

Private &amp; Confidential – Not for Circulation

## DISCLOSURE DOCUMENT

[As per SEBI (Issue &amp; Listing of Debt Securities)(Amendment) Regulations, 2012]

**Shriram Transport Finance Company Limited**

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

**Registered Office:** Mookambika Complex, 3<sup>rd</sup> Floor, No. 4, Lady Desika Road, Mylapore, Chennai, Tamil Nadu- 600004 **Tel No:** +91 44 2499 0356 **Fax:** +91 44 2499 3272 **Corporate Office:** Wockhardt Towers, Level - 3, West Wing, C-2, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051 **Tel No:** +91 22 4095 9595 **Fax:** +91 22 4095 9596/97 **Website:** www.stfc.in  
Contact Person: Mr. Parag Sharma – Chief Financial Officer; E-mail: [parag@stfc.in](mailto:parag@stfc.in)

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

**ISSUE:**

Disclosure Document for Private Placement of Secured Redeemable Non-Convertible Debentures for cash at par aggregating upto Rs. 600 crores.

**GENERAL RISKS:**

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

**CREDIT RATING:**

Rating to be referred as per term sheet. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

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

**ISSUER’S ABSOLUTE RESPONSIBILITY:**

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

**LISTING:**

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

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

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

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

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

**DEFINITIONS AND ABBREVIATIONS**

|   |   |
|---|---|
| The Company / Issuer / We / Our Company/ Us | Shriram Transport Finance Company Limited having its Registered Office at Mookambika Complex, No. 4, Lady Desika Road, Mylapore, Chennai – 600 004, Tamil Nadu, India.  |
| Application Form                            | The form in which an investor can apply for subscription to the Debentures  |
| Allotment Intimation                        | An advice informing the allottee of the number of Letter(s) of Allotment/ Debenture(s) allotted to him in Electronic (Dematerialised) Form  |
| Allot/Allotment/Allotted                    | Unless the context otherwise requires or implies, the allotment of the Debentures pursuant to the Issue   |
| Articles                                    | Articles of Association of the Company  |
| Board                                       | Board of Directors of the Company or a Committee thereof  |
| Credit Rating Agency (s)                    | Credit Analysis and Research Limited/ Fitch Ratings India Private Limited/ ICRA Limited/ CRISIL Limited/ India Ratings or any other Rating Agency, appointed from time to time  |
| Coupon Payment Date                         | Date of payment of interest on the Debentures   |
| Date of Allotment                           | The date on which Allotment for the Issue is made, which shall be deemed to take place on the same day as the Pay-in Date.  |
| Debentures/ NCDs/Bonds                      | Secured Redeemable Non-Convertible Debentures of face value of Rs. 10 Lakhs each aggregating to Rs. 600 crores to be issued by Shriram Transport Finance Company Limited.   |
| Debenture Holder                            | The investors who are Allotted Debentures   |
| Debenture Trustee                           | Trustee for the Debenture holders, in this case being in this case being Catalyst Trusteeship Limited   |
| Depository/ies                              | National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL)  |
| DP  | Depository Participant  |
| FEMA Regulations                            | The Regulations framed by the RBI under the provisions of the Foreign Exchange Management Act, 1999, as amended from time to time   |
| FII   | Foreign Institutional Investor (as defined under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995) registered with SEBI   |
| I.T. Act                                    | The Income-tax Act, 1961 as amended from time to time   |
| Disclosure Document                         | Disclosure Document dated 24 <sup>th</sup> March 2017 for Private Placement of Secured Redeemable Non-Convertible Debentures of face value of Rs.10,00,000/- each for cash aggregating to Rs. 600 Crores to be issued by Shriram Transport Finance Company Limited.   |
| Issue                                       | Issue of Rated, Secured, Redeemable, Taxable and Non-Convertible Debentures on a Private Placement basis  |
| ISIN  | International Securities Identification Number  |
| Memorandum / MoA                            | Memorandum of Association of the Company  |
| Material Adverse Effect                     | means a material adverse effect on or a material adverse change (in the judgement of Debenture Trustee acting on the instructions of Majority Debenture Holders) in<br>(a) the business, operations, property, assets, condition (financial or otherwise) or prospects of the Issuer ;<br>(b) the ability of the Issuer /Company to enter into and to perform its obligations under this Agreement or any other related document to which the Issuer /Company is or will be a party; or<br>(c) the validity or enforceability of the Debenture Documents or any other related document or the rights or remedies of Debenture Holders thereunder; which in the opinion of Debenture Trustee (acting on the instructions of Majority Debenture Holders )could adversely affect the Debentures. |
| NBFC  | Non-Banking Finance Company   |
| NRI   | A person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the FEMA Regulations.   |
| Registrar/Registrar to the Issue            | Registrar to the Issue, in this case being  |

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

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## DISCLAIMER

### GENERAL DISCLAIMER

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

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

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

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

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

### DISCLAIMER OF THE RESERVE BANK OF INDIA

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

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

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

## A. ISSUER INFORMATION

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

| Sr. No. | Particulars                           | Details  |  |
|---------|---------------------------------------|--|--|
| 1.      | Date of Incorporation                 | June 30, 1979. Our Company was incorporated as a public limited company under the provisions of the Companies Act, 1956.   |  |
| 2.      | Registered Office                     | Mookambika Complex, No. 4, Lady Desika Road, Mylapore, Chennai – 600004  |  |
| 3.      | Corporate Office                      | Wockhardt Towers, Level – 3, West Wing, C-2, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051 Tel. No.: +91-22-4095 9595 Fax: +91-22-4095 9597/96 Website: <a href="http://www.stfc.in">www.stfc.in</a>  |  |
| 4.      | Registration                          | Corporate Identification Number: L65191TN1979PLC007874 issued by the Registrar of Companies, Tamil Nadu.<br>The Company holds a certificate of registration dated September 4, 2000 bearing registration no. A-07-00459 issued by the RBI to carry on the activities of a NBFC under section 45 IA of the RBI Act, 1934, which has been renewed on April 17, 2007, (bearing registration no. 07-00459) |  |
| 5.      | Compliance Officer                    | Mr. Vivek M Achwal<br>Wockhardt Towers, Level – 3, West Wing, C-2, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051<br>Tel. No.: +91-22-4095 9595, Fax: +91 22 4095 9596/97<br>Email id: <a href="mailto:vivekmadhukar.a@stfc.in">vivekmadhukar.a@stfc.in</a>  |  |
| 6.      | Chief Finance Officer (CFO)           | Mr. Parag Sharma<br>Wockhardt Towers, Level – 3, West Wing, C-2, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051<br>Tel: +91 22 40959595, Fax: +91 22 40959596/97 Email: <a href="mailto:parag@stfc.in">parag@stfc.in</a>   |  |
| 7.      | Arranger, if any                      | -  |  |
| 8.      | Trustee to the Issue                  | Catalyst Trusteeship Limited<br>Office No. 83 – 87, 8th floor , ‘Mittal Tower', ‘B' Wing, Nariman Point, Mumbai – 400021, India<br>Tel: +91 22 4922 0555 Website: <a href="http://www.catalysttrustee.com">www.catalysttrustee.com</a>   |  |
| 9.      | Registrar to the Issue                | Integrated Registry Management Services PVT LTD.<br>2nd Floor, "Kences Towers"<br>No. 1 Ramakrishna Street,<br>North Usman Road<br>T Nagar, Chennai - 600 017<br>Phone: 044-28140801 to 28140803<br>Fax : 044-28142479 Email: <a href="mailto:anusha@integratedindia.in">anusha@integratedindia.in</a>   |  |
| 10.     | Credit Rating Agency (s) of the Issue | India Ratings & Research Private Limited<br>Wockhardt Tower, Level 4, West wing,<br>Bandra Kurla Complex,Bandra (East) ,<br>Mumbai- 400 051<br>Tel: +91 22 4000 1700, Fax: +91 22 4000 1701<br>Website : <a href="http://www.indiaratings.co.in">www.indiaratings.co.in</a>  |  |
| 11.     | Auditor(s) of the Issuer              | M/s. S. R. Batliboi & Company<br>Chartered Accountants<br>6th Floor, Express Tower,<br>Nariman Point,<br>Mumbai 400021<br>Contact Person : Mr. Shrawan<br>Jalal – Partner<br>Contact No.: +91-22- 66579200   | M/s. G. D. Apte & Company,<br>Chartered Accountants,<br>Dream Presidency,<br>1201/17E,Shivajinagar,<br>Off Apte Road, Pune 411004<br>Contact Person: Mr. U S<br>Abhyankar – Partner<br>Contact No.: +91-20- 25532114 |

As per the Resolution passed by Banking and Finance Committee on November 22, 2016 the following officials are authorized to sign the Shelf Disclosure Document and the Addendums, if any:

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

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

### i. Overview

We are the one of the largest Indian asset financing NBFC, with a primary focus on financing pre-owned commercial vehicles. In addition we also provide commercial vehicle finance for new commercial vehicles. We are amongst the leading financing institutions in the organized sector for the commercial vehicle industry in India for FTUs (First Time Users) and SRTOs (Small Road Transport Operators). We also provide financing for passenger commercial vehicles, multi-utility vehicles, three wheelers and tractors. In addition, we provide ancillary equipment and vehicle parts finance, such as loans for tyres and engine replacements, and provide working capital facility for FTUs and SRTOs. We also provide ancillary financial services targeted at commercial vehicle operators such as freight bill discounting and also market co-branded credit cards targeted at commercial vehicle operators in India, thereby providing comprehensive financing solutions to the road logistics industry in India.

In 2010-11 we forayed into the business of providing stock yard services, refurbishing pre-owned commercial vehicles and construction equipment and providing fee based facilitation services for the sale of such pre-owned commercial vehicles and construction equipment, showrooms for refurbished pre-owned commercial vehicles, as well as commercial vehicles repossessed by financing companies, through our wholly-owned subsidiary, Shriram Automall India Limited, which was incorporated on February 11, 2010.

Our Company was established in 1979 and we have a long track record of over three decades in the commercial vehicle financing industry in India. The Company has been registered as a deposit-taking NBFC with the RBI since September 4, 2000 under Section 45IA of the Reserve Bank of India Act, 1934. We are a part of the Shriram group of companies which has a strong presence in financial services in India, including commercial vehicle financing, consumer finance, life and general insurance, stock broking, chit funds and distribution of financial products such as life and general insurance products and mutual fund products, as well as a growing presence in other businesses such as property development, engineering projects and information technology. The Company has received the corporate agency license to deal in life insurance and general insurance products vide letters dated August 29, 2013 and September 26, 2013, respectively. Further, the company has received Certificate of Registration from IRDA to act as a Corporate Agent (Composite) vide certificate dated March 31, 2016.

Our widespread network of branches across India has been a key driver of our growth over the years. As of March 31, 2016 we have 853 branches across India, including at most of the major commercial vehicle hubs along various road transportation routes in India. We have also established our presence in 803 rural centers as on March 31, 2016, with a view of deeper penetration in the used commercial vehicle market and reaching out to relatively a newer customer segment in rural areas. We have also strategically expanded our marketing network and operations by entering into partnership and co-financing arrangements with private financiers in the unorganized sector involved in commercial vehicle financing. As of March 31, 2016 our total employee strength was 18,260.

We have demonstrated consistent growth in our business and in our profitability. The total Assets Under Management had increased from Rs. 5,910,827.84 lacs to Rs. 7,276,060.55 lacs. During 2015-16 the company securitised its assets worth Rs. 899,175.10 lacs (accounting for 12.36% of the total assets under management as on March 31, 2016) as against Rs. 448,142.52 lacs during 2014-15. With securitisation, the company ensures better borrowing profile, leading to lower interest liability owing to its lending to priority sector as per RBI. The outstanding securitised assets portfolio stood at Rs. 1,086,628.40 lacs as on March 31, 2016. Our capital adequacy ratio as of March 31, 2016 computed on the basis of applicable RBI requirements was 17.56% on an unconsolidated basis, compared to the RBI stipulated minimum requirement of 15.00%. Our Tier I capital as of March 31, 2016 was ₹ 9,30,229.59 lacs on an unconsolidated basis. Our Gross NPAs as a percentage of Total Loan Assets were 6.19 % as of March 31, 2016. Our Net NPAs as a percentage of Net Loan Assets was 1.91% as of March 31, 2016 on an unconsolidated basis.

Our total income on an unconsolidated basis increased from ₹ 450,138.30 lacs in fiscal 2010 to ₹ 1,024,526.14 lacs in fiscal 2016. Our net profit after tax increased from ₹ 87,311.74 lacs in fiscal 2010 to ₹ 117,819.76 lacs in fiscal 2016. A summary of our key operational and financial parameters for the last three completed financial years, as specified below, on a unconsolidated basis are as follows –

(₹ In lacs)

| Particulars | As at and for the financial year ended March 31, 2016 | As at and for the financial year ended March 31, 2015 | As at and for the financial year ended March 31, 2014 |
|-------------|---|---|---|
| Net worth*  | 1,013,177.81  | 920,106.99  | 822,956.99  |
| Total Debt  |   |   |   |
| of which    | 3,026,967.38  | 3,157,076.48  | 2,271,208.89  |

|   |              |              |              |
|---|--------------|--------------|--------------|
| - Non-Current Maturities of Long Term Borrowing |              |              |              |
| - Short Term Borrowing                          | 333,035.34   | 266,140.59   | 298,589.79   |
| - Current Maturities of Long Term Borrowing     | 1,619,067.68 | 1,004,401.00 | 1,022,662.38 |
| Net Fixed Assets                                | 10,106.30    | 10,072.37    | 10,066.27    |
| Non-Current Assets                              | 4,468,500.10 | 3,238,745.02 | 2,323,641.74 |
| Cash and Cash Equivalents                       | 236,385.69   | 472,339.89   | 708,597.76   |
| Current Investments                             | 10,399.52    | 221,292.13   | 203,546.33   |
| Current Assets                                  | 2,327,830.08 | 2,693,970.18 | 2,599,904.62 |
| Current Liabilities                             | 2,353,329.04 | 1,596,057.59 | 1,600,970.24 |
| Assets Under Management                         | 7,340,661.71 | 5,962,728.53 | 5,385,689.85 |
| Off Balance Sheet Assets                        | 1,086,628.40 | 983,000.35   | 1,654,279.63 |
| Interest Income                                 | 990,352.29   | 799,481.34   | 742,855.92   |
| Interest Expense                                | 494,307.63   | 420,874.76   | 364,212.22   |
| Provisioning & Write-offs                       | 205,857.50   | 128,915.27   | 114,879.69   |
| PAT   | 117,819.76   | 123,780.98   | 126,420.77   |

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

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

| Particulars                         | As at and for the financial year ended March 31, 2016 | As at and for the financial year ended March 31, 2015 | As at and for the financial year ended March 31, 2014 |
|-------------------------------------|---|---|---|
| Gross NPA (₹ in lacs)               | 387,023.84  | 189,413.90  | 145,050.35  |
| Net NPA (₹ in lacs)                 | 114,369.70  | 37,912.06   | 30,291.24   |
| Total Loan Assets (₹ in lacs)       | 6,254,033.31  | 4,979,728.18  | 3,731,410.21  |
| Net Loan Assets(1) (₹ in lacs)      | 5,981,379.17  | 4,828,226.34  | 3,616,651.10  |
| % of Gross NPA to Total Loan Assets | 6.19%   | 3.80%   | 3.89%   |
| % of Net NPA to Net Loan Assets     | 1.91%   | 0.79%   | 0.84%   |
| Tier I Capital Adequacy Ratio (%)   | 14.71   | 16.40%  | 17.69%  |
| Tier II Capital Adequacy Ratio (%)  | 2.85  | 4.12%   | 5.68%   |

## Our Strengths

We believe that the following are our key strengths:

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

We primarily cater to FTUs and SRTOs and we believe we are among the leading financing institutions in the organized sector in this particular segment. Our widespread network of 853 branches across India and presence in 803 rural centres as of March 31, 2016 enables us to access a large customer base including in most major and minor commercial vehicle hubs along various road transportation routes in India. We believe that our widespread branch network enables us to service and support our existing customers from proximate locations which provide customers easy access to our services. We have also strategically expanded our marketing and customer origination network by entering into partnership and co-financing arrangements with private financiers involved in commercial vehicle financing. We believe our relationship with these partners is a critical factor in sourcing new customers and enhancing reach and penetration at low upfront capital cost. The relationships we have developed with our customers provide us with opportunities for repeat business and to cross sell our other products as well as derive benefit from customer referrals.

Our Assets under Management on an unconsolidated basis as of March 31, 2016, was ₹ 7,340,661.71 lacs (comprising Assets under Management in the books of our Company of ₹ 6,254,033.31 lacs and loan assets securitized and assigned of ₹ 1,086,628.40 lacs). This is supported by a capital base, with share capital of ₹ 22,690.67 lacs and reserves and surplus of ₹ 992,720.78 lacs, on an unconsolidated basis, as of March 31, 2016. Our capital adequacy

ratio as of March 31, 2016 computed on the basis of applicable RBI requirements was 17.56%, on an unconsolidated basis compared to the RBI stipulated minimum requirement of 15.00%. Our Tier I capital as of March 31, 2016 was ₹ 9,30,229.59 lacs on an unconsolidated basis.

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

We fund our capital requirements through a variety of sources. Our fund requirements are currently predominantly sourced through term loans from banks, issue of redeemable non-convertible debentures, and cash credit from banks including working capital loans. We access funds from a number of credit providers, including nationalized banks, private Indian banks and foreign banks, and our track record of debt servicing has allowed us to establish and maintain strong relationships with these financial institutions. We also place commercial paper and access inter-corporate deposits, if required. As a deposit-taking NBFC, we are also able to mobilize retail fixed deposits at competitive rates. We have also raised subordinated loans eligible for Tier II capital. We undertake securitization and assignment transactions as a cost effective source of funds.

In relation to our long-term debt instruments, we currently have long term ratings of 'CARE AA+' from CARE, 'IND AA+' from India Ratings and Research and 'CRISIL AA+' from CRISIL. In relation to our short-term debt instruments, we have also received short term ratings of 'CRISIL A1+' from CRISIL. The rating of the NCDs by Rating Agency indicates high degree of safety regarding timely servicing of financial obligations and carrying very low credit risk.

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

The RBI currently mandates domestic commercial banks and foreign banks(having 20 branches and above) operating in India to maintain an aggregate 40.0% (for foreign banks having less than 20 branches - 40 percent of Adjusted Net Bank Credit or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher; to be achieved in a phased manner by 2020) of adjusted net bank credit or credit equivalent amount of off-balance sheet exposure, whichever is higher as "priority sector advances". These include advances to agriculture, micro and small enterprises (including SRTOs, which constitute the largest proportion of our loan portfolio), micro enterprises within the micro and small enterprises sector, export credit, advances to weaker sections where the Government seeks to encourage flow of credit for developmental reasons. Banks in India that have traditionally been constrained or unable to meet these requirements organically, have relied on specialized institutions like us that are better positioned to or exclusively focus on originating such assets through purchase of assets or securitized and assigned pools to comply with these targets. Our securitized and assigned asset pools are particularly attractive to these banks as such transactions provide them with an avenue to increase their asset base through low cost investments and limited risk. Majority of our loan portfolio being classified as priority sector lending also enables us to negotiate competitive interest rates with banks, NBFCs and other lenders. In fiscals 2014, 2015 and 2016 the total book value of loan assets securitized and assigned on an unconsolidated basis was ₹ 1,067,954.77 lacs, ₹ 448,142.52 lacs and ₹ 899,175.20 respectively.

### ***Unique business model and a track record of strong financial performance***

We primarily cater to FTUs and SRTOs and we believe we are amongst the few financing institutions in the organized sector providing finance to FTUs and SRTOs in the pre-owned commercial vehicle finance segment. Most of our customers are not a focus segment for banks or other NBFCs as these customers lack substantial credit history and other financial documentation on which many of such financial institutions rely to identify and target new customers. As the market for commercial vehicle financing, especially the pre-owned commercial vehicle financing, is fragmented, we believe our credit evaluation techniques, relationship based approach, extensive branch network and strong valuation skills make our business model unique and sustainable as compared to other financiers. In particular, our internally-developed valuation methodology requires deep knowledge and practical experience developed over a period of time, and we believe this is a key strength that is difficult to replicate. We provide finance to pre-owned commercial vehicle operators at favorable interest rates and repayment terms as compared to private financiers in the unorganized sector.

Our retail focus, stringent credit policies and relationship based model has helped us maintain relatively low NPA levels. Our Gross NPAs as a percentage of Total Loan Assets were 6.19% as of March 31, 2016. Our Net NPAs as a percentage of Net Loan Assets was 1.91% as of March 31, 2016 on an unconsolidated basis.

