulations issued by the Securities and Exchange Board of India, we inform you that the Board of Directors of the Company at its meeting held today i.e., May 13, 2024, *inter-alia*, considered and approved:

- (i) the proposal for disinvestment/ sale/ transfer of the Company’s entire stake in Shriram Housing Finance Limited (**SHFL**), high value debt-listed non-material subsidiary of the Company (**Proposed Transaction**); and
- (ii) the draft of the share purchase agreement to be executed, among the Company as Seller 1, Valiant Mauritius Partners FDI Limited (**Seller 2**), SHFL and Mango Crest Investment Ltd (*an affiliate of Warburg Pincus*) (**Purchaser**) (**Share Purchase Agreement**), for undertaking the Proposed Transaction.

Shriram Finance Limited

(Formerly known as Shriram Transport Finance Company Limited)

Corporate Office : Wockhardt Towers, Level - III, West Wing, C-2, G-Block, Bandra - Kurla Complex, Bandra (E), Mumbai - 400 051, Maharashtra. Ph: +91 22 4095 9595

Registered Office: Sri Towers, Plot No.14A, South Phase, Industrial Estate, Guindy, Chennai - 600 032. Tamil Nadu, India. Ph: +91 44 4852 4666

Website : www.shriramfinance.in | Corporate Identity Number (CIN) - L65191TN1979PLC007874

Pursuant to execution of the Share Purchase Agreement and transfer of shares held by the Company in SHFL, subject to the receipt of requisite approvals from regulatory authorities and fulfilment of other customary conditions, as per the terms and conditions specified in the Share Purchase Agreement and other ancillary agreements, SHFL shall cease to be a subsidiary of the Company.

Disclosures of the Proposed Transaction are set out in **Annexure I**.

Please find enclosed herewith a press release being issued by the Company in this connection.

The meeting commenced at 06:00 P.M. IST and concluded at 06:40 P.M. IST.

This is for your information and records.

Thanking you,
Yours faithfully,
For **SHRIRAM FINANCE LIMITED**

U BALASUNDARARAO
COMPANY SECRETARY & COMPLIANCE OFFICER
Encl.a/a

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Annexure I
Disclosures in terms of SEBI Circular No. SEBI/HO/CFD/ CFD-PoD-1/P/CIR/2023/123 dated 13 July 2023

| a) | The amount and percentage of the turnover or revenue or income and net worth contributed by such unit or division or undertaking or subsidiary or associate company of the listed entity during the last financial year; | During the financial year ended on March 31, 2024: <table border="1" data-bbox="873 478 1458 695"> <thead> <tr> <th>Particulars</th> <th>Amount (in INR Crores)</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Turnover/ Revenue/ Income</td> <td>1,429.56</td> <td>3.93%</td> </tr> <tr> <td>Net Worth</td> <td>1,923.73</td> <td>0.76%</td> </tr> </tbody> </table> | Particulars | Amount (in INR Crores) | Percentage | Turnover/ Revenue/ Income | 1,429.56 | 3.93% | Net Worth | 1,923.73 | 0.76% |
|---------------------------|---|--|-------------|------------------------|------------|---------------------------|----------|-------|-----------|----------|-------|
| Particulars | Amount (in INR Crores) | Percentage | | | | | | | | | |
| Turnover/ Revenue/ Income | 1,429.56 | 3.93% | | | | | | | | | |
| Net Worth | 1,923.73 | 0.76% | | | | | | | | | |
| b) | Date on which the agreement for sale has been entered into; | The Share Purchase Agreement is proposed to be entered into by the parties subsequent to this Board Meeting i.e., May 13, 2024. | | | | | | | | | |
| c) | The expected date of completion of sale/disposal; | The Proposed Transaction shall be subject to receipt of applicable approvals from regulatory authorities and fulfilment of other customary conditions. As per reasonable estimates, the expected time of completion of the transaction is February 7, 2025. | | | | | | | | | |
| d) | Consideration received from such sale/ disposal; | <p>The Proposed Transaction is valued at INR 4630,00,00,000 (Indian Rupees Four Thousand Six Hundred and Thirty Crores only), for equity and convertible instruments of SHFL.</p> <p>The Company shall receive a minimum consideration of INR 3909,00,00,000, (Indian Rupees Three Thousand Nine Hundred and Nine Crores only) along with certain additional amounts based on occurrence of identified events.</p> | | | | | | | | | |
| e) | Brief details of buyers and whether any of the buyers belong to the promoter/ promoter group /group companies. If yes, details thereof; | <p>Mango Crest Investment Ltd (Purchaser) is a company incorporated under the laws of Mauritius and is engaged in undertaking investment holding activities.</p> <p>The Purchaser does not belong to the promoter/ promoter group/group companies of the Company.</p> | | | | | | | | | |