***Strong brand name***

We believe that the "Shriram" brand is well established in commercial vehicle financing throughout India. We believe that we are the only financing company in the organized sector with particular focus on the pre-owned commercial vehicle financing segment to FTUs and SRTOs in India. Our targeted focus on and the otherwise fragmented nature of this market segment, our widespread branch network, particularly in commercial vehicle hubs across India, as well as our large customer base has enabled us to build a strong brand. Our efficient credit approval procedures, credit delivery process and relationship-based loan administration and monitoring methodology have also aided in increasing customer loyalty and earn repeat business and customer referrals.

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

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

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

***Experienced senior management team***

As on the date, our Board consists of ten Directors with extensive experience in the automotive and/or financial services sectors. Our senior and middle management personnel have significant experience and in-depth industry knowledge and expertise. Certain members of our senior management team have more than 15 years of experience with our Company. Our management promotes a result-oriented culture that rewards our employees on the basis of merit. In order to strengthen our credit appraisal and risk management systems, and to develop and implement our credit policies, we have hired a number of senior managers who have extensive experience in the Indian banking and financial services sector and in specialized lending finance firms providing loans to retail customers. We believe that the in-depth industry knowledge and loyalty of our management and professionals provide us with a distinct competitive advantage.

***Our Strategies***

Our key strategic priorities are as follows:

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

We intend to continue to strategically expand our operations in target markets that are large commercial vehicle hubs by establishing additional branches. Our marketing and customer origination and servicing efforts strategically focus on building long term relationships with our customers and address specific issues and local business requirements of potential customers in a particular region. We also intend to increase our operations in certain regions in India where we historically had relatively limited operations, such as in eastern and northern parts of India, and to further consolidate our position and operations in western and southern parts of India. We have also adopted a strategy of establishing our presence in rural centers with a view of deeper penetration in the used commercial vehicle market and reaching out to relatively a newer customer segment in rural areas. We had presence in 803 rural centers as on March 31, 2016 and propose to continue to increase our penetration in such rural centers across India. We have recently also forayed into providing loans for commercial vehicles which are between two to five years old, in addition to our policy of providing finance for vehicles which are between five to twelve years old with a view of expanding our reach and diversifying our portfolio.

The pre-owned commercial vehicle financing industry in India is dominated by private financiers in the unorganized sector. We intend to continue to strategically expand our marketing and customer origination network by entering into

partnership and co-financing arrangements with private financiers across India involved in commercial vehicle financing.

***Continue to develop our Automall business through our wholly-owned subsidiary Shriram Automall India Limited***

Through our wholly-owned subsidiary Shriram Automall India Limited, we have forayed into the business of developing hubs across India called Automalls which are aimed at providing (i) stock yard services for pre-owned and/or repossessed commercial vehicles, construction and other equipment, (ii) refurbishing pre-owned and/or repossessed commercial vehicles and construction and other equipment, (iii) providing a fee based facilitation services for the sale of used commercial vehicles, construction and other equipment. Our Automalls are being developed as a one-stop shop catering to the various needs of commercial vehicle and equipment users, banks, NBFCs and other lenders who wish to dispose of repossessed assets, automobile and equipment dealers and manufacturers. As on March 31, 2016, we have 57 operational Automalls, where we currently are providing fee based services to facilitate the sale of pre-owned commercial vehicles and equipment. We provide valuation services and end-to-end "refurbishing" services relating to automobiles and equipment at our Automalls. We work in close alliance with various banks and financial institutions, vehicle and equipment users, manufacturers, and dealers to consolidate and develop our Automall business to cater to their specific requirements.

We believe the following are advantages of our Automall business:

- Results in fee-based income;
- Offers lending opportunities to our Company;
- Eases liquidation of assets repossessed by our Company; and
- Enables us to institutionalize valuation practices and create valuation bench marks.

***Consolidate our product portfolio***

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

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

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

**Our Company's Financial Products**

***Commercial Vehicle Finance***

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

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

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

We have entered into an agreement with Axis Bank (formerly UTI Bank Limited) to market co-branded Visa credit cards to commercial vehicle operators for use in India and Nepal. We provide marketing assistance for the sourcing of prospective customers for such credit cards as well as assist in customer verification procedures. Axis Bank however retains the right to approve the application by any such customer. Access to such additional credit enables our customers to meet their short term financial requirements, including working capital requirements.

Our Company has recently, commenced business pursuant to the receipt the corporate agency license to deal in life insurance and general insurance products vide letters dated August 29, 2013 and September 26, 2013, respectively.

## **Our Company's Operations**

### ***Customer Origination***

#### *Customer Base*

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

#### *Branch Network*

As of March 31, 2016, we have a wide network of 853 branches across India and 19,170 employees. We have established branches at most major commercial vehicle hubs along various road transportation routes across India. A typical branch comprises nine to 10 employees, including the branch manager. As of March 31, 2016, all of our branch offices were connected to servers at our corporate office to enable real time information with respect to our loan disbursement and recovery administration. Our customer origination efforts strategically focus on building long term relationships with our customers, addresses specific issues and local business requirements of potential customers in a specific region.

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

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

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

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

Our partner sourcing a customer is responsible for obtaining all necessary documentation in connection with the loan proposal. The partner is responsible for collection of installments and penalties for all customers originated through him. The partner is also responsible for any repossession of vehicles in the event of a default of a loan by a customer sourced by such partner.

A typical co-financing or partnership agreement stipulates the revenue-sharing ratio, amounts payable as quarterly advance payments to our partner, and details related to the retention of earnest money. Specifically, we typically stipulate a certain income-sharing arrangement on the interest on the loan, net of our cost of funding. Since the partner's share of income is only determined upon settlement of the individual loan contracts, we typically release quarterly advance payments to our partner. These payments are net of the earnest money deposit, which represents a pre-agreed percentage of the partner's revenue share. We allocate the earnest money towards a loan loss pool, as well

as for business expansion purposes. Loan loss is typically calculated as our loss on principal and reimbursed expenses on loans from customers sourced by the partner, with interest at the rate of our cost of funds. The loss is shared between the parties in the same proportion as income. The parties usually stipulate that the amount available as earnest money deposit in excess of a certain percentage of future receivables and may be withdrawn by the partner.

#### *Other Marketing Initiatives*

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

Further, through our wholly-owned subsidiary Shriram Automall India Limited, we have forayed into the business of developing hubs across India called Automalls. Our Automalls are being developed as a one-stop shop catering to the various needs of commercial vehicle and equipment users, banks and financial institutions who wish to dispose of repossessed assets, automobile and equipment dealers and manufacturers. As on March 31, 2016, we had 57 operational Automalls near Chennai, Vadodara, Manesar, Panvel, Aurangabad, Pathankot, Cuttack, Gulbarga Vizag, Ludhiana, Hyderabad, Jammu, Faizabad, Tirunelveli, Jaipur, Kolkata, Kota, Mahabubnagar, Cochin, Davangere, Mancherla, Jharsuguda, Bilaspur, Hapur, Bhopal, Faridabad, Udaipur, Hubli, Amritsar, Bangalore, Raipur, Anantpur, Thrissur, Narela, Karnal, Shimla, Kanpur, Raniganj, Guwahati, Trichy, Ongole, Hisar, Warangal, Ahmedabad, Panchlingala, Ramgarh, Mysore, Calicut, Kollam, Sohna, Jodhpur, Patancheru, Madurai, Gwalior, Nizamabad, Chandrapur and Nagpur.

#### *Branding/ advertising*

We use the brand name “Shriram Transport Finance” for marketing our products pursuant to a license agreement dated April 1, 2010 with Shriram Ownership Trust, which was initially valid for a period of three years from the date of execution thereof. Pursuant to a letter dated April 1, 2013, SOT has increased the tenure of the aforesaid agreement by a further period of three years commencing from April 1, 2013. Our brand is well recognized in India given its association with the brand of our Promoter and our own efforts of brand promotion. We have launched various publicity campaigns through print and other media specifically targeted at our target customer profile, FTUs and SRTOs, to create awareness of our product features, including our speedy loan approval process with the intention of creating and enhancing our brand identity. We believe that our emphasis on brand promotion will be a significant contributor to our results of operations in future.

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

Due to our customer profile, in addition to a credit evaluation of the borrower, we rely on guarantor arrangements, the availability of security, referrals from existing relationships and close client relationships in order to manage our asset quality. All customer origination and evaluation, loan disbursement, loan administration and monitoring as well as loan recovery processes are carried out by our product executives. We do not utilize or engage direct selling or other marketing and distribution agents or appraisers to carry out these processes. We follow certain procedures for the evaluation of the creditworthiness of potential borrowers. The typical credit appraisal process is described below:

##### *Initial Evaluation*

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

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

### *Credit policies*

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

- **Vehicle type.** We only finance vehicles that are used for commercial purposes. As these are income-generating assets, we believe that this asset type reduces our credit risk.
- **Guarantor requirement.** Loans must be secured by the personal guarantee of the borrower as well as at least one third party guarantor. The guarantor must be a commercial vehicle owner, preferably our existing or former customer, and preferably operating in the same locality as the borrower.
- **Loan approval guidelines.** From time to time, our management lays down loan approval parameters which are typically linked to the value of the vehicle/s.
- **Age limit for used vehicles.** We typically extend loans to vehicles that are less than 12 years old.
- **Period.** In case of pre-owned commercial vehicles, the repayment term ranges between 24 and 48 months. For new commercial vehicles, the repayment term ranges between 36 and 60 months.
- **Release of documents on full repayment.** Security received from the borrower, including unutilized post-dated cheques, if any, is released on repayment of all dues or on collection of the entire outstanding loan amount, provided no other existing right or lien for any other claim exists against the borrower.
- **RTO records.** In case of used vehicle financing, Regional Transport Office (“**RTO**”) records must be inspected for non-payment of road tax, pending court cases, and other issues, and the records retained as part of the loan documentation.
- **Physical inspection and trade reference.** In case of all pre-owned vehicle financing, the branch manager must physically inspect the vehicle and assess its value. The branch manager’s determination regarding the condition of the vehicle is recorded in the evaluation report of the vehicle. The branch manager must also conduct contact point verification as well as a trade reference check of the borrower before an actual disbursement is made, and such determination is recorded in the proposal evaluation records.

### *Approval Process*

The branch manager evaluates the loan proposal based on supporting documentation and various other factors. The primary criterion for approval of a loan proposal is based on the guarantee provided by another commercial vehicle operator, preferably an existing or previous customer, as well as the valuation of the asset to be secured by the loan. In addition, our branch managers may also consider other factors in the approval process such as length of residence, past repayment record and income sources.

The branch manager is authorized to approve a loan if the proposal meets the criterion established for the approval of a loan. The Applicant is intimated of the outcome of the approval process, as well as the amount of loan approved, the terms and conditions of such financing, including the rate of interest (annualized) and the application of such interest during the tenure of the loan.

### *Disbursement*

Margin money and other charges are collected prior to loan disbursements. The disbursing officer retains evidence of the Applicant’s acceptance of the terms and conditions of the loan as part of the loan documentation. A chassis print of the vehicle is also obtained and maintained in the loan file. The relevant RTO endorsement forms are also required to be executed by the borrower prior to the disbursement of the loan. Prior to the loan disbursement, the loan officer ensures that a Know Your Customer checklist is completed by the Applicant. The loan officer verifies such

information provided and includes such records in the relevant loan file. The loan officer is also required to ensure that the contents of the loan documents are explained in detail to the borrower either in English or in the local language of the borrower, and a statement to such effect is included as part of the loan documentation. The borrower is provided with a copy of the loan documents executed by him. Although our customers have the option of making payments by cash or cheque, we may require the Applicant to submit post-dated cheques covering an initial period prior to any loan disbursement. For used vehicles, an endorsement of the registration certificate as well as the insurance policy must be executed in our favour.

### ***Loan administration and monitoring***

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

We provide three payment options: cash, cheques or demand drafts. Repayments are made in monthly installments. Loans disbursed are recovered from the customer in accordance with the loan terms and conditions agreed with the customer. As a service to our customers our product executives offer to visit the customers on the payment date to collect the installments due. We track loan repayment schedules of our customers, on a monthly basis, based on the outstanding tenure of the loans, the number of installments due and defaults committed, if any. This data is analyzed based on the vehicles financed and location of the customer.

Our MIS department and centralized operating team monitors compliance with the terms and conditions for credit facilities. We monitor the completeness of documentation, creation of security etc. through regular visits to the branches by our regional as well as head office executives and internal auditors. All borrower accounts are reviewed at least once a year, with a higher frequency for the larger exposures and delinquent borrowers. The branch managers review collections regularly, and personally contact borrowers that have defaulted on their loan payments. Branch managers are assisted by a set of product executives in the day-to-day operations, who are typically responsible for the collection of installments from 105 to 150 borrowers each, depending on territorial dispersal. Each branch customarily limits its commercial vehicle financing loans to approximately 1,000 customers, which enables closer monitoring of receivables. A new branch is opened to handle additional customers beyond such limit to ensure appropriate risk management. Close monitoring of debt servicing efficiency enables us to maintain high recovery ratios.

### ***Collection and Recovery***

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

In the event of a default on three loan installments, the branch manager is required to make a personal visit to the borrower to determine the gravity of the loan recovery problem and in order to exert personal pressure on the borrower.

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

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

### ***Asset Quality***

We maintain our asset quality through the establishment of prudent credit norms, the application of stringent credit evaluation tools, limiting customer and vehicle exposure, and direct interaction with customers. In addition to our credit evaluation and recovery mechanism, our asset-backed lending model and adequate asset cover has helped maintain low gross and net NPA levels. We provide finance to pre-owned commercial vehicle operators at a lower

interest rate compared to that provided by private financiers, making repayment more manageable for FTUs and SRTOs.

### ***Classification of Assets***

The Prudential Norms Directions, 2007, read with the NBFC Acceptance of Public Deposits Directions, 1998, as amended, prescribed by the RBI, among other matters, require us to observe the classification of our asset; treatment of NPAs; and provisioning against NPAs. Further, as per the revised regulatory framework for NBFC vide RBI circular No. RBI/2014-15/299 dated November 10, 2014;

An asset is termed as an NPA if interest or installments of the principal amount remain overdue for a period of 150 days or more. Each deposit-accepting NBFC is required to classify its lease/hire purchase assets, loans, advances and other forms of credit into the following classes, namely:

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

*Sub-standard assets.* An asset will be classified as an NPA for a period not exceeding 16 months or where the terms of the agreement regarding interest and / or principal have been renegotiated or rescheduled after commencement of operations, until the expiry of one year of satisfactory performance under the renegotiated or rescheduled terms.

*Doubtful assets.* An asset which remains a sub-standard asset for a period exceeding 16 months.

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

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

The Company is required, after taking into account the time lag between an account becoming non-performing, and its recognition as such, the realization of the security and the erosion of over time in value of the security charged, to make provisions against sub-standard, doubtful and loss assets as per the directions issued by RBI. We also consider field reports and collection patterns at regular intervals to anticipate the need of higher provisioning. Set out below is a brief description of applicable RBI Guidelines on provisioning and write-offs for loans, advances and other credit facilities including bills purchased and discounted:

#### ***Loans, advances and other credit facilities***

*Sub-standard assets:* A general provision of 10.0% of the total outstanding assets is required to be made.

*Doubtful assets:* 100.0% provision to the extent to which the advance is not covered by the realizable value of the security to which the NBFC has a valid recourse is required to be made. The realizable value is to be estimated on a realistic basis. In addition to the foregoing, depending upon the period for which the asset has remained doubtful, provision is required to be made as follows:

- if the asset has been considered doubtful for up to one year, provision to the extent of 20.0% of the secured portion is required to be made;
- if the asset has been considered doubtful for one to three years, provision to the extent of 30.0% of the secured portion is required to be made; and
- if the asset has been considered doubtful for more than three years, provision to the extent of 50.0% of the secured portion is required to be made.

*Loss assets:* The entire asset is required to be written off. If the assets are permitted to remain in the books for any reason, 100.0% of the outstanding assets should be provided for.

*Lease and hire purchase assets:* In respect of hire purchase assets, the total dues (overdue and future installments taken collectively) as reduced by (i) the finance charges not credited in our profit and loss account and carried forward as unmatured finance charges, and (ii) the depreciated value of the underlying asset, are required to be provided for.

### Provisioning of Standard Assets:

In terms of the requirement of the circular dated January 17, 2011 issued by the RBI, our Company is also required to make a general provision at 0.25% of the outstanding standard assets. The provision on standard assets is not reckoned for arriving at net NPAs. The provisions towards standard assets are not needed to be netted from gross advances but shown separately as 'Contingent Provisions against Standard Assets' in the balance sheet. In terms of the aforementioned RBI requirements, our Company is allowed to include the 'General Provisions on Standard Assets' in Tier II capital which together with other 'general provisions/ loss reserves' will be admitted as Tier II capital only up to a maximum of 1.25% of the total risk-weighted assets.

As per the revised regulatory framework for NBFC vide RBI circular No. RBI/2014-15/299 dated November 10, 2014; the provision for standard assets for NBFCs-ND-SI and for all NBFCs-D, is being increased to 0.40%. The compliance to the revised norm will be phased in as given below:

- 0.30% by the end of March 2016
- 0.35% by the end of March 2017
- 0.40% by the end of March 2018

### Provisioning for Non-Performing Assets

Our Audit Committee has constituted a policy for making provisions in excess of the amounts prescribed by RBI and we may make further provisions if we determine that it is prudent for a known and identified risk. Based on our policy, our provisions as of March 31, 2016 stood at ₹ 205,857.50 lacs on an unconsolidated basis.

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

| As at             | Gross NPA<br>(₹ in lacs) | Net NPA<br>(₹ in lacs) | Total Loan<br>Assets<br>(₹ in lacs) | Net Loan Assets <sup>(1)</sup><br>(₹ in lacs) | % of Gross NPA to<br>Total Loan Assets | % of Net NPA to<br>Net Loan Assets |
|-------------------|--------------------------|------------------------|-------------------------------------|---|--|------------------------------------|
| March 31,<br>2011 | 52,857.78                | 7,445.92               | 1,986,976.22                        | 1,941,564.36                                  | 2.66%                                  | 0.38%                              |
| March 31,<br>2012 | 69,378.62                | 9,772.12               | 2,208,493.24                        | 2,148,886.76                                  | 3.14%                                  | 0.45%                              |
| March 31,<br>2013 | 98,204.53                | 18,431.98              | 3,198,655.10                        | 3,118,882.55                                  | 3.07%                                  | 0.59%                              |
| March 31,<br>2014 | 145,050.35               | 30,291.24              | 3,731,410.21                        | 3,616,651.10                                  | 3.89%                                  | 0.84%                              |
| March 31,<br>2015 | 189,413.90               | 37,912.06              | 4,979,728.18                        | 4,828,226.34                                  | 3.80%                                  | 0.79%                              |
| March 31,<br>2016 | 387,023.84               | 114,369.70             | 6,254,033.31                        | 5,981,379.17                                  | 6.19%                                  | 1.91%                              |

Note: The information above excludes securitized and assigned assets.

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

Our Gross NPAs as a percentage of Total Loan Assets were 6.19% as of March 31, 2016. Our Net NPAs as a percentage of Net Loan Assets was 1.91% as of March 31, 2016 on an unconsolidated basis. We believe that our eventual write-offs are relatively low because of our relationship based customer origination and customer support, prudent loan approval processes, including adequate collateral being obtained and our ability to repossess and dispose of such collateral in a timely manner.

### Funding Sources

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

#### Borrowings

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

|  | As of March 31 |              |              |              |              |
|--|----------------|--------------|--------------|--------------|--------------|
|  | ₹ in lacs      |              |              |              |              |
| SECURED LOANS  | 2012           | 2013         | 2014         | 2015         | 2016         |
| Redeemable non-convertible debentures (Net of unamortised discount)          | 794,048.27     | 1,233,643.14 | 1,355,949.70 | 1,777,634.18 | 1,637,595.10 |
|  | 794,048.27     | 1,233,643.14 | 1,355,949.70 | 1,777,634.18 | 1,637,595.10 |
| Term loans:  |                |              |              |              |              |
| - Term loans from banks  | 684,425.70     | 973,581.82   | 1,305,431.08 | 1,569,023.93 | 1,796,756.12 |
| - Term loans from financial institutions, foreign institutions and corporate | 24,500.00      | 81,500.00    | 114,500.00   | 106,700.00   | 185,566.67   |
| Cash credit from banks including working capital demand loans                | 277,596.79     | 98,108.20    | 35,213.34    | 17,022.32    | 201,410.34   |

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

|                                       | As of March 31, |            |            |            |            |
|---------------------------------------|-----------------|------------|------------|------------|------------|
|                                       | ₹ in lacs       |            |            |            |            |
| UNSECURED LOANS                       | 2012            | 2013       | 2014       | 2015       | 2016       |
| Fixed deposits                        | 120,376.88      | 134,639.32 | 230,424.30 | 536,009.87 | 779,696.67 |
| Inter-corporate deposits              | -               | 975.00     | -          | -          | -          |
| Subordinated debt                     | 330,015.99      | 367,520.48 | 441,746.13 | 396,304.41 | 352,045.50 |
| Redeemable non-convertible debentures | 50,598.28       | 153,215.43 | 81,619.92  | 2,150.00   | -          |
| Commercial paper                      | -               | 37,053.74  | 15,376.59  | -          | -          |
| Term loans:                           |                 |            |            |            |            |
| - Term loans from banks               | 21,174.03       | 20,000.00  | 12,200.00  | 22,000.00  | 26,000.00  |
| - Term loans from corporate           | 10,000.00       | -          | -          | 773.36     | -          |

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

In fiscal 2016, net addition of bank borrowings on an unconsolidated basis was ₹ 4,16,120.23 lacs. As of March 31, 2016, loans from banks including cash credit on an unconsolidated basis aggregated ₹ 2,024,166.48 lacs, as compared to ₹ 1,608,046.25 lacs as of March 31, 2015 on an unconsolidated basis.