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| | | |
|----|--|---|
| f) | Whether the transaction would fall within related party transactions? If yes, whether the same is done at “arms’ length”; | No, the Proposed Transaction does not fall within related party transactions. |
| g) | Whether the sale, lease or disposal of the undertaking is outside Scheme of Arrangement? If yes, details of the same including compliance with regulation 37A of Listing Regulations | Not Applicable. |
| h) | Additionally, in case of a slump sale, indicative disclosures provided for amalgamation/merger, shall be disclosed by the listed entity with respect to such slump sale. | Not Applicable. |

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Shriram Finance Limited Announces Sale Of Its Housing Subsidiary Shriram Housing Finance To Warburg Pincus

Mumbai, May 13, 2024: Shriram Finance Limited (SFL), in its board meeting held earlier today approved the sale of its housing finance subsidiary Shriram Housing Finance Limited (SHFL) to Warburg Pincus, a leading global growth investor. Warburg Pincus will acquire the stake through its affiliate Mango Crest Investment Ltd from all the sellers. The proposed transaction is valued at Rs 4,630 crores for equity and convertible instruments of SHFL. The transaction is subject to regulatory approvals. SFL holds a controlling stake in SHFL while private equity firm Valiant Partners L.P. (Valiant), Mauritius, holds the remaining ownership. As a part of this transaction, Valiant will also completely divest its equity stake to Warburg Pincus.

SFL is one of the India's leading NBFCs, serving over 84 lakh customers across India offering commercial vehicle loans, two-wheeler loans, and MSME financing. SHFL – one of India's leading players in the affordable housing segment, has built a strong growth trajectory, playing a transformational role in the Indian housing financing industry. The company has been reporting a robust AUM growth rate of 56% CAGR over the last 4-year period.

This transaction marks a significant strategic milestone in the journey of Shriram Housing Finance underscoring the exceptional value it has created. Following the conclusion of this transaction, Shriram Housing Finance Limited will operate as a standalone entity, continuing to enhance value for its stakeholders as it preserves its heritage and mission to provide housing finance solutions to the under-served population of the country.

The existing management team of **SHFL led by Mr. Ravi Subramanian, Managing Director and Chief Executive Officer**, will continue to lead the business.

Mr Umesh Revankar, Executive Vice-Chairman, Shriram Finance Ltd. commented *“Over the years, SHFL has built a differentiated business and a strong brand, providing accessible and innovative financial solutions to meet diverse customer needs across the Indian housing finance landscape. The Company has been reporting industry leading CAGR while building superior asset quality. With the rapid growth in the consumer finance sector, both SFL and SHFL foresee tremendous opportunities in their respective operating segments. We believe that at this cusp of growth, Shriram Housing Finance is set to unlock greater value as it empowers underserved millions to own homes. This transaction aims to maximize value creation for both SFL and SHFL, as both companies independently fulfill their respective long-term vision. We welcome Warburg Pincus and look forward as SHFL continues to build on its legacy and embrace its next phase of growth.”*

Mr Y.S. Chakravarti, MD & CEO, Shriram Finance Ltd. added *“The acquisition of SHFL by Warburg Pincus stands as a testament to the unwavering commitment and dedication of SHFL's team in establishing a robust and successful business franchise. We believe that this transaction is in the best interest of SHFL shareholders towards greater value generation and comes at an opportune time for us as well. Shriram Finance Limited will continue to focus on growth led by the short to medium-tenor consumer finance business while Shriram Housing Finance will now chart out its differentiated path.”*