As of March 31, 2016, the aggregate outstanding amount of secured redeemable non-convertible debentures on an unconsolidated basis was ₹ 1,637,595.10 lacs as compared to ₹ 1,777,634.18 lacs as of March 31, 2015 on an unconsolidated basis.

Our short term fund requirements are primarily funded by cash credit from banks including working capital loans. Cash credit from banks including working capital loans outstanding as of March 31, 2016 was ₹ 201,410.34 lacs on an unconsolidated basis.

As of March 31, 2016 our outstanding subordinated debt amounted to ₹ 352,045.50 lacs on an unconsolidated basis, compared to ₹ 396,304.41 lacs as of March 31, 2015 on an unconsolidated basis. The debt is subordinated to our present and future senior indebtedness. Based on the balance term to maturity, as of March 31, 2016, ₹ 2,14,273.07 lacs of the discounted book value of subordinated debt is considered as Tier II under the guidelines issued by the RBI for the purpose of capital adequacy computation.

We are registered as a deposit-taking NBFC with the RBI under Section 45IA of the Reserve Bank of India Act, 1934, which authorizes us to accept deposits from the public. We do not, however, depend on deposits as our primary source

of funding. As of March 31, 2016, we had fixed deposits outstanding of ₹ 779,696.67 lacs, compared to ₹ 536,009.87 lacs as of March 31, 2015, respectively on an unconsolidated basis.

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

We also undertake securitization and assignment transactions to increase our capital adequacy ratio, increase the efficiency of our loan portfolio and as a cost effective source of funds. We sell part of our assets under financing activities from time to time through securitization and assignment transactions as well as direct assignment. Our securitization and assignment transactions involve provision of additional collateral and deposits or bank/ corporate guarantee. In fiscal 2016, total book value of loan assets securitized and assigned was ₹ 899,175.19 lacs on an unconsolidated basis.

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

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

|   | For the Financial Year Ended March 31, |             |              |             |             |
|---|--|-------------|--------------|-------------|-------------|
|   | ₹ in lacs                              |             |              |             |             |
|   | <u>2012</u>                            | <u>2013</u> | <u>2014</u>  | <u>2015</u> | <u>2016</u> |
| Total number of loan assets securitized and assigned            | 336,652                                | 268,004     | 298,022      | 154,302     | 441,180.00  |
| Total book value of loan assets securitized and assigned        | 834,613.44                             | 878,430.31  | 1,067,954.77 | 448,142.52  | 899,175.19  |
| Sale consideration received for securitized and assigned assets | 838,957.14                             | 878,430.31  | 1,067,954.77 | 448,142.52  | 899,175.19  |
| Gain on account of securitization and assignment                | 181,675.90                             | 85,948.08   | 86,434.90    | 50,130.69   | 73,403.17   |

|                                     | As on March 31 |             |             |             |             |
|-------------------------------------|----------------|-------------|-------------|-------------|-------------|
|                                     | ₹ in lacs      |             |             |             |             |
|                                     | <u>2012</u>    | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
| Outstanding credit enhancement      |                |             |             |             |             |
| -Fixed Deposit                      | 113,167.75     | 145,691.76  | 139,632.06  | 115,097.11  | 124,056.00  |
| -Guarantees given by third parties  | 226,010.62     | 232,357.70  | 219,266.79  | 103,902.85  | 10,822.94   |
| -Guarantees given by our Company    | 6,920.48       | 7,899.53    | 8,199.53    | 1,260.25    | 65,978.00   |
| Outstanding liquidity facility      |                |             |             |             |             |
| -Fixed Deposit                      | 7,125.66       | 6,201.37    | 303.45      | Nil         | Nil         |
| Retained interest on securitisation | 9,272.69       | 52,345.61   | 81,946.54   | 57,478.21   | 66,195.93   |

We are required to provide credit enhancement for the securitization and assignment transactions by way of either fixed deposits or corporate guarantees and the aggregate credit enhancement amount outstanding as on March 31, 2016 was ₹ 200,856.94 lacs on an unconsolidated basis. In the event a relevant bank or institution does not realize the receivables due under such loan assets, such bank or institution would have recourse to such credit enhancement.

#### **Treasury Operations**

Our treasury operations are mainly focused on meeting our funding requirements and managing short term surpluses. Our fund requirements are currently predominantly sourced through loans and by issue of debentures to banks, financial institutions and mutual funds. We also place commercial paper and mobilize retail fixed deposits and inter-corporate deposits. We have also raised subordinated loans eligible for Tier II capital. We believe that through our

treasury operations, we are able to maintain our ability to repay borrowings as they mature and obtain new loans at competitive rates.

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

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

Our investments are predominantly in government securities and certificates of deposits with banks.

### Capital Adequacy

We are subject to the capital adequacy ratio (“CAR”) requirements prescribed by the RBI. We are currently required to maintain a minimum CAR of 15.00%, as prescribed under the Prudential Norms Directions, 2007, based on our total capital to risk-weighted assets. As per RBI notification dated February 17, 2011, all deposit taking NBFCs have to maintain a minimum capital ratio, consisting of Tier I and Tier II capital, which shall not be less than 15% of its aggregate risk weighted assets on balance sheet and risk adjusted value of off-balance sheet items w.e.f. March 31, 2012. As a part of our governance policy, we ordinarily maintain capital adequacy higher than the statutorily prescribed CAR. As of March 31, 2016, our capital adequacy ratio computed on the basis of applicable RBI requirements was 17.56% compared to the minimum capital adequacy requirement of 15.00% stipulated by the RBI.

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

|                        | As of March 31, |        |        |        |        |
|------------------------|-----------------|--------|--------|--------|--------|
|                        | 2012            | 2013   | 2014   | 2015   | 2016   |
| Capital adequacy ratio | 22.26%          | 20.74% | 23.37% | 20.52% | 17.56% |
| Tier 1 capital         | 17.26%          | 16.70% | 17.69% | 16.40% | 14.71% |

### Competition

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

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

### Credit Rating

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

| Credit Rating Agency | Instruments                | Ratings           |
|----------------------|----------------------------|-------------------|
| CARE                 | Non-Convertible Debentures | CARE AA+          |
| CARE                 | Subordinate Debt           | CARE AA+          |
| CRISIL               | Fixed Deposit              | CRISIL FAAA       |
| CRISIL               | Subordinate Debts          | CRISIL AA+/Stable |

|  |                                  |                          |
|--|----------------------------------|--------------------------|
| CRISIL                                   | Non-Convertible Debentures       | CRISIL AA+/ Stable       |
| CRISIL                                   | Short Term Debt                  | CRISIL A1+               |
| CRISIL                                   | Bank Loan Long Term              | CRISIL AA+/Stable        |
| ICRA                                     | Fixed Deposit                    | MAA+ with Stable outlook |
| India Ratings & Research Private Limited | Non-Convertible Debentures       | IND AA+                  |
| India Ratings & Research Private Limited | Lower Tier II Sub-Debt           | IND AA+                  |
| India Ratings & Research Private Limited | Short Term Debt                  | IND A1+                  |
| Fitch Ratings                            | Long-Term Issuer Default Rating  | BB+/Stable Outlook       |
| Fitch Ratings                            | Short-Term Issuer Default Rating | B                        |
| Standard & Poor's Ratings                | Long-Term Issuer credit rating   | BB+/Stable Outlook       |
| Standard & Poor's Ratings                | Short-Term Issuer credit rating  | B                        |

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

## Risk Management

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

### Interest Rate Risk

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

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

### Liquidity Risk

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

We monitor liquidity risk through our asset liability management (“ALM”) function with the help of liquidity gap reports. This involves the categorization of all assets and liabilities into different maturity profiles, and evaluating these items for any mismatches in any particular maturities, especially in the short-term. The ALM policy has capped the maximum mismatches in the various maturities in line with RBI guidelines and ALCO guidelines.

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

### Credit risk

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

We minimize credit risk by requiring that each loan must be guaranteed by another commercial vehicle operator in the same locality as the borrower, preferably by an existing or former borrower. Furthermore, we lend on a relationship-based model, and our high loan recovery ratios indicate the effectiveness of this approach for our target customer base. We also employ advanced credit assessment procedures, which include verifying the identity and checking references of the proposed customer thoroughly at the lead generation stage. Our extensive local presence also enables us to

maintain regular direct contact with our customers. In this regard, we assign personal responsibility to each member of the lead generation team for the timely recovery of the loans they originate, closely monitoring their performance against our Company's standards, and maintain client and truck-wise exposure limits.

### **Cash management risk**

Our branches collect and deposit approximately two-thirds of our customers' payments in cash. Lack of proper cash management practices could lead to losses. To address cash management risks, we have developed advanced cash management checks that we employ at every level to track and tally accounts. Moreover, we conduct regular audits to ensure the highest levels of compliance with our cash management systems.

### **Employees**

As of March 31, 2016 our total employee strength was 19,170

We have built a highly capable workforce primarily by recruiting and hiring fresh graduates. As our business model does not require extensive background in banking or the financial services industry, we prefer to hire and train fresh graduates in the particular operational aspects of our business. Moreover, we prefer to hire our workforce from the locality in which they will operate, in order to benefit from their knowledge of the local culture, language, preferences and territory. We emphasize both classroom training and on-the-job skills acquisition. Post recruitment, an employee undergoes induction training to gain an understanding of our Company and our operations. Our product executives are responsible for customer origination, loan administration and monitoring as well as loan recovery and this enables them to develop strong relationships with our customers. We believe our transparent organizational structure ensures efficient communication and feedback and drives our performance-driven work culture.

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

### **Intellectual Property**

Pursuant to a License Agreement dated April 1, 2010 between our Company and Shriram Ownership Trust, ("SOT"), we are licensed to use the name "Shriram" and the associated mark for which our Company has to pay royalty to SOT of 0.25% on the gross turnover of our Company for the first year of the License Agreement. Royalty rates for the subsequent years will be decided mutually on or before April 1<sup>st</sup> of the respective financial years. Along with the royalty, our Company also is required to pay to SOT amounts by way of reimbursement of actual expenses incurred by SOT in respect of protection and defence of the Copyright. The License Agreement was initially valid for a period of three years from the date of execution thereof. Pursuant to a letter dated April 1, 2013, SOT has increased the tenure of the aforesaid agreement by a further period of three years commencing from April 1, 2013.

Our Company has obtained trademark registration for the brand names 'NEW LOOK', 'OKHORNPLEASE.COM', 'AUTO RECON', 'AUTO BAZAR', 'TRUCK UTSAV', 'TRUCK BAZAR', 'TRUCK MALL', 'SHRIRAM AUTO MALL' (brand name & logo), 'TRUCK RECON', 'AUTO MALL' and 'Shriram ONE STOP- The Truck Bazaar'.

### **Technology**

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

All our branches are online, connected through VPN (Virtual Private Network) with our Central Server located at Chennai Data Centre and our Disaster Recovery Site located at Mumbai.

### **Property**

Our registered office is at Mookambika Complex, 3rd Floor, No. 4, Lady Desika Road, Mylapore, Chennai - 600004, Tamil Nadu, India. Our corporate office is at Wockhardt Towers, Level 3, West Wing, C-2, G Block, Bandra Kurla Complex, Bandra (East) Mumbai 400 051, India. As of March 31, 2016, we had 853 branches across India. We typically enter into lease agreements for these strategic business unit and branch locations.

## Collaborations

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

## BUSINESSES OF OUR OPERATIONAL WHOLLY-OWNED SUBSIDIARIES

### *Automalls*

Through our wholly-owned subsidiary Shriram Automall India Limited, we have forayed into the business of developing hubs across India called Automall for providing fee based facilitation services in connection with trading of pre-owned commercial vehicles and equipment by commercial and other vehicle and equipment users, banks and financial institutions who wish to dispose of repossessed assets, automobile and equipment dealers and manufacturers. As on March 31, 2016, we have 57 operational Automalls.

For the financial years ended March 31, 2015 and March 31, 2016, Shriram Automall India Limited had reported revenue from operations of ₹ 6,978.51 lacs and ₹ 7,452.95 lacs, respectively. In the initial stages of its operations the company had incurred a loss of ₹ 30.44 lacs, for the financial year ended March 31, 2012 and a profit of ₹ 788.59 lacs and ₹ 542.07 lacs for the financial years ended March 31, 2015 and March 31, 2016, respectively.

## C. HISTORY, MAIN OBJECTS AND KEY AGREEMENTS

### *Brief background of our Company*

Our Company was incorporated as a public limited company under the provisions of the Companies Act, 1956, by a certificate of incorporation dated June 30, 1979, issued by the ROC, Chennai, Tamil Nadu. Our Company commenced its operations, pursuant to a certificate of commencement of business dated October 9, 1979. Subsequently, our Company has obtained a certificate of registration dated September 4, 2000 bearing registration no. A-07-00459 issued by the RBI to carry on the activities of a NBFC under section 45 IA of the RBI Act, 1934, which has been renewed on April 17, 2007, (bearing registration no. 07-00459). The registered office of our Company is Mookambika Complex, 3rd Floor, No. 4, Lady Desika Road, Mylapore, Chennai, Tamil Nadu – 600004.

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

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

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

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

Pursuant to the SHMPL Scheme of Merger sanctioned under Section 391 to 394 read with Section 100 to 104 of the Companies Act, 1956, between our Company and SHMPL, as approved by the Hon'ble High Court of Madras vide the Merger Order, the business and undertaking of SHMPL, our erstwhile promoter, was merged into our Company with a view of, inter alia, reducing shareholding tiers, optimizing administrative costs and enabling the shareholders of SHMPL to hold equity shares directly in our Company. The appointed date under the SHMPL Scheme of Merger was April 1, 2012, and the SHMPL Scheme of Merger became effective from November 5, 2012 when a certified true copy of the order of the High Court of Madras approving the SHMPL Scheme of Merger was filed with the ROC by SHMPL and our Company, ("SHMPL Effective Date"). On the SHMPL Effective Date, SHMPL was merged into our Company without winding up of SHMPL under Section 394 of the Companies Act, 1956. Pursuant to the SHMPL Scheme of Merger, 9,38,72,380 equity shares of the face value of ₹ 10 each fully paid up of our Company, were issued and allotted, to the members of SHMPL whose names were recorded in the register of members of SHMPL on November 5, 2012 in connection with the SHMPL Scheme of Merger, in the ratio of 313:124 i.e. 313 equity shares of the face value of ₹ 10 each fully paid up of our Company issued for every 124 equity shares of the face value of ₹ 10 each fully paid up of SHMPL, held by the respective members thereof. Accordingly, 9,33,71,512 (Nine crores thirty three lacs seventy one thousand five hundred and twelve only) equity shares of the face value of ₹ 10 each of our Company, earlier held by SHMPL stood cancelled pursuant to the SHMPL Scheme of Merger coming into effect.

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

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

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

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

### *Main objects of our Company*

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

- To carry on and undertake business as Financiers and Capitalists, to finance operations of all kinds such as managing, purchasing, selling, hiring, letting on hire and dealing in all kinds of vehicles, motor cars, motor buses, motor lorries, scooters and all other vehicles;
- To undertake and carry on all operations and transactions in regard to business of any kind in the same way as an individual capitalist may lawfully undertake and carry out and in particular the financing Hire Purchase Contracts relating to vehicles of all kinds;
- To carry on and undertake business as Financier and Capitalists to finance operations of all kinds such as managing, purchasing, selling, hiring, letting on hire and dealing in all kinds of property, movable or immovable goods, chattels, lands, bullion;
- To undertake and carry on all operations and transactions in regard to business of any kind in the same manner as an individual capitalist may lawfully undertake and carryout and in particular financing hire purchase contracts relating to property or assets of any description either immovable or movable such as houses, lands, stocks, shares, Government Bonds;
- To carry on and become engaged in financial, monetary and other business transactions that are usually and commonly carried on by Commercial Financing Houses, Shroffs, Credit Corporations, Merchants, Factory, Trade and General Financiers and Capitalists;
- To lend, with or without security, deposit or advance money, securities and property to, or with, such persons and on such terms as may seem expedient;
- To purchase or otherwise acquire all forms of immovable and movable property including Machinery, Equipment, Motor Vehicles, Building, Cinema Houses, Animals and all consumer and Industrial items and to lease or otherwise deal with them in any manner whatsoever including resale thereof, regardless of whether the property purchased, and leased be new and/or used;
- To provide a leasing advisory counselling service to other entities and/or form the leasing arm for other entities;
- The Company shall either singly or in association with other Bodies Corporate act as Asset Management Company/Manager/Fund Manager in respect of any Scheme of Mutual Fund whether Open-End Scheme or Closed-end Scheme, floated/ to be floated by any Trust/Mutual Fund (whether offshore or on shore)/ Company by providing management of Mutual Fund for both offshore and onshore Mutual Funds, Financial Services Consultancy, exchange of research and analysis on commercial basis;
- Constitute any trust and to subscribe and act as, and to undertake and carry on the office or offices and duties of trustees, custodian trustees, executors, administrators, liquidators, receivers, treasurers, attorneys, nominees and agents; and to manage the funds of all kinds of trusts and to render periodic advice on investments, finance, taxation and to invest these funds from time to time in various forms of investments including shares, term loans and debentures etc.;

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

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

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

#### **(1) License Agreement dated 21 November 2014 between Shriram Ownership Trust (SOT) and our Company (the License Agreement):**

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

Consideration: A licence fee of 1.00 per cent. of the total income of our Company every financial year. The total amount of license fee the Company pays to SOT in a fiscal year shall be subject to a ceiling of 5 per cent. of the profit of the Company before tax from fiscal year 2015-2016. Duration: The License Agreement will remain in force for a period of five years commencing from 1 October 2014 to 30 September 2019, after which the agreement shall be automatically renewed for a further period of five years on the same terms. Arbitration: Any dispute or difference arising between the SOT and our Company shall be referred to an arbitrator decided on a mutual consent and the decision of the arbitrator is final and binding on both the parties. The place of arbitration shall be in Chennai.

#### **(2) Agreement dated 21 August 2010 between Shriram Capital Limited (SCL) and our Company (the Agreement)**

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

Limit: The grant of the loans by our Company to SCL or to any of its associates/affiliates can be utilised in one or more tranches, subject to the total amount of net loans outstanding from SCL and/or its associates/affiliates to our Company in aggregate not exceeding Rs. 3,000 million at any point of time. The aggregate loans utilised by SCL and/or its associates/affiliates shall not exceed the aggregate of the net worth of SCL predetermined by the latest available audited balance sheet. Rate of interest: Subject to the rate of interest payable on the loans not being lower than the prevailing bank rate, being the standard rate made public under section 49 of Reserve Bank of India Act, 1934,

the rate of interest shall be 11 per cent. per annum. Disbursement: The disbursement of loans shall be subject to availability of liquid funds with our Company at the relevant point of time. The same terms and conditions apply mutatis mutandis to the loan given by SCL to our Company.

#### **(3) Service Agreement dated 24 January 2012 between SCL and our Company (the Service Agreement)**

Our Company has executed the Service Agreement with SCL for formalising its arrangement with regard to the role and services to be provided by SCL to our Company. The main terms of the Service Agreement are: Role of SCL: SCL shall continue to render key support services to the Company, in connection with group strategy, new ventures, MIS, synergy, group human resource, risk management, taxation, regulatory, secretarial, group information technology, external relations, corporate communications and investor relations, and that the Company shall utilise these key support services, in accordance with the terms of the Service Agreement.

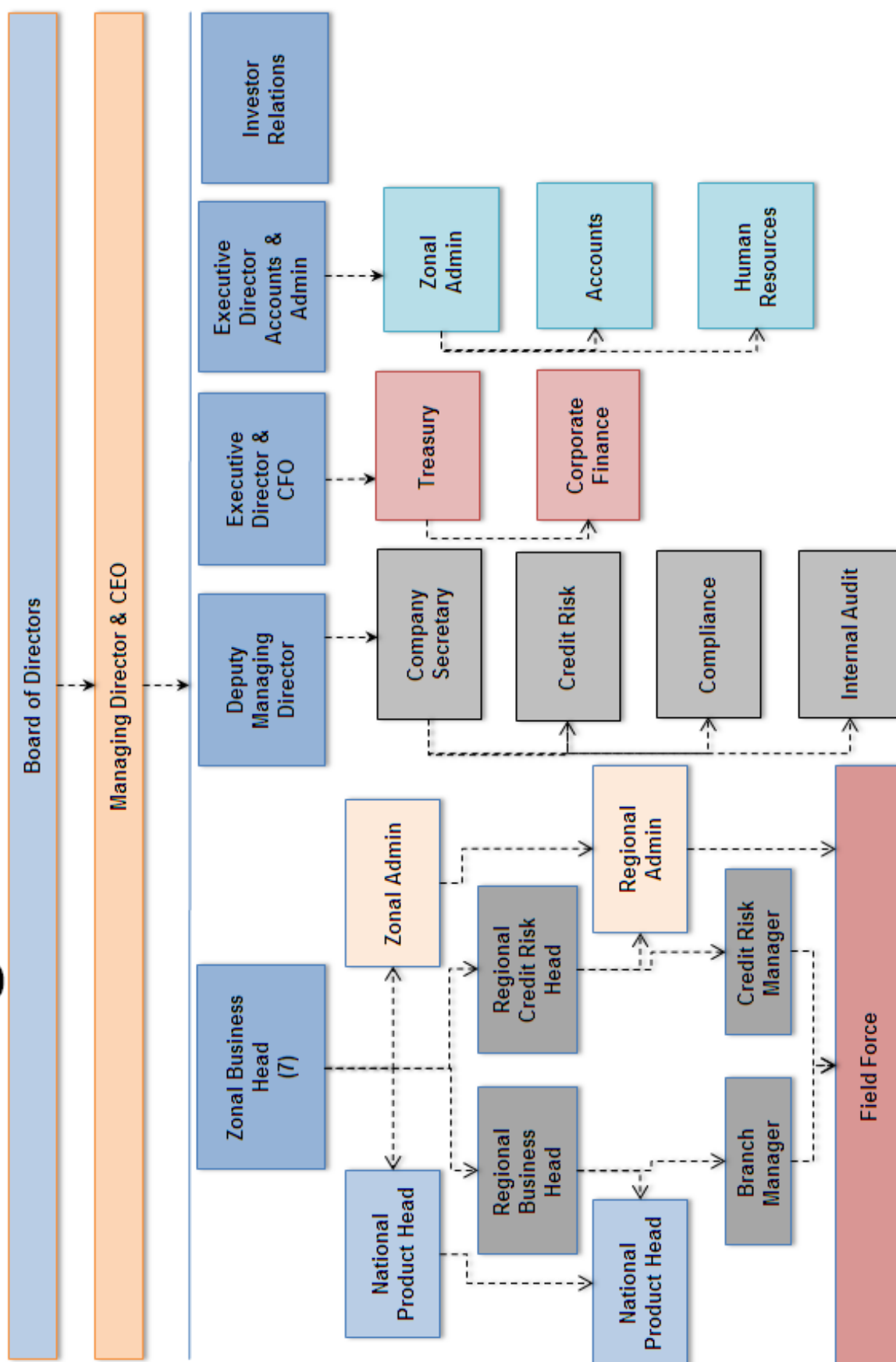
Consideration: Our Company paid SCL a sum of Rs. 75,000,000, plus taxes, every quarter, payable with effect from 1 October 2011, (Effective Date), which was increased by 15 per cent. annually until 30 September 2015. The Company and SCL agreed to an increase of 5 per cent. in service charges for the period between October 2015 and September 2016.

Term: The Service Agreement is valid for a period of five years from the Effective Date unless terminated earlier by either party with a one-year notice period and shall automatically be renewed with the annual increases as set out in the Service Agreement, unless otherwise agreed to in writing between the parties.

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

## i. Corporate Structure

# Organization Structure



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

(Fig in ₹)

| Particulars                                     | As at and for the financial year ended March 31, 2016 | As at and for the financial year ended March 31, 2015 | As at and for the financial year ended March 31, 2014 |
|---|---|---|---|
| Networth*                                       | 1,015,314.69  | 922,892.27  | 846,652.97  |
| Total Debt                                      | 4,979,000.80  | 4,669,451.92  | 3,863,047.12  |
| of which  |   |   |   |
| - Non Current Maturities of Long Term Borrowing | 3,026,888.74  | 3,285,558.30  | 2,396,208.30  |
| - Short Term Borrowing                          | 333,044.38  | 295,262.91  | 339,377.91  |
| - Current Maturities of Long Term Borrowing     | 1,619,067.68  | 1,088,630.71  | 1,127,460.91  |
| Net Fixed Assets                                | 15,211.24   | 15,425.73   | 15,483.09   |
| Non-Current Assets                              | 4,471,065.28  | 3,381,066.56  | 2,467,554.34  |
| Cash and Cash Equivalents                       | 236,555.03  | 476,117.88  | 711,843.68  |
| Current Investments                             | 11,699.19   | 221,292.13  | 203,546.33  |
| Current Assets                                  | 2,330,281.40  | 2,834,294.88  | 2,765,672.72  |
| Current Liabilities                             | 2,356,291.04  | 1,718,860.77  | 1,758,718.57  |
| Assets Under Management                         | 7,340,661.71  | 6,262,586.99  | 5,727,540.75  |
| Off Balance Sheet Assets                        | 1,086,628.40  | 983,000.35  | 1,654,279.63  |
| Interest Income                                 | 990,377.28  | 846,837.02  | 795,389.77  |
| Interest Expense                                | 494,307.40  | 449,145.83  | 390,542.49  |
| Provisioning & Write-offs                       | 205,857.50  | 161,222.39  | 121,320.86  |
| PAT   | 118,361.82  | 102,844.45  | 135,793.73  |

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

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

| Particulars                        | As at and for the financial year ended March 31, 2016 | As at and for the financial year ended March 31, 2015 | As at and for the financial year ended March 31, 2014 |
|------------------------------------|---|---|---|
| Gross NPA (Rs. in lacs)            | 387,023.84  | 189,413.90  | 145,050.35  |
| Net NPA (Rs. in lacs)              | 114,369.70  | 37,912.06   | 30,291.24   |
| Tier I Capital Adequacy Ratio (%)  | 14.71%  | 16.40%  | 17.69%  |
| Tier II Capital Adequacy Ratio (%) | 2.85%   | 4.12%   | 5.68%   |

*Gross Debt Equity Ratio of the Company:-*

|  |      |
|--|------|
| Before the issue of debt securities (as per latest audited Balance Sheet as on March 31, 2016) | 4.91 |
| After the issue of debt Securities as per latest audited Balance Sheet as on March 31, 2016)   | 5.41 |

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

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

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

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

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

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

| Date of Change (AGM/EGM)       | Amount (in Rs.)                             | Particulars  |
|--------------------------------|---|--|
| 12/06/2009 - Date of Allotment | 8,00,00,000                                 | Conversion of 80,00,000 warrants in to Equity shares of Rs.10/- each at a premium of Rs.290/- by way of Preferential Allotment.  |
| 28/01/2010 - Date of Allotment | 11,65,85,520                                | Issued and Allotted 1,16,58,552 Equity shares of Rs. 10/- each fully paid up at a price of Rs. 500.80 per Equity Share in terms of Chapter VIII of SEBI (Issue of Capital and Disclosure Requirements) Regulation 2009.  |
| 05/11/2012 - Date of Allotment | (93,37,15,120)<br>93,87,23,800<br>50,08,680 | The Hon’ble High Court of Judicature at Madras has sanctioned the Scheme of Arrangement for merger of Shriram Holdings (Madras) Private Limited (SHMPL) with Shriram Transport Finance Company Limited (STFC). The Scheme has come into effect from November 05, 2012. The appointed date was April 01, 2012. Pursuant to the Scheme 93371512 equity shares held by SHMPL in the share capital of the STFC stood cancelled upon coming into effect of the Scheme. On November 05, 2012 STFC has allotted 93872380 equity shares to the shareholders of erstwhile SHMPL in the share swap ratio 313:124 i.e. 313 equity shares of Rs. 10 each fully paid-up of the STFC to be issued for every 124 equity shares of Rs. 10 each fully paid-up of SHMPL. |

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

| Date of Allotment | No of Equity Shares | Face Value Rs. | Issue Price Rs. | Consideration (Cash, other than cash, etc) | Nature of Allotment  | Cumulative           |                            | Equity Share Premium (Rs.) | Remarks  |
|-------------------|---------------------|----------------|-----------------|--|--|----------------------|----------------------------|----------------------------|--|
|                   |                     |                |                 |  |  | No. of Equity Shares | Equity Share Capital (Rs.) |                            |  |
| 29/03/2012        | 78900               | 10/-           | 35/-            | Cash                                       | 78900 Equity shares ESOP\$                                   | 78900                | 2263005680                 | 1972500                    | 78900 Equity shares ESOP\$                                   |
| 11/09/2012        | 53500               | 10/-           | 35/-            | Cash                                       | 53500 Equity shares ESOP\$                                   | 53500                | 2263540680                 | 1337500                    | 53500 Equity shares ESOP\$                                   |
| 05/11/2012        | 500868              | 10/-           | -               | For consideration other than cash          | 93872380 Equity shares Pursuant to Merger of SHMPL with STFC | 500868               | 2268549360                 | 0                          | 93872380 Equity shares Pursuant to Merger of SHMPL with STFC |
| 02/03/2013        | 9000                | 10             | 35/-            | Cash                                       | 9000 Equity shares ESOP\$                                    | 9000                 | 2268639360                 | 225000                     | 9000 Equity Shares ESOP\$                                    |
| 12/08/2013        | 18800               | 10             | 35/-            | Cash                                       | 18,800 Equity shares ESOP\$                                  | 18800                | 2268827360                 | 470000                     | 18,800 Equity Shares ESOP\$                                  |

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

**Notes:**

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

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

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

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

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

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

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

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

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

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

|          | +(A)(2)   | 1            |                 |                 |              |              | 0           | 0           |
|----------|---|--------------|-----------------|-----------------|--------------|--------------|-------------|-------------|
| <b>B</b> | <b>Public Shareholding</b>  | -            |                 |                 |              |              | N.A.        | N.A.        |
| (1)      | <b>Institutions</b>   |              |                 |                 |              |              | N.A.        | N.A.        |
| a        | Mutual Funds/<br>UTI  | 93           | 6689001         | 6654956         | 2.95         | 2.95         | 0           | 0           |
| b        | Financial<br>Institutions /<br>Banks  | 13           | 902704          | 902494          | 0.40         | 0.40         | 0           | 0           |
| c        | Alternate<br>Investment Funds   | 0            | 0               | 0               | 0            | 0            | 0           | 0           |
| d        | Venture capital<br>Funds  | 0            | 0               | 0               | 0            | 0            | 0           | 0           |
| e        | Insurance<br>Companies  | 0            | 0               | 0               | 0            | 0            | 0           | 0           |
| f        | Foreign Portfolio<br>Investors  | 412          | 84570566        | 84570566        | 37.28        | 37.28        | 0           | 0           |
| g        | Foreign Venture<br>Capital Investors  | 0            | 0               | 0               | 0            | 0            | 0           | 0           |
| h        | Provident Funds/<br>Pension Funds   | 0            | 0               | 0               | 0            | 0            | 0           | 0           |
| i        | Any other   | 0            | 0               | 0               | 0            | 0            | 0           | 0           |
|          | <b>Sub Total B(1)</b>   | <b>518</b>   | <b>92162271</b> | <b>92128016</b> | <b>40.63</b> | <b>40.63</b> | <b>N.A.</b> | <b>N.A.</b> |
| (2)      | <b>Central<br/>Government/State<br/>Government(s)/<br/>President of India</b>                 | 2            | 411974          | 411974          | 0.18         | 0.18         | 0           | 0           |
|          | <b>Sub Total B(2)</b>   | <b>2</b>     | <b>411974</b>   | <b>411974</b>   | <b>0.18</b>  | <b>0.18</b>  | <b>N.A.</b> | <b>N.A.</b> |
| (3)      | <b>Non-Institutions</b>   |              |                 |                 |              |              |             |             |
| a        | Individuals   |              |                 |                 |              |              |             |             |
| (i)      | Individual<br>Shareholders<br>holding Nominal<br>Share Capital upto<br>Rs.2 Lakh**            | 51035        | 12553506        | 8124717         | 5.53         | 5.53         | 0           | 0           |
| (ii)     | Individual<br>Shareholders<br>holding Nominal<br>Share Capital in<br>excess of Rs.2<br>Lakh** | 27           | 2008713         | 1888713         | 0.89         | 0.89         | 0           | 0           |
| b        | NBFCs registered<br>with RBI  | 8            | 3855            | 3855            | 0.02         | 0.02         | 0           | 0           |
| c        | Employee Trusts   | 0            | 0               | 0               | 0            | 0            | 0           | 0           |
| d        | Overseas<br>Depositories<br>(holding<br>DRs)(balancing<br>figure)                             | 0            | 0               | 0               | 0            | 0            | 0           | 0           |
| e        | Any other<br>(Specify)  | 2337         | 60569394        | 60409740        | 26.70        | 26.70        | 0           | 0           |
|          | <b>Sub Total B(3)</b>   | <b>53407</b> | <b>75135468</b> | <b>70427025</b> | <b>33.11</b> | <b>33.11</b> | <b>0</b>    | <b>0</b>    |

|   |  |       |           |           |        |        |      |      |
|---|--|-------|-----------|-----------|--------|--------|------|------|
|   | Total Public Shareholding (B)= (B)(1)+(B)(2)+B(3)                                    | 53927 | 167709713 | 162967015 | 73.92  | 73.92  | N.A. | N.A. |
| C | <b><u>Shares held by Non-Promoter-Non Public Shareholder</u></b>                     |       |           |           |        |        | N.A. | N.A. |
| 1 | Custodian/DR Holder  | 0     | 0         | 0         | 0      | 0      | 0    | 0    |
| 2 | Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014) | 0     | 0         | 0         | 0      | 0      | 0    | 0    |
|   | <b>Total Non-Promoter-Non Public Shareholding (C)= C(1) + C(2)</b>                   | 0     | 0         | 0         | 0      | 0      | 0    | 0    |
|   | <b>Grand Total (A) + (B) + ( C)</b>  | 53928 | 226882736 | 222140038 | 100.00 | 100.00 | 0    | 0    |

ii. List Of Top 10 Holders Of Equity Shares Of The Company As On Last Quarter end (as on December 31, 2016):

| Sr. No. | Name of shareholders   | Address   | Total Number of Equity Shares held | Percentage Holding (%) |
|---------|--|---|------------------------------------|------------------------|
| 1.      | Shriram Capital Limited  | Shriram House, No.4 Burkit Road, T. Nagar, Chennai - 600 017  | 59173023                           | 26.08                  |
| 2.      | Piramal Enterprises Limited  | Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013  | 22600000                           | 9.96                   |
| 3.      | Sanlam Life Insurance Limited  | CITI Bank N.A., Custody Services FIFC-11th Floor, G Block, Plot C-54 and C-55, BKC, Bandra- East, Mumbai – 400051 | 6757267                            | 2.98                   |
| 4.      | Centaura Investments (Mauritius) Pte Ltd   | CITI Bank N.A., Custody Services FIFC-11th Floor, G Block, Plot C-54 and C-55, BKC, Bandra-East, Mumbai – 400051  | 4319114                            | 1.90                   |
| 5.      | New World Fund Inc   | J P Morgan Chase Bank N.A.India, Sub Custody 6th Floor, Paradigm B Mindspace, Malad (West), Mumbai-400 064        | 3175410                            | 1.40                   |
| 6.      | Stichting Depositary APG Emerging Markets Equity Pool  | J P Morgan Chase Bank N.A.India, Sub Custody 6th Floor, Paradigm B Mindspace, Malad (West), Mumbai-400 064        | 3001234                            | 1.32                   |
| 7.      | Vanguard Emerging Markets Stock Index Fund, Aseries of Vanguard International Equity Inde X Fund | Deutsche Bank AGDB House, Hazarimal Somani Marg, Post Box No.1142, Fort, Mumbai - 400 001                         | 2802340                            | 1.24                   |
| 8.      | Government of Singapore  | Deutsche Bank AGDB House, Hazarimal Somani Marg, Post Box No.1142, Fort, Mumbai - 400 001                         | 2640236                            | 1.16                   |
| 9.      | Oppenheimer International Small Company Fund   | J P Morgan Chase Bank N.A.India, Sub Custody 6th Floor, Paradigm B Mindspace, Malad (West), Mumbai-400 064        | 2576459                            | 1.14                   |
| 10.     | Platinum Asia Fund   | HSBC Securities Services  | 2414700                            | 1.06                   |

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

i. Details of the current Directors of the Company:

| Name, Designation, Age and DIN  | Nationality | Date of Appointment | Address  | Other Directorships  |
|---|-------------|---------------------|--|--|
| Mr. Lakshminarayanan Subramanian<br><i>Non-Executive Independent Chairman</i><br><br>Age: 70<br>DIN: 02808698<br><br>Occupation: Retired Civil Servant (Former Secretary to GOI, Ministry of Home Affairs) and Currently working with Private Companies as Advisor/Consultant | Indian      | September 22, 2009  | 33, Paschimi Marg, First Floor, Vasant Vihar, New Delhi – 110057.                    | i. ELCOM Systems Private Limited;<br>ii. ELCOM Innovations Private Limited<br>iii. Shriram Life Insurance Company Limited;<br>iv. Shriram Automall India Limited. and<br>v. Indofil Industries Ltd.; |
| Mr. Umesh Revankar<br><i>Managing Director and CEO</i>  | Indian      | October 25, 2016    | Flat no. 202, Kalpana CHS. Ltd.. 11 <sup>th</sup> Road, Khar (west), Mumbai - 400052 | i. Shriram Capital Limited<br>ii. Shriram Credit Company Limited<br>iii. Shriram General Insurance Company Limited   |

| Name, Designation, Age and DIN   | Nationality   | Date of Appointment | Address  | Other Directorships  |
|--|---------------|---------------------|--|--|
| Age: 52<br>DIN: 00141189<br><br>Occupation: Service  |               |                     |  | iv. Shriram Seva Sankalp Foundation<br>v. Shriram Life Insurance Company Limited<br>vi. Shriram Automall India Limited   |
| Mr. Sumati Prasad Mishrilal Bafna<br><i>Non-Executive and Independent Director</i><br><br>Age: 55<br>DIN: 00162546<br><br>Occupation: Business   | Indian        | September 9, 2005   | 22, Gobind Mahal, 86– B, Marine Drive, Mumbai – 400020.  | i. Isuta Electronics (India) Limited;<br>ii. Bafna Motors (Mumbai) Private Limited;<br>iii. Bafna Motors (Ratnagiri) Private Limited;<br>iv. Bafna Motors Private Limited;<br>v. Kishor Transport Services Private Limited;<br>vi. Bafna Aviation Private Limited;<br>vii. Rushabh Motors Private Limited;<br>viii. Bafna Health Care Private Limited;<br>ix. ABCIN Services Private Limited;<br>x. Panchavati Automobile Private Limited;<br>xi. Bafna Motorcycles Private Limited; and<br>xii. Toyota Logistic Kishor India Private Limited.<br>xiii. Bafna Motors (India) Private Limited |
| Mr. Puneet Bhatia<br><i>Non-Executive and Non-Independent Director</i><br><br>Age: 50<br>DIN: 00143973<br><br>Occupation: Managing Director and Country Head of TPG Capital India.         | Indian        | October 26, 2006    | 525 A Magnolias, DLF Golf Course, DLF Phase 5, Gurgaon Haryana - 122009  | i. TPG Capital India Private Limited;<br>ii. Shriram Properties Private Limited;<br>iii. Flare Estate Private Limited;<br>iv. TPG Wholesale Private Limited;<br>v. Shriram Capital Limited;<br>vi. Manipal Health Enterprises Private Limited<br>vii. Havells India Limited.<br>viii. Janalakshmi Financial Services Private Limited; and<br>ix. Vishal E-Commerce Private Limited   |
| Mrs. Kishori Udeshi<br><i>Non- Executive and Independent Director</i><br><br>Age: 73<br>DIN: 01344073<br><br>Occupation: Deputy Governor, RBI (Retired)                                    | Indian        | October 30, 2012    | 15, Sumit Apartment, 31, Carmichael Road, Mumbai-400026.   | i. HSBC Asset Management (India) Pvt. Ltd.;<br>ii. ION Exchange (India) Ltd.;<br>iii. HALDYN Glass Ltd.; and<br>iv. Thomas Cook (India) Ltd.<br>v. Elantas Beck India Ltd<br>vi. Shriram Automall India Limited<br>vii. SOTC Travel Services Pvt. Ltd  |
| Mr. Amitabh Chaudhry<br><i>Non- Executive and Independent Director</i><br><br>Age: 52<br>DIN: 00531120<br><br>Occupation: Managing Director & CEO of HDFC Standard Life Insurance Co. Ltd. | Indian        | October 30, 2012    | Flat No. 4301, 43 <sup>rd</sup> Floor, Tower III, Electra Planet Godrej, Near Jacob Circle, Saat Rasta, Mahalaxmi, Mumbai- 400011. | i. HDFC Standard Life Insurance Company Limited;<br>ii. HDFC Pension Management Company Limited;<br>iii. Manipal Global Education Services Private Limited.<br>iv. Credila Financial Services Pvt. Ltd.<br>v. HDFC International Life and Re Company Limited<br>vi. Manipal Education Americas, LLC  |
| Mr. Gerrit Lodewyk Van Heerde<br><i>Non-Executive and Non-Independent Director</i><br><br>Age: 49<br>DIN: 06870337<br><br>Occupation: Actuary  | South African | May 15, 2014        | 2 Dahlia Avenue, Welgedacht, Bellville, 7530, South Africa   | i. Letshego Holdings Limited;<br>ii. Shriram City Union Finance Company Ltd.<br>iii. BHIL Group  |
| Mr. Sridhar Srinivasan<br><i>Non- Executive and Independent Director</i><br><br>Age : 65 years<br>DIN : 00004272   | Indian        | Oct. 20, 2014       | D-905, Ashok Towers, DR S S ROAD, PAREL MUMBAI Maharashtra India 400012  | i. Binani Industries Limited.;<br>ii. DCB Bank Limited.;<br>iii. Tourism Finance Corporation of India Limited.;<br>iv. Jubilant Life Sciences Limited;   |