Ravi Subramanian, MD & CEO, Shriram Housing Finance, said, *“The affordable housing finance segment is poised for significant growth. At Shriram Housing Finance, we are fully committed to creating value for all stakeholders as we establish ourselves as a new-age home finance solutions*

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provider. Our focus on innovative customer-centric solutions, product diversification, and superior customer experience remains steadfast, supported by cutting-edge technology and analytics. With Warburg Pincus' global expertise and as partners in growth, we're well-positioned to further build out SHFL and create a larger impact in the Indian housing finance sector."

Narendra Ostawal, Head of India Private Equity, Warburg Pincus said, "Warburg Pincus remains excited about the affordable housing finance segment in India. Under Ravi's leadership, Shriram Housing Finance has embarked on a remarkable journey positioning itself as one of India's leading affordable housing finance companies. Their strong team, consistent improvement in financial metrics, geographically diversified presence, customer-first approach, and robust processes are aspects that stand out. Warburg Pincus has a deep history of partnering with exceptional teams, particularly within financial services and we are excited to support Ravi and the management team as the company advances into its next phase of growth."

JM Financial, Barclays, and Avendus acted as financial advisors to SFL, SHFL and Valiant. Trilegal and Anagram were legal advisors to Shriram Group and Valiant, while Cyril Amarchand Mangaldas advised Warburg Pincus on the transaction.

About Shriram Finance:

Shriram Finance Limited is the flagship company of the Shriram group with a significant presence in Consumer Finance, Life Insurance, General Insurance, Housing Finance, Stock Broking, and Distribution businesses. Shriram Finance Limited is one of India's largest retail asset financing Non-Banking Finance Companies (NBFC) with Assets under Management (AUM) of Rs. 2,24,862 crores. Established in 1979, Shriram Finance is a holistic finance provider catering to the needs of Small Road Transport Operators and small business owners and is a leader in organized financing of pre-owned commercial vehicles and two-wheelers. It has a vertically integrated business model and offers several products, including passenger commercial vehicles loans, loans to micro and small and medium enterprises (MSMEs), tractors & farm equipment, gold, personal loans, and working capital loans, etc. Over the last 45 years, it has developed strong competencies in loan origination, valuation of pre-owned commercial vehicles and other assets, and collections. It has a pan India presence with a network of 3,082 branches and an employee strength of 74,645 servicing 84 lakh customers.

About Shriram Housing Finance:

Shriram Housing Finance Limited (SHFL) is a housing finance organization registered with the National Housing Bank (NHB) and is a part of the Shriram Group, with a rich legacy of almost five decades. The Company's mission is to cater to the under-served population of the country in fulfilling their aspiration of owning a dream home by 'Finding Ways to Funding Homes'. The company has a pan-India presence with 155 branches and an AUM of Rs 13,762 crores and Net Worth of Rs 1,924 crores as of 31st March 2024.

About Warburg Pincus:

Warburg Pincus LLC is a leading global growth investor. The firm has more than \$84 billion in assets under management. The firm's active portfolio of more than 250 companies is highly diversified by stage, sector, and geography. Warburg Pincus is an experienced partner to management teams seeking to build durable companies with sustainable value. Since its founding in 1966, Warburg Pincus has invested more than \$116 billion in over 1,000 companies globally across its private equity, real

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estate, and capital solutions strategies. The firm is headquartered in New York with offices in Amsterdam, Beijing, Berlin, Hong Kong, Houston, London, Luxembourg, Mumbai, Mauritius, San Francisco, São Paulo, Shanghai, and Singapore. For more information, please visit www.warburgpincus.com

Warburg Pincus has a distinctive financial service practice in India and has been an active and successful investor in the space for over two decades. The firm has consistently partnered with Indian and global companies to build scale. Some of the firm's current/past investments in India include Kotak Mahindra Bank, IDFC First Bank (erstwhile Capital First), AU Small Finance Bank, Fusion Microfinance, Avanse Financial Services, Home First, and Vistaar Finance.

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