| Name, Designation, Age and DIN  | Nationality | Date of Appointment | Address  | Other Directorships  |
|---|-------------|---------------------|--|--|
| Occupation:<br>Management Consultant  |             |                     |  | v. Strides Shasun Limited;<br>vi. India Infoline Housing Finance Limited;<br>vii. Sewa Grih Rin Limited;<br>viii. Binani Cement Limited;<br>ix. Incube Trustee Company Private Limited;<br>x. JP Morgan Mutual Fund India Private Limited;<br>xi. NABARD Consultancy Services Private Limited; and<br>xii. Strategic Research & Information Capital Services Private Limited<br>xiii. GVFL Trustee Company Private Limited<br>xiv. Indian Housing Federation   |
| Mr. D.V Ravi<br><i>Non- Executive and Non-Independent Director</i><br><br>Age:52 years<br>DIN: 00171603<br><br>Occupation: Managing Director of Shriram Capital Limited | Indian      | June 18, 2015       | B3E Regal Palm Gardens, Cee Dee Yes Apartments, Velachery Tambaram Road, Velachery, Channia-600042 | i. Shriram Capital Limited;<br>ii. DRP Consultants Pvt. Ltd.;<br>iii. Shriram Properties Holding Pvt. Ltd.;<br>iv. Asia Global Trading (Chennai) Pvt. Ltd.;<br>v. Shriram Financial Ventures (Chennai) Pvt. Ltd.;<br>vi. Shriram Automall India Limited;<br>vii. TAKE Solutions Ltd.;<br>viii. Esyspro Infotech Limited;<br>ix. Envestor Ventures Limited;<br>x. Shriram Credit Company Limited;<br>xi. Shriram Seva Sankalp Foundation;<br>xii. TAKE Solutions Pte Limited;<br>xiii. Take Global Ltd (UK);<br>xiv. DRP Consultants Pte Ltd.;<br>xv. Eywa Pharma Private Limited and<br>xvi. Manipal Acunova Limited |

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

### **Profile of Directors**

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

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

#### **Mr. Puneet Bhatia**

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

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

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

**Mr. Lakshminarayanan Subramanian**

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

**Mrs. Kishori Udeshi**

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

**Mr. Amitabh Chaudhry**

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

**Mr. Gerrit Lodewyk Van Heerde**

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

**Mr. S. Sridhar**

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

**Mr. D.V. Ravi**

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

Servicing. He started his career in strategy and finance in 1987 with Karnataka Oil Seeds Federation, Bangalore. His areas of expertise in this role include Corporate Strategy, Synergy Creation, Risk Management Efforts, Leadership Development and Corporate Finance.

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

| Name of the Director, Designation and DIN   | Date of Appointment/Resignation | Director of our Company since | Remarks  |
|---|---------------------------------|-------------------------------|--|
| Mr. Gerrit Lodewyk Van Heerde<br><i>Non-Executive and Non-Independent Director</i><br><br>DIN: 06870337 | May 15, 2014                    | May 15, 2014                  | Appointed as Additional Director                                       |
| Mr. Mayashanker Verma<br><i>Non-Executive and Independent Director</i><br><br>DIN: 00115431             | July 10, 2014                   | October 26, 2006              | Resigned as a Director   |
| Mr. Sridhar Srinivasan<br><i>Non-Executive and Independent Director</i><br><br>DIN : 0004272            | October 20, 2014                | October 20, 2014              | Appointed as Additional Director                                       |
| Mr. Arun Duggal<br><i>Non-Executive Non-Independent Chairman</i><br><br>DIN: 00024262                   | November 15, 2014               | September 09, 2005            | Resigned as a Chairman   |
| Mr. D.V. Ravi<br><i>Non- Executive and Non-Independent Director</i><br><br>DIN: 00171603                | June 18, 2015                   | June 18, 2015                 | Appointed as Additional Director                                       |
| Mr. R. Sridhar<br><i>Non-Executive and Non-Independent Director</i><br><br>DIN: 00136697                | August 1, 2015                  | May 8, 2012                   | Resigned as a Director   |
| Mr. Jasmit Singh Gujral<br><i>Managing Director and CEO</i><br><br>DIN: 00196707                        | April 30, 2016                  | April 30, 2016                | Appointed as Additional Director and also as Managing Director and CEO |
| Mr. Umesh Revankar<br><i>Non-Executive and Non-Independent Director</i><br><br>DIN : 00141189           | July 27, 2016                   | April 1, 2012                 | Resigned as a Director   |
| Mr. Ramakrishnan Subramanian<br><i>Non- Executive and Non-Independent Director</i><br><br>DIN: 02192747 | July 27, 2016                   | July 27, 2016                 | Appointed as Additional Director                                       |
| Mr. Jasmit Singh Gujral<br><i>Managing Director and CEO</i><br><br>DIN: 00196707                        | October 25, 2016                | April 30, 2016                | Resigned as a Managing Director  |
| Mr. Umesh Revankar<br><i>Non-Executive and Non-Independent Director</i><br><br>DIN : 00141189           | October 25, 2016                |                               | Appointed as Additional Director and also as Managing Director and CEO |
| Mr. Ramakrishnan Subramanian  | February 03, 2017               | July 27, 2016                 | Resigned as Additional Director  |

| Name of the Director,<br>Designation and DIN                                 | Date of<br>Appointment/Resignation | Director of our<br>Company since | Remarks |
|--|------------------------------------|----------------------------------|---------|
| <i>Non- Executive and Non-<br/>Independent Director</i><br><br>DIN: 02192747 |                                    |                                  |         |

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

#### i. Details of the Auditor of the Company :-

| Name                      | Address  | Auditor since |
|---------------------------|--|---------------|
| M/s. S. R. Batliboi & Co. | 6 <sup>th</sup> floor, Express Towers, Nariman Point<br>Mumbai – 400 021<br>Email: SRBC@in.ey.com<br>Tel: +91 22 6192 0000 , Fax: +91 22 2287 6401                       | 2006-07       |
| M/s. G. D. Apte & Co.     | Plot No 85, Bhusari Colony (Right)<br>Paud Road, Pune - 411 038<br>Email: umesh.abhyankar@gdaca.com,<br>audit@gdaca.com<br>Tel: +91 020 2528 0081 Fax: +91 020 2528 0275 | 1995-96       |

#### ii. Details of change in Auditor since last three years:- Not Applicable

| Name | Address | Date of Appointment / Resignation | Auditor of the Company since ( in case of resignation) | Remarks |
|------|---------|-----------------------------------|--|---------|
| -    | -       | -                                 | -  | -       |

### H. Details of borrowing of the company, as on the latest quarter ended:

#### i. Details of Secured Loan Facilities :- TERM LOAN

|        |                                      |                    |                                       |   | (Rs. In Lacs) |
|--------|--------------------------------------|--------------------|---------------------------------------|---|---------------|
| S.NO . | PARTICULARS                          | SANCTIO NED AMOUNT | PRINCIPAL AMOUNT O/S AS ON 31.12.2016 | REPAYMENT TERMS   | SECURITY      |
| 1      | SYNDICATE BANK                       | 10000.00           | 2500.00                               | 16 QUATERLY INSTALLMENTS  | RECEIVABLES   |
| 2      | ORIENT BANK OF COMMERCE              | 5000.00            | 416.14                                | 12 QUATERLY INSTALLMENTS  | RECEIVABLES   |
| 3      | SYNDICATE BANK                       | 20000.00           | 1250.00                               | 16 QUATERLY INSTALLMENTS  | RECEIVABLES   |
| 4      | SOUTH INDIAN BANK                    | 10000.00           | 3741.39                               | 16 QUATERLY INSTALLMENTS STARTING AFTER A HOLIDAY PERIOD OF 3 MONTH             | RECEIVABLES   |
| 5      | INDUSTRIAL DEVELOPMENT BANK OF INDIA | 10000.00           | 3125.00                               | 16 QUATERLY INSTALLMENTS  | RECEIVABLES   |
| 6      | STATE BANK OF HYDERABAD              | 5000.00            | 458.35                                | 12 QUATERLY INSTALLMENTS  | RECEIVABLES   |
| 7      | VIJAYA BANK                          | 10000.00           | 3746.53                               | 16 QUATERLY INSTALLMENTS  | RECEIVABLES   |
| 8      | HDFC BANK                            | 7500.00            | 1875.00                               | 12 QUATERLY INSTALLMENTS  | RECEIVABLES   |
| 9      | CANARA BANK                          | 25000.00           | 10937.50                              | 16 QUATERLY INSTALLMENTS  | RECEIVABLES   |
| 10     | WOORI BANK                           | 1800.00            | 700.00                                | 2 QUATERLY INSTALMENTS OF 1.5CRS EACH & 30 MONTHLY INSTALLMENTS OF 50LAKHS EACH | RECEIVABLES   |
| 11     | ANDHRA BANK                          | 20000.00           | 1423.32                               | 14 QUATERLY INSTALLMENTS AFTER SIX MONTHS MORATORIUM                            | RECEIVABLES   |
| 12     | BANK OF INDIA                        | 50000.00           | 3125.00                               | 16 QUATERLY INSTALLMENTS  | RECEIVABLES   |
| 13     | CENTRAL BANK OF INDIA                | 50000.00           | 19981.51                              | 5 YEARLY INSTALLMENTS   | RECEIVABLES   |
| 14     | HDFC BANK                            | 10000.00           | 1875.00                               | 16 QUATERLY INSTTALLMENTS   | RECEIVABLES   |
| 15     | HDFC BANK                            | 15000.00           | 3750.00                               | 16 QUATERLY INSTTALLMENTS   | RECEIVABLES   |

|    |  |          |          |  |             |
|----|--|----------|----------|--|-------------|
| 16 | ORIENT BANK OF COMMERECE               | 40000.00 | 13957.80 | 20 QUARTERLY INSTALLMENTS  | RECEIVABLES |
| 17 | SOUTH INDIAN BANK                      | 20000.00 | 1250.00  | 16 QUARTERLY INSTALLMENTS  | RECEIVABLES |
| 18 | UCO BANK                               | 25000.00 | 4997.99  | 15 QUARTRLY INSTALLMENTS ,COMMENCING FRM THE END OF 6 MONTHS FROM THE DATE OF DISB                                   | RECEIVABLES |
| 19 | CANARA BANK                            | 50000.00 | 12500.00 | 20 QUARTERLY INSTALLMENTS  | RECEIVABLES |
| 20 | STATE BANK OF MYSORE                   | 10000.00 | 832.79   | 12 QUARTERLY INSTALLEMNTS , AFTER 1 YEAR MORATORIUM  | RECEIVABLES |
| 21 | UNION BANK OF INDIA                    | 20000.00 | 3732.98  | 48 MONTHLY INSTALMMMENTS   | RECEIVABLES |
| 22 | VIJAYA BANK                            | 15000.00 | 3749.87  | 16 QUARTERLY INSTALLMENTS, COMMENCING AFTER A MORATORIUM OF 1 QUARTER  | RECEIVABLES |
| 23 | SYNDICATE BANK                         | 50000.00 | 9375.00  | 16 QUARTERLY INSTALLMENTS  | RECEIVABLES |
| 24 | PUNJAB AND SIND BANK                   | 25000.00 | 4162.34  | 6 HALF YEARLY INSTALLMENTS ,WITH MORATORIUM PERIOD OF 6 MONTHS   | RECEIVABLES |
| 25 | SYNDICATE BANK                         | 10000.00 | 2000.00  | 5 YEARLY INSTALLMENTS  | RECEIVABLES |
| 26 | ALLAHABAD BANK                         | 50000.00 | 6247.63  | 16 QUARTERLY INSTALLMENTS  | RECEIVABLES |
| 27 | BANK OF BARODA                         | 30000.00 | 7499.32  | 16 QUARTERLY INSTTALLMENTS   | RECEIVABLES |
| 28 | BANK OF BARODA                         | 30000.00 | 7499.65  | 20 QUARTELY INSATALLMENTS  | RECEIVABLES |
| 29 | BANK OF BARODA                         | 20000.00 | 3750.11  | 16 QUARTERLY INSTTALLMENTS   | RECEIVABLES |
| 30 | JAMMU AND KASHMIR BANK                 | 15000.00 | 3743.72  | 16 QUARTERLY INSTALLMETS , 15 QRTLY INSTALLMENTS OF RS 9.38 CRS & 16 TH OF RS .9.30 CRS                              | RECEIVABLES |
| 31 | KARNATAKA BANK                         | 20000.00 | 5000.00  | 8 HALF YEARLY INSTALLMENTS   | RECEIVABLES |
| 32 | INDIAN BANK                            | 25000.00 | 9959.08  | 10 HALF YEARLY INSTALLMENTS  | RECEIVABLES |
| 33 | STATE BANK OF BIKANER AND JAIPUR       | 20000.00 | 3751.46  | 16 QUARTERLY INSTTALLMENTS   | RECEIVABLES |
| 34 | STATE BANK OF BIKANER AND JAIPUR       | 10000.00 | 624.21   | 16 QUARTERLY INSTALLMENTS  | RECEIVABLES |
| 35 | JAMMU AND KASHMIR BANK                 | 20000.00 | 1250.00  | 16 QUARTERLY INSTALLMETS   | RECEIVABLES |
| 36 | BANK OF BARODA                         | 50000.00 | 22494.76 | 20 QUARTELY INSATALLMENTS  | RECEIVABLES |
| 37 | BANK OF INDIA                          | 28000.00 | 8750.00  | 16 QUARTERLY INSTALLMENTS  | RECEIVABLES |
| 38 | STATE BANK OF INDIA                    | 50000.00 | 20000.00 | 48 MONTHLY INSTALLMENTS, AFTER 3 MONTH MORATORIUM ( 45 INST 10 CRS & 3 INT 16.67CRS )                                | RECEIVABLES |
| 39 | HONGKONG AND SHANGHAI BANKING CORP LTD | 15000.00 | 833.33   | 36 MONTHLY INSTALLMENTS  | RECEIVABLES |
| 40 | HONGKONG AND SHANGHAI BANKING CORP LTD | 10000.00 | 3700.00  | BULLET (63 CRS PD ON 30 NOV2016 & 37 CRS PD ON 24 FEB 2017)  | RECEIVABLES |
| 41 | DEUTSCHE BANK                          | 15000.00 | 5000.00  | 3 YEARLY INSTALLMENTS  | RECEIVABLES |
| 42 | KARNATAKA BANK                         | 12500.00 | 6250.00  | 20 QUARTERLY INSTALLMENTS  | RECEIVABLES |
| 43 | STATE BANK OF MAURITIUS                | 2000.00  | 400.00   | 10 QUARTERLY INSTALLMENTS ,STARTING AFTER MORATORIUM PERIOD OF 6 MONTHS, INSALLMENT IS PAYABLE AT THE END OF QUARTER | RECEIVABLES |
| 44 | ANDHRA BANK                            | 30000.00 | 9978.91  | 15 QUARTERLY INSTALLMENTS  | RECEIVABLES |
| 45 | ABUDHABI BANK                          | 2500.00  | 416.67   | 6 HALF YEARLY INSTALLMENTS   | RECEIVABLES |
| 46 | INDIAN OVERSEAS BANK                   | 10000.00 | 3747.94  | 16 QUARTERLY INSTALLMENTS  | RECEIVABLES |
| 47 | FEDERAL BANK                           | 7500.00  | 5156.25  | 16 QUARTERLY INSTTALLMENTS WITH 1 YEAR MORATORIUM PERIOD   | RECEIVABLES |

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| 48 | THE ZOROASTRIAN COOPERATIVE BANK LIMITED | 1400.00  | 280.27   | 16 QUARTERLY INSTALLMENTS  | RECEIVABLES |
| 49 | CANARA BANK                              | 50000.00 | 21875.00 | 16 QUARTERLY INSTTALLMENTS   | RECEIVABLES |
| 50 | PUNJAB AND SIND BANK                     | 10000.00 | 5499.22  | 20 QUARTERLY INSTALLMENTS  | RECEIVABLES |
| 51 | INDIAN BANK                              | 50000.00 | 21873.48 | 16 QUARTERLY INSTTALLMENTS   | RECEIVABLES |
| 52 | INDUSTRIAL DEVELOPMENT BANK OF INDIA     | 50000.00 | 25000.00 | 16 QUARTERLY INSTTALLMENTS   | RECEIVABLES |
| 53 | HDFC BANK                                | 30000.00 | 13125.00 | 16 QUARTERLY INSTTALLMENTS   | RECEIVABLES |
| 54 | KOTAK MAHINDRA BANK                      | 5000.00  | 1250.00  | 36 MONTHLY INSTALLMENTS  | RECEIVABLES |
| 55 | ANDHRA BANK                              | 30000.00 | 13989.39 | 15 QUARTERLY INSTALLMENTS  | RECEIVABLES |
| 56 | KARNATAKA BANK                           | 5000.00  | 2500.00  | 16 QUARTERLY INSTALLMENTS  | RECEIVABLES |
| 57 | SYNDICATE BANK                           | 50000.00 | 24999.95 | 16 QUARTERLY INSTALLMENTS  | RECEIVABLES |
| 58 | BANK OF INDIA                            | 30000.00 | 18000.00 | 20 QUARTERLY INSTALLMENTS  | RECEIVABLES |
| 59 | STATE BANK OF HYDERABAD                  | 7500.00  | 4499.45  | 20 QUARTERLY INSTALLMENTS  | RECEIVABLES |
| 60 | ORIENT BANK OF COMMERECE                 | 25000.00 | 14997.96 | 20 QUARTERLY INSTALLMENTS  | RECEIVABLES |
| 61 | BANK OF MAHARASHTRA                      | 50000.00 | 29996.26 | 20 QUARTERLY INSTALLMENTS  | RECEIVABLES |
| 62 | STATE BANK OF INDIA                      | 25000.00 | 17187.50 | 16 QUARTERLY INSTALLMENTS COMMENCING AFTER THE MORATORIUM PERIOD OF 6 MONTH FROM THE DATE OF DISBURSEMNT | RECEIVABLES |
| 63 | AXIS BANK                                | 25000.00 | 17500.00 | 10 QUARTERLY INSTALLMENTS COMMENCING FROM 15TH MONTH FROM THE DATE OF DISBURSEMENT                       | RECEIVABLES |
| 64 | AXIS BANK                                | 50000.00 | 35000.00 | 10 QUARTERLY INSTALLMENTS COMMENCING FROM 15TH MONTH FROM THE DATE OF DISBURSEMENT                       | RECEIVABLES |
| 65 | JPMORGAN CHASE BANK                      | 17500.00 | 17500.00 | BULLET 03/03/2017  | RECEIVABLES |
| 66 | BANK OF BARODA                           | 30000.00 | 19485.91 | 20 QUARTERLY INSTALLMENTS  | RECEIVABLES |
| 67 | DENA BANK                                | 25000.00 | 16248.50 | 20 QUARTERLY INSTALLMENTS  | RECEIVABLES |
| 68 | STATE BANK OF INDIA                      | 10000.00 | 6875.00  | 16 QUARTERLY INSTALLMENTS COMMENCING AFTER THE MORATORIUM PERIOD OF 6 MONTH FROM THE DATE OF DISBURSEMNT | RECEIVABLES |
| 69 | PUNJAB AND SIND BANK                     | 20000.00 | 12998.93 | 20 QUARTERLY INSTALLMENTS  | RECEIVABLES |
| 70 | UNITED BANK OF INDIA                     | 15000.00 | 8437.50  | 16 QUARTERLY INSTALLMENTS  | RECEIVABLES |
| 71 | STATE BANK OF TRAVANCORE                 | 15000.00 | 9374.73  | 16 QUARTERLY INSTALLMENTS  | RECEIVABLES |
| 72 | VIJAYA BANK                              | 25000.00 | 21874.89 | 16 QUARTERLY INSTALLMENTS COMMENCING AFTER A MORATORIUM PERIOD OF 12 MONTHS                              | RECEIVABLES |
| 73 | HONGKONG AND SHANGHAI BANKING CORP LTD   | 36000.00 | 18000.00 | 36 MONTHLY INSTALLMENTS  | RECEIVABLES |
| 74 | STATE BANK OF MAURITIUS                  | 2000.00  | 1200.00  | 10 QUARTERLY INSTALLMENTS STARTING AFTER A MORATORIUM PERIOD OF 6 MONTHS                                 | RECEIVABLES |
| 75 | INDIAN OVERSEAS BANK                     | 35000.00 | 24059.98 | 16 QUARTERLY INSTALLMENTS  | RECEIVABLES |
| 76 | ORIENT BANK OF COMMERECE                 | 32500.00 | 24370.61 | 20 QUATERLY INSTALLMENTS   | RECEIVABLES |

|     |  |          |          |  |             |
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| 77  | CENTRAL BANK OF INDIA                              | 30000.00 | 19998.53 | 3 YEARLY INSTALLMENTS  | RECEIVABLES |
| 78  | BANK OF MAHARASHTRA                                | 50000.00 | 37497.66 | 20 QUARTERLY INSTALLMENTS  | RECEIVABLES |
| 79  | SYNDICATE BANK                                     | 30000.00 | 22500.00 | 20 QUARTERLY INSTALLMENTS  | RECEIVABLES |
| 80  | BANK OF INDIA                                      | 30000.00 | 22500.00 | 20 QUATERLY INSTALLMENTS   | RECEIVABLES |
| 81  | ABUDHABI BANK                                      | 3000.00  | 2000.00  | 6 HALF YEARLY INSTALLMENTS   | RECEIVABLES |
| 82  | BANK OF BARODA                                     | 50000.00 | 39984.55 | 20 QUARTERLY INSTALLMENTS  | RECEIVABLES |
| 83  | INDUSTRIAL AND COMMERCIAL BANK OF CHINA LTD (ICBC) | 6500.00  | 6500.00  | BULLET 20/11/2017  | RECEIVABLES |
| 84  | KOTAK MAHINDRA BANK                                | 13000.00 | 4875.00  | 3 INSTALLMWENTS OF SPECIFIC AMTS   | RECEIVABLES |
| 85  | STATE BANK OF PATIALA                              | 20000.00 | 15997.94 | 20 QUARTERLY INSTALLMENTS  | RECEIVABLES |
| 86  | SYNDICATE BANK                                     | 20000.00 | 16000.00 | 20 QUARTERLY INSTALLMENTS  | RECEIVABLES |
| 87  | STATE BANK OF HYDERABAD                            | 20000.00 | 15999.19 | 20 QUARTERLY INSTALLMEMENTS  | RECEIVABLES |
| 88  | STATE BANK OF INDIA                                | 50000.00 | 40000.00 | 20 QUARTERLY INSTALLMENTS  | RECEIVABLES |
| 89  | STATE BANK OF BIKANER AND JAIPUR                   | 20000.00 | 15998.93 | 20 QUARTERLY INSTALLMENTS  | RECEIVABLES |
| 90  | PUNJAB AND SIND BANK                               | 20000.00 | 15999.34 | 20 QUARTERLY INSTALLMENTS  | RECEIVABLES |
| 91  | FEDERAL BANK                                       | 15000.00 | 9996.00  | 36 MONTHLY INSTALLMENTS (35 INSTALLMENTS OF 4.17 CRS & 1 INSATLLMENTS OF 4.05 CRS)                                 | RECEIVABLES |
| 92  | DENA BANK  | 20000.00 | 15998.98 | 20 QUARTERLY INSTALLMENTS  | RECEIVABLES |
| 93  | INDUSTRIAL AND COMMERCIAL BANK OF CHINA LTD (ICBC) | 1500.00  | 1500.00  | BULLET - 20/11/2017  | RECEIVABLES |
| 94  | HDFC BANK  | 15000.00 | 12187.50 | 16 QUARTERLY INSTALMENTS   | RECEIVABLES |
| 95  | WOORI BANK   | 5500.00  | 4766.67  | 30 MONTHLY INSTALLMENTS STARTING AFTER 6 MONTHS MORATORIUM   | RECEIVABLES |
| 96  | DENA BANK  | 50000.00 | 42497.73 | 20 QUARTERLY INSTALLMENTS  | RECEIVABLES |
| 97  | PUNJAB AND SIND BANK                               | 30000.00 | 25499.39 | 20 QUARTERLY INSTALLMENTS  | RECEIVABLES |
| 98  | HDFC BANK  | 10000.00 | 8125.00  | 16 QUARTERLY INSTALLMENTS  | RECEIVABLES |
| 99  | THE ZOROASTRIAN COOPERATIVE BANK LIMITED           | 400.00   | 325.00   | 16 QUATERLY INSTALLMENTS   | RECEIVABLES |
| 100 | STATE BANK OF TRAVANCORE                           | 15000.00 | 12749.31 | 20 QUARTERLY INSTALLMENTS  | RECEIVABLES |
| 101 | PUNJAB NATIONAL BANK                               | 50000.00 | 37397.46 | 12 QUARTERLY INSTALLMENTS (11 INSTALLMENTS OF 42 CRS & 1 INSTALLMENT OF 38CRS) LAST INSTALLMENT DUE ON 35 TH MONTH | RECEIVABLES |
| 102 | BANK OF TOKYO                                      | 18000.00 | 18000.00 | BULLET 11/04/2017  | RECEIVABLES |
| 103 | ABUDHABI BANK                                      | 2000.00  | 1666.67  | 6 HALF YEARLY INSTALLMENTS   | RECEIVABLES |
| 104 | AXIS BANK  | 30000.00 | 30000.00 | 10 QUARTERLY INSTALLMENTS ,COMMENCING FROM 15TH MONTH FROM THE DATE OF DISB.                                       | RECEIVABLES |
| 105 | HONGKONG AND SHANGHAI BANKING CORP LTD             | 10000.00 | 5000.00  | 12 MONTHLY INSTALLMENTS  | RECEIVABLES |
| 106 | MIZUHO BANK LTD                                    | 15000.00 | 15000.00 | BULLET 20/06/2017  | RECEIVABLES |
| 107 | MIZUHO BANK LTD                                    | 15000.00 | 15000.00 | BULLET - 22/05/2017  | RECEIVABLES |
| 108 | HDFC BANK  | 10000.00 | 8750.00  | 16 QUARTERLY INSTALLMENTS  | RECEIVABLES |
| 109 | KARNATAKA BANK                                     | 15000.00 | 15000.00 | 12 QUARTERLY INSTALLMENTS AFTER  | RECEIVABLES |

|     |                                      |          |          |  |             |
|-----|--------------------------------------|----------|----------|--|-------------|
|     |                                      |          |          | INITIAL HOLIDAY PERIOD OF 24 MONTHS  |             |
| 110 | FIRSTRAND BANK LTD                   | 5000.00  | 5000.00  | BULLET- 29/05/2017   | RECEIVABLES |
| 111 | ICICI BANK LIMITED                   | 15000.00 | 15000.00 | 10 QUARTERLY INSTALLMENTS COMMENCING AFTER 6 MONTHS MORATORIUM                                       | RECEIVABLES |
| 112 | KOTAK MAHINDRA BANK                  | 12000.00 | 8400.00  | 3 INSTALLMENTS - 36CRS ON 23 NOV'16 , 39 CRS ON 23 FEB'17 & 45CRS ON 23 AUG'18                       | RECEIVABLES |
| 113 | HDFC BANK                            | 25000.00 | 23437.50 | 16 QUARTERLY INSTALLMENTS  | RECEIVABLES |
| 114 | CITI BANK                            | 10000.00 | 10000.00 | BULLET - 02/09/2017  | RECEIVABLES |
| 115 | SYNDICATE BANK                       | 50000.00 | 47500.00 | 20 QUARTERLY INSTALLMENTS  | RECEIVABLES |
| 116 | ANDHRA BANK                          | 25000.00 | 24991.52 | 15 QUARTERLY INSTALLMENTS COMMENCING AFTER A MORATORIUM PERIOD OF ONE QUARTER FROM THE DATE OF DISB. | RECEIVABLES |
| 117 | INDUSTRIAL DEVELOPMENT BANK OF INDIA | 30000.00 | 30000.00 | 16 QUARTERLY INSTALLMENTS COMMENCING AFTER 1 YEAR MORATORIUM   | RECEIVABLES |
| 118 | BANK OF INDIA                        | 50000.00 | 47500.00 | 20 QUARTERLY INSTALLMENTS  | RECEIVABLES |
| 119 | ICICI BANK LIMITED                   | 5000.00  | 5000.00  | 10 QUARTERLY INSTALLMENTS , 1 ST INSTALLMENT DUE ON LAST DAY OF 9TH MONTH FROM THE DATE OF DISB      | RECEIVABLES |
| 120 | ICICI BANK LIMITED                   | 6000.00  | 6117.45  | BULLET - 25/09/2016  | RECEIVABLES |
| 121 | INDIAN BANK                          | 50000.00 | 49999.79 | 20 QUARTERLY INATALLMENTS STARTING FROM DATE OF DIOSBURSEMENT  | RECEIVABLES |
| 122 | BARCLAYS BANK                        | 30000.00 | 30000.00 | 8 QUARTERLY INSTALLMENTS   | RECEIVABLES |
| 123 | FEDERAL BANK                         | 3500.00  | 3500.00  | 36 MONTHLY INSTALLMENTS  | RECEIVABLES |
| 124 | KOTAK MAHINDRA BANK                  | 5000.00  | 5000.00  | 36 MONTHLY INSTALLMENTS  | RECEIVABLES |
| 125 | SOUTH INDIAN BANK                    | 5000.00  | 5000.00  | 20 QUARTERLY INSTALLMENTS  | RECEIVABLES |

Details of Secured Loans Facilities from Financial Institutions:

(Rs. In Lacs)

| SR.NO | PARTY NAME                                 | SANCTIONED AMT | PRINCIPAL AMOUNT O/S AS ON 31.12.2016 | REPAYMENT DATES/SCHEDULE  | SECURITY    |
|-------|--|----------------|---------------------------------------|---|-------------|
| 1     | SIDBI                                      | 50000.00       | 10000.00                              | 20 QUARTERLY INSTALLMENTS   | RECEIVABLES |
| 2     | SIDBI                                      | 50000.00       | 3800.00                               | 11 QUARTERLT INSTALLMENTS OF 42 CRS & 12TH INSTALLMENT OF RS 38 CRS,MORATORIUM PERIOD OF 3 MONTHS | RECEIVABLES |
| 3     | SIDBI                                      | 30000.00       | 18000.00                              | 20 QUARTERLY INSTALLMENTS   | RECEIVABLES |
| 4     | JP MORGAN SECURITIES INDIA PRIVATE LIMITED | 12500.00       | 12500.00                              | BULLET 03/03/2017   | RECEIVABLES |
| 5     | SIDBI                                      | 50000.00       | 37500.00                              | 20 QUARTERLY INSTALLMENTS   | RECEIVABLES |
| 6     | NABARD                                     | 50000.00       | 33333.33                              | 6 HALF YEARLY INSTALLMENTS  | RECEIVABLES |
| 7     | SIDBI                                      | 30000.00       | 25500.00                              | 20 QUARTERLY INSTALLMENTS   | RECEIVABLES |

|   |   |          |          |                     |             |
|---|---|----------|----------|---------------------|-------------|
| 8 | JP MORGAN SECURITIES<br>INDIA PRIVATE LIMITED | 50000.00 | 50000.00 | BULLET - 20/09/2019 | RECEIVABLES |
|---|---|----------|----------|---------------------|-------------|

Details of Working Capital Demand Loans from Banks:

(Rs. In Lacs)

| S.NO. | PARTICULARS | SANCTIONED AMOUNT | PRINCIPAL AMOUNT O/S | REPAYMENT TERMS | SECURITY |
|-------|-------------|-------------------|----------------------|-----------------|----------|
|       | NIL         |                   |                      |                 |          |

ii. Details of Unsecured Loan Facilities :-

| SR.NO | LENDERS NAME     | SANCTIONED AMT | PRINCIPAL AMOUNT O/S | REPAYMENT DATES/SCHEDULE |
|-------|------------------|----------------|----------------------|--------------------------|
| 1     | SYNDICATE BANK   | 10000.00       | 10000.00             | BULLET - 02/06/2017      |
| 2     | CREDIT SUISSE AG | 16000.00       | 16000.00             | BULLET - 23/06/2017      |

iii. Details of NCDs :-

Details of Secured NCDs:-

| Debenture   | Tenor /                   | Coupon | Amount        | Date of Allotment | Redemption Date/ Schedule | Credit Rating        | Secured / | Security   |
|-------------|---------------------------|--------|---------------|-------------------|---------------------------|----------------------|-----------|------------|
| Series      | Period of Maturity (days) |        | (Rs. in lacs) |                   |                           |                      | Unsecured |            |
| SCRCA 055   | 1826                      | 10.46% | 1000          | 12-Sep-2012       | 12-Sep-2017               | CRISIL AA & CARE AA+ | Secured   | 1.00 TIMES |
| SCR 058     | 1826                      | 10.50% | 30000         | 27-Sep-2012       | 27-Sep-2017               | CRISIL AA            | Secured   | 1.25 TIMES |
| T SCR019    | 1826                      | 12.06% | 500           | 17-Jan-2013       | 17-Jan-2018               | CRISIL AA            | Secured   | 1.00 TIMES |
| SCA066      | 1826                      | 10.20% | 1000          | 23-Oct-2012       | 23-Oct-2017               | CARE AA+             | Secured   | 1.00 TIMES |
| SCR067      | 1826                      | 10.20% | 1000          | 23-Oct-2012       | 23-Oct-2017               | CRISIL AA            | Secured   | 1.00 TIMES |
| T SCR014    | 1826                      | 10.30% | 40000         | 15-Jan-2013       | 15-Jan-2018               | CRISIL AA            | Secured   | 1.25 TIMES |
| T SCR022    | 1820                      | 9.69%  | 300           | 29-Jan-2013       | 23-Jan-2018               | CRISIL AA            | Secured   | 1.00 TIMES |
| T SCA 042   | 1826                      | 9.60%  | 500           | 27-Jun-2013       | 27-Jun-2018               | CARE AA+             | Secured   | 1.00 TIMES |
| T SCR 043   | 3652                      | 9.60%  | 5000          | 05-Jul-2013       | 05-Jul-2023               | CRISIL AA            | Secured   | 1.00 TIMES |
| T SCACR 044 | 3652                      | 9.60%  | 960           | 15-Jul-2013       | 15-Jul-2023               | CRISIL AA & CARE AA+ | Secured   | 1.00 TIMES |
| T SCA045    | 1826                      | 10.70% | 2000          | 06-Aug-2013       | 06-Aug-2018               | CARE AA+             | Secured   | 1.00 TIMES |
| T SCR046    | 1918                      | 10.70% | 2500          | 12-Aug-2013       | 12-Nov-2018               | CRISIL AA            | Secured   | 1.00 TIMES |
| AUG S001    | 3652                      | 10.50% | 1500          | 14-Aug-2013       | 14-Aug-2023               | CARE AA+             | Secured   | 1.25 TIMES |
| P SCR002    | 2557                      | 10.75% | 100000        | 21-Aug-2013       | 21-Aug-2020               | CRISIL AA            | Secured   | 1.25 TIMES |
| P SCA 003   | 1826                      | 10.80% | 7500          | 13-Sep-2013       | 13-Sep-2018               | CARE AA+             | Secured   | 1.00 TIMES |
| P SCA 004   | 1826                      | 10.80% | 3500          | 17-Sep-2013       | 17-Sep-2018               | CARE AA+             | Secured   | 1.00 TIMES |

|                    |      |        |       |             |             |                      |         |            |
|--------------------|------|--------|-------|-------------|-------------|----------------------|---------|------------|
| C12 NEW OPT II     | 3652 | 10.60% | 12500 | 14-Sep-2011 | 13-Sep-2021 | CARE AA+             | Secured | 1.10 TIMES |
| C12 NEW OPT I      | 2191 | 10.50% | 12500 | 14-Sep-2011 | 13-Sep-2017 | CARE AA+             | Secured | 1.10 TIMES |
| TSCR 005 SERIES II | 1826 | 10.20% | 1000  | 08-Nov-2012 | 08-Nov-2017 | CRISIL AA            | Secured | 1.00 TIMES |
| T SCR028           | 1826 | 9.75%  | 1000  | 13-Mar-2013 | 13-Mar-2018 | CRISIL AA            | Secured | 1.00 TIMES |
| T SCA 041          | 1826 | 9.55%  | 1000  | 25-Jun-2013 | 25-Jun-2018 | CARE AA+             | Secured | 1.00 TIMES |
| T SCACR 003        | 1826 | 10.20% | 1000  | 06-Nov-2012 | 06-Nov-2017 | CRISIL AA & CARE AA+ | Secured | 1.00 TIMES |
| T SCA025           | 1826 | 9.65%  | 2000  | 15-Mar-2013 | 15-Mar-2018 | CARE AA+             | Secured | 1.00 TIMES |
| P SCACR001         | 3652 | 10.50% | 2970  | 14-Aug-2013 | 14-Aug-2023 | CRISIL AA & CARE AA+ | Secured | 1.25 TIMES |
| AUG D 002          | 2557 | 10.60% | 500   | 13-Sep-2013 | 13-Sep-2020 | CARE AA+             | Secured | 1.00 TIMES |
| AUG S002 OPTION II | 3652 | 10.75% | 4600  | 13-Dec-2013 | 13-Dec-2023 | CARE AA+             | Secured | 1.25 TIMES |
| AUG D 001          | 3652 | 10.50% | 1850  | 27-Aug-2013 | 27-Aug-2023 | CRISIL AA & CARE AA+ | Secured | 1.00 TIMES |
| AUG D 003          | 3652 | 10.75% | 1000  | 30-Sep-2013 | 30-Sep-2023 | CRISIL AA & CARE AA+ | Secured | 1.00 TIMES |
| AUG D 004          | 3652 | 10.75% | 1500  | 30-Sep-2013 | 30-Sep-2023 | CARE AA+             | Secured | 1.00 TIMES |
| AUG D 005          | 3652 | 10.75% | 1000  | 09-Oct-2013 | 09-Oct-2023 | CARE AA+             | Secured | 1.00 TIMES |
| AUG S002 OPTION I  | 1826 | 10.75% | 2000  | 13-Dec-2013 | 13-Dec-2018 | CARE AA+             | Secured | 1.25 TIMES |
| AUG S003           | 3652 | 10.75% | 1000  | 30-Dec-2013 | 30-Dec-2023 | CARE AA+             | Secured | 1.25 TIMES |
| SCR 048            | 1826 | 9.85%  | 20000 | 20-Jul-2012 | 20-Jul-2017 | CRISIL AA            | Secured | 1.00 TIMES |
| SCRCA 045          | 1826 | 10.45% | 1000  | 10-Jul-2012 | 10-Jul-2017 | CRISIL AA & CARE AA+ | Secured | 1.00 TIMES |
| SCB JAN SCA 001    | 1094 | 10.30% | 30000 | 29-Jan-2014 | 27-Jan-2017 | CARE AA+             | Secured | 1.10 TIMES |
| P SCA 011          | 2557 | 10.50% | 2000  | 28-Mar-2014 | 28-Mar-2021 | CARE AA+             | Secured | 1.00 TIMES |
| P SCA 012          | 3653 | 10.60% | 2000  | 28-Mar-2014 | 28-Mar-2024 | CARE AA+             | Secured | 1.00 TIMES |
| AUG D 006          | 3653 | 10.60% | 1000  | 28-Mar-2014 | 28-Mar-2024 | CRISIL AA & CARE AA+ | Secured | 1.00 TIMES |
| PPD 14-15 A1       | 1824 | 9.75%  | 50000 | 21-Jul-2014 | 19-Jul-2019 | IND AA+              | Secured | 1.00 TIMES |
| PPD 14-15 A2       | 1826 | 9.75%  | 50000 | 05-Aug-2014 | 05-Aug-2019 | IND AA+              | Secured | 1.00 TIMES |
| PPD 14-15 A3       | 1826 | 9.75%  | 25000 | 28-Aug-2014 | 28-Aug-2019 | IND AA+              | Secured | 1.00 TIMES |
| PPD 14-15 A4       | 1826 | 9.75%  | 12500 | 12-Sep-2014 | 12-Sep-2019 | IND AA+              | Secured | 1.00 TIMES |
| PPD 14-15 A6       | 3653 | 10.25% | 30000 | 18-Sep-2014 | 18-Sep-2024 | IND AA+ & CARE AA+   | Secured | 1.00 TIMES |
| PPD 14-15 A7       | 1826 | 9.75%  | 5000  | 19-Sep-2014 | 19-Sep-2019 | IND AA+              | Secured | 1.00 TIMES |
| PPD 14-15 A8       | 2557 | 9.85%  | 5000  | 19-Sep-2014 | 19-Sep-2021 | IND AA+ & CARE AA+   | Secured | 1.00 TIMES |
| PPD 14-15 A9       | 2557 | 9.85%  | 2500  | 19-Sep-2014 | 19-Sep-2021 | IND AA+              | Secured | 1.00 TIMES |
| PPD 14-15 A10      | 3653 | 10.00% | 2500  | 19-Sep-2014 | 19-Sep-2024 | IND AA+              | Secured | 1.00 TIMES |

|                       |      |        |       |             |             |                    |         |            |
|-----------------------|------|--------|-------|-------------|-------------|--------------------|---------|------------|
| DB SER A              | 1094 | 10.50% | 400   | 05-Sep-2014 | 03-Sep-2017 | IND AA+            | Secured | 1.10 TIMES |
| DB SER B              | 1095 | 10.50% | 400   | 05-Sep-2014 | 04-Sep-2017 | IND AA+            | Secured | 1.10 TIMES |
| DB SER C              | 1096 | 10.50% | 400   | 05-Sep-2014 | 05-Sep-2017 | IND AA+            | Secured | 1.10 TIMES |
| SCB SER III           | 1096 | 9.65%  | 9100  | 30-Sep-2014 | 30-Sep-2017 | IND AA+            | Secured | 1.10 TIMES |
| PPD 14-15 B1          | 3653 | 10.25% | 47500 | 10-Oct-2014 | 10-Oct-2024 | IND AA+ & CARE AA+ | Secured | 1.00 TIMES |
| PPD 14-15 B3          | 3653 | 10.10% | 2500  | 31-Oct-2014 | 31-Oct-2024 | IND AA+            | Secured | 1.00 TIMES |
| PPD 14-15 B4          | 872  | 9.66%  | 22500 | 31-Oct-2014 | 21-Mar-2017 | IND AA+            | Secured | 1.00 TIMES |
| PPD 14-15 B5 OPT I    | 1095 | 9.55%  | 5000  | 11-Nov-2014 | 10-Nov-2017 | IND AA+            | Secured | 1.00 TIMES |
| PPD 14-15 B5 OPT II   | 1189 | 9.55%  | 5000  | 11-Nov-2014 | 12-Feb-2018 | IND AA+            | Secured | 1.00 TIMES |
| PPD 14-15 B5 OPT III  | 1247 | 9.55%  | 5000  | 11-Nov-2014 | 11-Apr-2018 | IND AA+            | Secured | 1.00 TIMES |
| PPD 14-15 B5 OPT IV   | 1308 | 9.55%  | 5000  | 11-Nov-2014 | 11-Jun-2018 | IND AA+            | Secured | 1.00 TIMES |
| PPD 14-15 B6          | 3653 | 10.00% | 35800 | 13-Nov-2014 | 13-Nov-2024 | AA+ & CARE         | Secured | 1.00 TIMES |
| PPD 14-15 C2          | 3653 | 9.90%  | 10000 | 28-Nov-2014 | 28-Nov-2024 | IND AA+ & CARE AA+ | Secured | 1.00 TIMES |
| PPD 14-15 C4          | 3653 | 9.80%  | 5000  | 28-Nov-2014 | 28-Nov-2024 | CARE AA+           | Secured | 1.00 TIMES |
| PPD 14-15 C3          | 1826 | 9.95%  | 7500  | 28-Nov-2014 | 28-Nov-2019 | IND AA+ & CARE AA+ | Secured | 1.00 TIMES |
| PPD 14-15 C5 OPT III  | 1096 | 9.20%  | 2500  | 19-Dec-2014 | 19-Dec-2017 | IND AA+            | Secured | 1.00 TIMES |
| PPD 14-15 C9          | 1110 | 10.09% | 2500  | 31-Dec-2014 | 14-Jan-2018 | IND AA+            | Secured | 1.00 TIMES |
| PPD 14-15 C10         | 2557 | 9.65%  | 50000 | 05-Jan-2015 | 05-Jan-2022 | IND AA+            | Secured | 1.00 TIMES |
| PPD 14-15 C11         | 1824 | 9.35%  | 1500  | 19-Jan-2015 | 17-Jan-2020 | CARE AA+           | Secured | 1.00 TIMES |
| PPD 14-15 C13         | 1826 | 9.15%  | 3000  | 04-Feb-2015 | 04-Feb-2020 | IND AA+            | Secured | 1.00 TIMES |
| PPD 14-15 C17         | 1096 | 9.27%  | 2000  | 26-Feb-2015 | 26-Feb-2018 | IND AA+            | Secured | 1.00 TIMES |
| PPD 14-15 C15         | 1115 | 10.21% | 3500  | 24-Feb-2015 | 15-Mar-2018 | IND AA+            | Secured | 1.00 TIMES |
| PPD 14-15 C14         | 1241 | 10.37% | 4500  | 24-Feb-2015 | 19-Jul-2018 | IND AA+            | Secured | 1.00 TIMES |
| PPD 14-15 C16         | 1106 | 10.20% | 2500  | 24-Feb-2015 | 06-Mar-2018 | IND AA+            | Secured | 1.00 TIMES |
| PPD 14-15 C18         | 1151 | 10.26% | 3100  | 02-Mar-2015 | 26-Apr-2018 | IND AA+            | Secured | 1.00 TIMES |
| PPD 14-15 C19         | 1135 | 10.17% | 700   | 02-Mar-2015 | 10-Apr-2018 | IND AA+            | Secured | 1.00 TIMES |
| PPD14-15 C20          | 762  | 9.54%  | 1000  | 10-Mar-2015 | 10-Apr-2017 | IND AA+            | Secured | 1.00 TIMES |
| PPD 14-15 C21         | 1101 | 10.01% | 1600  | 30-Mar-2015 | 04-Apr-2018 | IND AA+            | Secured | 1.00 TIMES |
| PPD 14-15 C22         | 763  | 9.60%  | 300   | 30-Mar-2015 | 01-May-2017 | IND AA+            | Secured | 1.00 TIMES |
| PPD 14-15 C23         | 743  | 9.52%  | 900   | 30-Mar-2015 | 11-Apr-2017 | IND AA+            | Secured | 1.00 TIMES |
| SERIES PPD 14-15 C 25 | 1096 | 9.00%  | 1000  | 20-Apr-2015 | 20-Apr-2018 | IND AA+            | Secured | 1.00 TIMES |

|                         |      |        |       |             |             |                    |         |            |
|-------------------------|------|--------|-------|-------------|-------------|--------------------|---------|------------|
| SERIES PPD 14-15 C 24   | 1426 | 9.15%  | 30000 | 17-Apr-2015 | 13-Mar-2019 | IND AA+ & CARE AA+ | Secured | 1.00 TIMES |
| SERIES PPD 14-15_C26    | 1107 | 9.66%  | 1700  | 17-Aug-2015 | 28-Aug-2018 | IND AA+            | Secured | 1.00 TIMES |
| PPD 14-15 C 27          | 1827 | 8.80%  | 1500  | 04-Dec-2015 | 04-Dec-2020 | CRISIL AA + IND AA | Secured | 1.00 TIMES |
| PPD 14-15 C 28          | 1214 | 9.66%  | 3500  | 14-Dec-2015 | 11-Apr-2019 | IND AA+            | Secured | 1.00 TIMES |
| PPD 14-15 C 29          | 1095 | 8.75%  | 1000  | 22-Dec-2015 | 21-Dec-2018 | CRISIL AA + IND AA | Secured | 1.00 TIMES |
| PPD 14-15 C 30          | 1095 | 9.10%  | 1000  | 15-Mar-2016 | 15-Mar-2019 | CRISIL AA + IND AA | Secured | 1.00 TIMES |
| PPD 14-15 C 32          | 371  | 9.29%  | 25000 | 21-Mar-2016 | 27-Mar-2017 | IND AA+            | Secured | 1.00 TIMES |
| PPD 14-15 C 31          | 1826 | 9.25%  | 10000 | 18-Mar-2016 | 18-Mar-2021 | CRISIL AA + IND AA | Secured | 1.00 TIMES |
| PPD 14-15 C 31 OPT 2    | 3652 | 9.30%  | 10000 | 18-Mar-2016 | 18-Mar-2026 | CRISIL AA + IND AA | Secured | 1.00 TIMES |
| PPD 14-15 C 33          | 366  | 9.15%  | 25000 | 28-Mar-2016 | 29-Mar-2017 | IND AA+            | Secured | 1.00 TIMES |
| PPD 14-15 C 34          | 1826 | 9.25%  | 7500  | 29-Mar-2016 | 29-Mar-2021 | CRISIL AA + IND AA | Secured | 1.00 TIMES |
| PPD 14-15 C 34 OPTION 2 | 3650 | 9.30%  | 14500 | 29-Mar-2016 | 27-Mar-2026 | CRISIL AA + IND AA | Secured | 1.00 TIMES |
| PPD15-16 C35            | 1826 | 9.15%  | 51600 | 13-Apr-2016 | 13-Apr-2021 | CRISIL AA + IND AA | Secured | 1.00 TIMES |
| PPD 15-16 C35 2         | 3652 | 9.22%  | 17900 | 13-Apr-2016 | 13-Apr-2026 | CRISIL AA + IND AA | Secured | 1.00 TIMES |
| PPD 15-16 C36           | 3652 | 9.20%  | 2600  | 22-Apr-2016 | 22-Apr-2026 | CRISIL AA + IND AA | Secured | 1.00 TIMES |
| PPD 15-16 C 37          | 1826 | 9.05%  | 1500  | 29-Apr-2016 | 29-Apr-2021 | CRISIL AA + IND AA | Secured | 1.00 TIMES |
| PPD15-16 C38            | 2556 | 9.05%  | 5000  | 25-May-2016 | 25-May-2023 | CRISIL AA + IND AA | Secured | 1.00 TIMES |
| PPD15-16 C40            | 2556 | 9.05%  | 1250  | 09-Jun-2016 | 09-Jun-2023 | CRISIL AA + IND AA | Secured | 1.00 TIMES |
| PPD 15-16 C41           | 1826 | 10.66% | 500   | 10-Jun-2016 | 10-Jun-2021 | CRISIL AA + IND AA | Secured | 1.00 TIMES |
| PPD 15-16 C39           | 1096 | 8.85%  | 2000  | 09-Jun-2016 | 10-Jun-2019 | CRISIL AA + IND AA | Secured | 1.00 TIMES |
| PPD 15-16 C42           | 1826 | 9.05%  | 8500  | 30-Jun-2016 | 30-Jun-2021 | CRISIL AA + IND AA | Secured | 1.00 TIMES |
| PPD16-17 D OPT 1        | 1095 | 9.00%  | 8000  | 05-Jul-2016 | 05-Jul-2019 | CRISIL AA + IND AA | Secured | 1.00 TIMES |
| PPD 16-17 OPT 2         | 1126 | 9.00%  | 8500  | 05-Jul-2016 | 05-Aug-2019 | CRISIL AA + IND AA | Secured | 1.00 TIMES |
| PPD 16-17 SCR 01        | 1796 | 8.30%  | 66000 | 05-Jul-2016 | 05-Jun-2021 | CRISIL AA +        | Secured | 1.00 TIMES |
| PPD 16-17 D-04          | 2556 | 9.05%  | 7500  | 19-Jul-2016 | 19-Jul-2023 | CRISIL AA + IND AA | Secured | 1.00 TIMES |
| PPD 16-17 D-05          | 600  | 8.70%  | 25000 | 21-Jul-2016 | 13-Mar-2018 | CRISIL AA +        | Secured | 1.00 TIMES |
| PPD 16-17 D-03          | 1095 | 8.61%  | 35000 | 15-Jul-2016 | 15-Jul-2019 | CRISIL AA +        | Secured | 1.00 TIMES |
| PPD 16-17 D-06          | 1151 | 9.65%  | 1500  | 26-Jul-2016 | 20-Sep-2019 | CRISIL AA +        | Secured | 1.00 TIMES |

|                   |      |        |       |             |             |                       |         |            |
|-------------------|------|--------|-------|-------------|-------------|-----------------------|---------|------------|
| PPD 16-17 D-07    | 1149 | 9.65%  | 1000  | 28-Jul-2016 | 20-Sep-2019 | CRISIL AA +           | Secured | 1.00 TIMES |
| PPD 16-17 D-08 -1 | 761  | 8.74%  | 22500 | 29-Jul-2016 | 29-Aug-2018 | CRISIL AA +           | Secured | 1.00 TIMES |
| PPD 16-17 D-08-2  | 792  | 8.73%  | 22500 | 29-Jul-2016 | 29-Sep-2018 | CRISIL AA +           | Secured | 1.00 TIMES |
| PPD 16-17 D-08-3  | 1095 | 8.80%  | 37500 | 29-Jul-2016 | 29-Jul-2019 | CRISIL AA +           | Secured | 1.00 TIMES |
| PPD 16-17 D9-1    | 367  | 8.55%  | 2000  | 01-Aug-2016 | 03-Aug-2017 | CRISIL AA +           | Secured | 1.00 TIMES |
| PPD 16-17 D9-2    | 1365 | 8.82%  | 5000  | 01-Aug-2016 | 27-Apr-2020 | CRISIL AA +           | Secured | 1.00 TIMES |
| PPD 16-17 D10     | 1095 | 8.80%  | 10000 | 02-Aug-2016 | 02-Aug-2019 | CRISIL AA +           | Secured | 1.00 TIMES |
| PPD 16-17 D11     | 1826 | 8.85%  | 45000 | 03-Aug-2016 | 03-Aug-2021 | CRISIL AA +<br>IND AA | Secured | 1.00 TIMES |
| PPD 16-17 D12-1   | 669  | 8.72%  | 22500 | 05-Aug-2016 | 05-Jun-2018 | CRISIL AA +           | Secured | 1.00 TIMES |
| PPD 16-17 D12-2   | 699  | 8.74%  | 22500 | 05-Aug-2016 | 05-Jul-2018 | CRISIL AA +           | Secured | 1.00 TIMES |
| PPD 16-17 D12-3   | 729  | 8.75%  | 22500 | 05-Aug-2016 | 04-Aug-2018 | CRISIL AA +           | Secured | 1.10 TIMES |
| PPD 16-17 D13     | 3652 | 8.87%  | 11000 | 08-Aug-2016 | 08-Aug-2026 | CRISIL AA +<br>IND AA | Secured | 1.00 TIMES |
| PPD 16-17 D14     | 1826 | 8.50%  | 2500  | 16-Aug-2016 | 16-Aug-2021 | CRISIL AA +<br>IND AA | Secured | 1.00 TIMES |
| PPD 16-17 D15     | 1095 | 8.50%  | 15000 | 19-Aug-2016 | 19-Aug-2019 | CRISIL AA +           | Secured | 1.00 TIMES |
| PPD 16-17 D16     | 1065 | 9.20%  | 2500  | 22-Aug-2016 | 23-Jul-2019 | CRISIL AA +           | Secured | 1.00 TIMES |
| PPD 16-17 D17     | 1826 | 8.45%  | 2000  | 30-Aug-2016 | 30-Aug-2021 | CRISIL AA +<br>IND AA | Secured | 1.00 TIMES |
| PPD 16-17 D18     | 1093 | 9.06%  | 7000  | 14-Sep-2016 | 12-Sep-2019 | CRISIL AA +           | Secured | 1.00 TIMES |
| PPD 16-17 D19     | 1093 | 8.25%  | 13000 | 22-Sep-2016 | 20-Sep-2019 | CRISIL AA +           | Secured | 1.00 TIMES |
| PPD 16-17 D20-1   | 1095 | 8.15%  | 1000  | 30-Sep-2016 | 30-Sep-2019 | CRISIL AA +           | Secured | 1.00 TIMES |
| PPD 16-17 D20-11  | 910  | 8.11%  | 10000 | 30-Sep-2016 | 29-Mar-2019 | CRISIL AA +           | Secured | 1.00 TIMES |
| PPD 16-17 D20-III | 1092 | 8.25%  | 30000 | 30-Sep-2016 | 27-Sep-2019 | CRISIL AA +           | Secured | 1.00 TIMES |
| PPD 16-17 D-21    | 1095 | 7.92%  | 17500 | 25-Nov-2016 | 25-Nov-2019 | CRISIL AA +           | Secured | 1.00 TIMES |
| SEFC 110 CRS      | 3653 | 9.90%  | 11000 | 27-Feb-2015 | 27-Feb-2025 | CARE AA+              | Secured | 1.00 TIMES |
| SEFCL M-05        | 762  | 9.70%  | 1000  | 10-Mar-2015 | 10-Apr-2017 | CARE AA+              | Secured | 1.00 TIMES |
| SEFCL M-06        | 709  | 9.64%  | 500   | 10-Mar-2015 | 16-Feb-2017 | CARE AA+              | Secured | 1.00 TIMES |
| SEFCL M-04        | 1147 | 10.37% | 1800  | 04-Mar-2015 | 24-Apr-2018 | CARE AA+              | Secured | 1.00 TIMES |
| SERIES M 07       | 1130 | 10.17% | 1500  | 23-Mar-2015 | 26-Apr-2018 | CARE AA+              | Secured | 1.00 TIMES |
| SERIES M-08       | 1101 | 10.17% | 1600  | 30-Mar-2015 | 04-Apr-2018 | CARE AA+              | Secured | 1.00 TIMES |

|                    |      |        |      |             |             |          |         |            |
|--------------------|------|--------|------|-------------|-------------|----------|---------|------------|
| SERIES M 09        | 763  | 9.74%  | 300  | 30-Mar-2015 | 01-May-2017 | CARE AA+ | Secured | 1.00 TIMES |
| SERIES M 10        | 743  | 9.71%  | 1000 | 30-Mar-2015 | 11-Apr-2017 | CARE AA+ | Secured | 1.00 TIMES |
| SERIES M 11        | 731  | 9.28%  | 1000 | 30-Mar-2015 | 30-Mar-2017 | CARE AA+ | Secured | 1.00 TIMES |
| SERIES M12         | 1098 | 10.13% | 3000 | 07-Apr-2015 | 09-Apr-2018 | CARE AA+ | Secured | 1.00 TIMES |
| SERIES M13         | 1109 | 10.14% | 2500 | 07-Apr-2015 | 20-Apr-2018 | CARE AA+ | Secured | 1.00 TIMES |
| SERIES M14         | 767  | 9.69%  | 2220 | 10-Apr-2015 | 16-May-2017 | CARE AA+ | Secured | 1.00 TIMES |
| SEREIS M 14 25 CRS | 3653 | 9.90%  | 2500 | 16-Apr-2015 | 16-Apr-2025 | CARE AA+ | Secured | 1.00 TIMES |
| SERIES A 15-16     | 727  | 9.39%  | 510  | 29-Apr-2015 | 25-Apr-2017 | IND AA+  | Secured | 1.00 TIMES |

## Details of Subordinated NCDs:-

| Debenture | Tenor /            | Coupon | Amount | Date of Allotment | Redemption Date/ Schedule | Credit                     | Secured / |
|-----------|--------------------|--------|--------|-------------------|---------------------------|----------------------------|-----------|
| Series    | Period of Maturity |        |        |                   |                           | Rating                     | unsecured |
| D9        | 3652               | 12.00% | 5000   | 04-Aug-2008       | 04-Aug-2018               | FITCH FAA 3500             | Unsecured |
| D3        | 3652               | 13.00% | 1500   | 07-Nov-2008       | 07-Nov-2018               | CARE-AA300 & FITCH AA500   | Unsecured |
| K4        | 2370               | 11.45% | 5000   | 02-Jan-2012       | 29-Jun-2018               | CRISIL-AA & CARE AA        | Unsecured |
| L02       | 3652               | 10.85% | 6500   | 20-Jul-2012       | 20-Jul-2022               | CARE AA+                   | Unsecured |
| L04       | 2038               | 10.60% | 1000   | 31-Dec-2012       | 31-Jul-2018               | CARE AA+                   | Unsecured |
| L05       | 2038               | 10.60% | 1500   | 30-Jan-2013       | 30-Aug-2018               | CARE AA+                   | Unsecured |
| D24A      | 3652               | 10.25% | 469    | 31-Dec-2009       | 31-Dec-2019               | CARE-AA600 & FITCH AA650   | Unsecured |
| L07       | 3652               | 10.65% | 2500   | 30-Jan-2013       | 30-Jan-2023               | CARE AA+                   | Unsecured |
| F1        | 3653               | 11.00% | 2500   | 19-Apr-2010       | 19-Apr-2020               | CARE-AA500 & FITCH AA400   | Unsecured |
| E4        | 3653               | 10.75% | 4800   | 03-May-2010       | 03-May-2020               | CARE-AA500 & FITCH AA 400  | Unsecured |
| F7A       | 3653               | 10.60% | 2500   | 04-Jun-2010       | 04-Jun-2020               | CRISIL-AA200 & CARE AA200  | Unsecured |
| J1        | 5479               | 11.00% | 2920   | 30-Aug-2010       | 30-Aug-2025               | CRISIL-AA 500 & CARE AA416 | Unsecured |
| F2        | 3653               | 10.90% | 5000   | 19-Apr-2010       | 19-Apr-2020               | CARE-AA500 & FITCH AA400   | Unsecured |
| F3        | 3653               | 11.00% | 20000  | 20-Apr-2010       | 20-Apr-2020               | CARE-AA500                 | Unsecured |
| K1A       | 6575               | 11.05% | 2500   | 15-Oct-2010       | 15-Oct-2028               | CRISIL-AA 500 & CARE AA416 | Unsecured |
| F5        | 3653               | 10.75% | 5000   | 28-May-2010       | 28-May-2020               | CRISIL-AA200 & CARE AA200  | Unsecured |
| J4        | 3653               | 11.50% | 2500   | 31-Mar-2011       | 31-Mar-2021               | CRISIL-AA 416 &            | Unsecured |

|                |      |        |      |             |             |                            |           |
|----------------|------|--------|------|-------------|-------------|----------------------------|-----------|
|                |      |        |      |             |             | CARE AA 141                |           |
| L03            | 3652 | 10.65% | 7000 | 31-Dec-2012 | 31-Dec-2022 | CARE AA+                   | Unsecured |
| L06            | 2038 | 10.60% | 1230 | 30-Jan-2013 | 30-Aug-2018 | CARE AA+ & CRISIL AA       | Unsecured |
| L08            | 3652 | 10.65% | 270  | 30-Jan-2013 | 30-Jan-2023 | CARE AA+ & CRISIL AA       | Unsecured |
| R03            | 3652 | 10.65% | 3300 | 07-Mar-2013 | 07-Mar-2023 | CARE AA+ & CRISIL AA       | Unsecured |
| R04            | 3652 | 10.65% | 250  | 08-Mar-2013 | 08-Mar-2023 | CRISIL AA                  | Unsecured |
| R05            | 3652 | 10.65% | 150  | 13-Mar-2013 | 13-Mar-2023 | CRISIL AA                  | Unsecured |
| U02            | 2040 | 10.50% | 1000 | 28-Mar-2013 | 28-Oct-2018 | CARE AA+ & CRISIL AA       | Unsecured |
| R09            | 2557 | 10.40% | 5000 | 16-May-2013 | 16-May-2020 | CARE AA+                   | Unsecured |
| R02            | 3652 | 10.65% | 1200 | 07-Mar-2013 | 07-Mar-2023 | CARE AA+                   | Unsecured |
| RO1            | 1918 | 10.60% | 5500 | 07-Mar-2013 | 07-Jun-2018 | CARE AA+                   | Unsecured |
| J2             | 5479 | 11.00% | 2500 | 09-Sep-2010 | 09-Sep-2025 | CRISIL-AA 500 & CARE AA416 | Unsecured |
| SD STFC-03     | 3650 | 10.25% | 2000 | 21-May-2013 | 19-May-2023 | CRISIL AA                  | Unsecured |
| Series V 12-02 | 1926 | 10.30% | 2000 | 26-Dec-2013 | 05-Apr-2019 | CARE AA+                   | Unsecured |
| SD STFC-04     | 5479 | 10.00% | 1500 | 29-May-2013 | 29-May-2028 | CARE AA+ & CRISIL AA       | Unsecured |
| Series V 07-03 | 3652 | 11.00% | 2500 | 04-Oct-2013 | 04-Oct-2023 | CARE AA+                   | Unsecured |
| SD STFC-05     | 2039 | 9.90%  | 2500 | 29-May-2013 | 28-Dec-2018 | CARE AA+                   | Unsecured |
| Series V 07-02 | 1918 | 10.25% | 2500 | 15-Jul-2013 | 15-Oct-2018 | CARE AA+                   | Unsecured |
| Series V 07-01 | 3652 | 10.25% | 2500 | 05-Jul-2013 | 05-Jul-2023 | CRISIL AA                  | Unsecured |
| SD STFC-06     | 3652 | 10.15% | 5000 | 24-Jun-2013 | 24-Jun-2023 | CARE AA+ & CRISIL AA       | Unsecured |
| SD STFC-07     | 3652 | 10.10% | 2500 | 28-Jun-2013 | 28-Jun-2023 | CARE AA+                   | Unsecured |
| R06            | 3652 | 10.65% | 70   | 28-Mar-2013 | 28-Mar-2023 | CARE AA+ & CRISIL AA       | Unsecured |
| U01            | 2040 | 10.50% | 5500 | 28-Mar-2013 | 28-Oct-2018 | CARE AA+                   | Unsecured |
| U03            | 3652 | 10.65% | 3500 | 28-Mar-2013 | 28-Mar-2023 | CARE AA+ & CRISIL AA       | Unsecured |
| R07            | 3652 | 10.65% | 2000 | 02-May-2013 | 02-May-2023 | CARE AA+                   | Unsecured |
| R08            | 3652 | 10.65% | 2350 | 02-May-2013 | 02-May-2023 | CARE AA+ & CRISIL AA       | Unsecured |
| SD STFC-02     | 3652 | 10.25% | 1000 | 20-May-2013 | 20-May-2023 | CARE AA+ & CRISIL AA       | Unsecured |
| D11            | 3652 | 13.00% | 41   | 29-Dec-2008 | 29-Dec-2018 | CARE-AA300 & FITCH AA500   | Unsecured |
| D22A           | 3652 | 10.35% | 2900 | 31-Oct-2009 | 31-Oct-2019 | CARE-AA600 & FITCH AA650   | Unsecured |
| D23A           | 3650 | 10.35% | 2100 | 24-Nov-2009 | 22-Nov-2019 | CARE-AA600 & FITCH AA650   | Unsecured |

|                      |      |        |       |             |             |                            |           |
|----------------------|------|--------|-------|-------------|-------------|----------------------------|-----------|
| J3                   | 2557 | 10.60% | 25000 | 13-Sep-2010 | 13-Sep-2017 | CARE AA416                 | Unsecured |
| E6                   | 3653 | 10.50% | 2500  | 10-May-2010 | 10-May-2020 | CARE-AA500 & FITCH AA 400  | Unsecured |
| L01                  | 3651 | 10.75% | 5000  | 11-Jun-2012 | 10-Jun-2022 | CARE AA+                   | Unsecured |
| Series V 12-01       | 1916 | 10.67% | 2400  | 10-Dec-2013 | 10-Mar-2019 | CARE AA+                   | Unsecured |
| D28A                 | 3652 | 10.25% | 900   | 29-Jan-2010 | 29-Jan-2020 | CARE-AA600 & FITCH AA650   | Unsecured |
| SD STFC-01           | 2557 | 10.40% | 2500  | 20-May-2013 | 20-May-2020 | CARE AA+                   | Unsecured |
| D29                  | 3652 | 10.25% | 100   | 15-Feb-2010 | 15-Feb-2020 | FITCH AA650                | Unsecured |
| D1                   | 3652 | 13.00% | 3000  | 05-Nov-2008 | 05-Nov-2018 | CARE-AA300 & FITCH AA500   | Unsecured |
| Series SUB 14-15-01  | 2010 | 10.65% | 5000  | 28-Jul-2014 | 28-Jan-2020 | CARE AA+                   | Unsecured |
| PPD_2015 16          | 2922 | 10.10% | 6700  | 30-Sep-2015 | 30-Sep-2023 | CRISIL-AA & CARE AA        | Unsecured |
| PPD_2016 17 1 OPT I  | 2737 | 8.50%  | 4000  | 01-Dec-2016 | 30-May-2024 | AA + INDIA RATING & CRISIL | Unsecured |
| PPD_2016 17 1 OPT II | 3652 | 8.50%  | 6000  | 01-Dec-2016 | 01-Dec-2026 | AA + INDIA RATING & CRISIL | Unsecured |
| PPD_2016 17 2        | 3652 | 8.50%  | 7500  | 29-Dec-2016 | 29-Dec-2026 | AA + INDIA RATING & CRISIL | Unsecured |
| SEFCL CR 001         | 2008 | 11.50% | 500   | 05-Dec-2011 | 04-Jun-2017 | CRISIL AA                  | Unsecured |
| SEFCL CR 003         | 3652 | 12.20% | 2500  | 23-Dec-2011 | 22-Dec-2021 | CRISIL AA                  | Unsecured |
| SEFCL CR 002         | 1916 | 12.10% | 2500  | 23-Dec-2011 | 22-Mar-2017 | CARE AA & CRISIL AA        | Unsecured |
| SEFCL SD 06-01       | 3651 | 10.20% | 2500  | 25-Jun-2013 | 24-Jun-2023 | CARE AA+ & CRISIL AA       | Unsecured |
| SEFCL SD 06-02       | 3651 | 10.15% | 2000  | 28-Jun-2013 | 27-Jun-2023 | CARE AA+                   | Unsecured |
| SEFCL CR 005         | 2372 | 12.15% | 1670  | 19-Jan-2012 | 18-Jul-2018 | CARE AA+ & CRISIL AA       | Unsecured |
| SEFCL CR 004         | 3652 | 12.20% | 2500  | 13-Jan-2012 | 12-Jan-2022 | CARE AA+ & CRISIL AA       | Unsecured |
| SEFCL SD 14-15-01    | 3652 | 10.60% | 1000  | 12-Aug-2014 | 11-Aug-2024 | CRISIL AA                  | Unsecured |

Details of Retail and Public issue NCDs :-

(Rs. In lacs)

| Sr. No. | Debenture Series   | Tenor months | Coupon | Amount in Lacs | Date of Allotment | Redemption Date/ Schedule | Credit Rating              | Secured /unsecured | Security   |
|---------|--|--------------|--------|----------------|-------------------|---------------------------|----------------------------|--------------------|--|
| 1       | Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each -(2010) Option -II | 84 months    | 9.50%  | 278.58         | 02-Jun-10         | 01-Jun-17                 | CRISIL AA/Stable, CARE AA+ | Secured            | Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property. |

| Sr. No. | Debenture Series   | Tenor months | Coupon | Amount in Lacs | Date of Allotment | Redemption Date/ Schedule | Credit Rating              | Secured /unsecured | Security   |
|---------|--|--------------|--------|----------------|-------------------|---------------------------|----------------------------|--------------------|--|
| 2       | Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each -(2010) Option -II | 84 months    | 10.00% | 453.23         | 02-Jun-10         | 01-Jun-17                 | CRISIL AA/Stable, CARE AA+ | Secured            | Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property. |
| 3       | Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each -(2010) Option -II | 84 months    | 10.25% | 3125.37        | 02-Jun-10         | 01-Jun-17                 | CRISIL AA/Stable, CARE AA+ | Secured            | Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property. |
| 4       | Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each -(2010) Option -II | 84 months    | 10.50% | 604.25         | 02-Jun-10         | 01-Jun-17                 | CRISIL AA/Stable, CARE AA+ | Secured            | Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property. |
| 5       | Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-(2012) Option -II  | 60 months    | 11.40% | 13391.78       | 10-Aug-12         | 09-Aug-17                 | CRISIL AA/Stable, CARE AA+ | Secured            | Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property. |
| 6       | Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-(2012) Option -II  | 60 months    | 10.50% | 12802.48       | 10-Aug-12         | 09-Aug-17                 | CRISIL AA/Stable, CARE AA+ | Secured            | Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property. |
| 7       | Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-(2012) Option -IV  | 60 months    | 11.40% | 6271.55        | 10-Aug-12         | 09-Aug-17                 | CRISIL AA/Stable, CARE AA+ | Secured            | Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property. |
| 8       | Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-(2012) Option -IV  | 60 months    | 10.50% | 155.58         | 10-Aug-12         | 09-Aug-17                 | CRISIL AA/Stable, CARE AA+ | Secured            | Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property. |

| Sr. No. | Debenture Series  | Tenor months | Coupon | Amount in Lacs | Date of Allotment | Redemption Date/ Schedule | Credit Rating              | Secured /unsecured | Security   |
|---------|---|--------------|--------|----------------|-------------------|---------------------------|----------------------------|--------------------|--|
| 9       | Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-( July 2013) Option - II  | 48 months    | 11.15% | 11556.84       | 01-Aug-13         | 31-Jul-17                 | CRISIL AA/Stable, CARE AA+ | Secured            | Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property. |
| 10      | Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-( July 2013) Option - II  | 48 months    | 9.80%  | 3383.2         | 01-Aug-13         | 31-Jul-17                 | CRISIL AA/Stable, CARE AA+ | Secured            | Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property. |
| 11      | Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-( July 2013) Option - II  | 60 months    | 11.15% | 11556.84       | 01-Aug-13         | 31-Jul-18                 | CRISIL AA/Stable, CARE AA+ | Secured            | Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property. |
| 12      | Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-( July 2013) Option - II  | 60 months    | 9.80%  | 3383.19        | 01-Aug-13         | 31-Jul-18                 | CRISIL AA/Stable, CARE AA+ | Secured            | Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property. |
| 13      | Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-( July 2013) Option - III | 60 months    | 10.63% | 5821.04        | 01-Aug-13         | 31-Jul-18                 | CRISIL AA/Stable, CARE AA+ | Secured            | Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property. |
| 14      | Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-( July 2013) Option - III | 60 months    | 9.40%  | 75.98          | 01-Aug-13         | 31-Jul-18                 | CRISIL AA/Stable, CARE AA+ | Secured            | Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property. |

| Sr. No. | Debenture Series  | Tenor months | Coupon | Amount in Lacs | Date of Allotment | Redemption Date/ Schedule | Credit Rating              | Secured /unsecured | Security   |
|---------|---|--------------|--------|----------------|-------------------|---------------------------|----------------------------|--------------------|--|
| 15      | Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-( July 2013) Option - V | 48 months    | 11.15% | 2631.07        | 01-Aug-13         | 31-Jul-17                 | CRISIL AA/Stable, CARE AA+ | Secured            | Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property. |
| 16      | Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-( July 2013) Option - V | 48 months    | 9.80%  | 10.29          | 01-Aug-13         | 31-Jul-17                 | CRISIL AA/Stable, CARE AA+ | Secured            | Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property. |
| 17      | Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-( July 2013) Option - V | 60 months    | 11.15% | 2631.07        | 01-Aug-13         | 31-Jul-18                 | CRISIL AA/Stable, CARE AA+ | Secured            | Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property. |
| 18      | Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-( July 2013) Option -V  | 60 months    | 9.80%  | 10.28          | 01-Aug-13         | 31-Jul-18                 | CRISIL AA/Stable, CARE AA+ | Secured            | Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property. |
| 19      | Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-(OCT 2013) Option - II  | 60 months    | 11.50% | 3166.15        | 24-Oct-13         | 23-Oct-18                 | CRISIL AA/Stable, CARE AA+ | Secured            | Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property. |
| 20      | Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-(OCT 2013) Option - II  | 60 months    | 10.75% | 7487.35        | 24-Oct-13         | 23-Oct-18                 | CRISIL AA/Stable, CARE AA+ | Secured            | Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property. |

| Sr. No. | Debenture Series  | Tenor months | Coupon | Amount in Lacs | Date of Allotment | Redemption Date/ Schedule | Credit Rating              | Secured /unsecured | Security   |
|---------|---|--------------|--------|----------------|-------------------|---------------------------|----------------------------|--------------------|--|
| 21      | Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-(OCT 2013) Option - III | 84 months    | 11.75% | 4711.26        | 24-Oct-13         | 23-Oct-20                 | CRISIL AA/Stable, CARE AA+ | Secured            | Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property. |
| 22      | Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-(OCT 2013) Option - III | 84 months    | 10.75% | 3046.29        | 24-Oct-13         | 23-Oct-20                 | CRISIL AA/Stable, CARE AA+ | Secured            | Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property. |
| 23      | Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-(OCT 2013) Option - V   | 60 months    | 11.5   | 809.97         | 24-Oct-13         | 23-Oct-18                 | CRISIL AA/Stable, CARE AA+ | Secured            | Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property. |
| 24      | Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-(OCT 2013) Option - V   | 60 months    | 10.75% | 5              | 24-Oct-13         | 23-Oct-18                 | CRISIL AA/Stable, CARE AA+ | Secured            | Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property. |
| 25      | Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-(OCT 2013) Option - VI  | 84 months    | 11.75% | 1352.84        | 24-Oct-13         | 23-Oct-20                 | CRISIL AA/Stable, CARE AA+ | Secured            | Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property. |
| 26      | Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-(OCT 2013) Option - VI  | 84 months    | 10.75% | 19.68          | 24-Oct-13         | 23-Oct-20                 | CRISIL AA/Stable, CARE AA+ | Secured            | Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property. |

| Sr. No. | Debenture Series  | Tenor months | Coupon | Amount in Lacs | Date of Allotment | Redemption Date/ Schedule | Credit Rating              | Secured /unsecured | Security   |
|---------|---|--------------|--------|----------------|-------------------|---------------------------|----------------------------|--------------------|--|
| 27      | Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-( 2014) Option -I   | 36 months    | 11.25% | 7611.38        | 15-Jul-14         | 14-Jul-17                 | CRISIL AA/Stable, CARE AA+ | Secured            | Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property. |
| 28      | Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-( 2014) Option -I   | 36 months    | 11.00% | 6851.31        | 15-Jul-14         | 14-Jul-17                 | CRISIL AA/Stable, CARE AA+ | Secured            | Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property. |
| 29      | Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-( 2014) Option -I   | 36 months    | 9.85%  | 111429.99      | 15-Jul-14         | 14-Jul-17                 | CRISIL AA/Stable, CARE AA+ | Secured            | Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property. |
| 30      | Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-( 2014) Option -II  | 60 months    | 11.50% | 2078.9         | 15-Jul-14         | 14-Jul-19                 | CRISIL AA/Stable, CARE AA+ | Secured            | Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property. |
| 31      | Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-( 2014) Option -II  | 60 months    | 11.25% | 3154.8         | 15-Jul-14         | 14-Jul-19                 | CRISIL AA/Stable, CARE AA+ | Secured            | Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property. |
| 32      | Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-( 2014) Option -II  | 60 months    | 10.00% | 33177.32       | 15-Jul-14         | 14-Jul-19                 | CRISIL AA/Stable, CARE AA+ | Secured            | Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property. |
| 33      | Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-( 2014) Option -III | 84 months    | 11.75% | 2594.64        | 15-Jul-14         | 14-Jul-21                 | CRISIL AA/Stable, CARE AA+ | Secured            | Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property. |

| Sr. No. | Debenture Series  | Tenor months | Coupon | Amount in Lacs | Date of Allotment | Redemption Date/ Schedule | Credit Rating              | Secured /unsecured | Security   |
|---------|---|--------------|--------|----------------|-------------------|---------------------------|----------------------------|--------------------|--|
| 34      | Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-( 2014) Option -III | 84 months    | 11.50% | 5435.87        | 15-Jul-14         | 14-Jul-21                 | CRISIL AA/Stable, CARE AA+ | Secured            | Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property. |
| 35      | Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-( 2014) Option -III | 84 months    | 10.15% | 5576.36        | 15-Jul-14         | 14-Jul-21                 | CRISIL AA/Stable, CARE AA+ | Secured            | Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property. |
| 36      | Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-( 2014) Option -IV  | 60 months    | 10.94% | 1261.88        | 15-Jul-14         | 14-Jul-19                 | CRISIL AA/Stable, CARE AA+ | Secured            | Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property. |
| 37      | Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-( 2014) Option -IV  | 60 months    | 10.71% | 1474.65        | 15-Jul-14         | 14-Jul-19                 | CRISIL AA/Stable, CARE AA+ | Secured            | Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property. |
| 38      | Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-( 2014) Option -IV  | 60 months    | 9.57%  | 47.11          | 15-Jul-14         | 14-Jul-19                 | CRISIL AA/Stable, CARE AA+ | Secured            | Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property. |
| 39      | Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-( 2014) Option -V   | 84 months    | 11.17% | 1387.16        | 15-Jul-14         | 14-Jul-21                 | CRISIL AA/Stable, CARE AA+ | Secured            | Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property. |
| 40      | Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-( 2014) Option -V   | 84 months    | 10.94% | 2130.3         | 15-Jul-14         | 14-Jul-21                 | CRISIL AA/Stable, CARE AA+ | Secured            | Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property. |

| Sr. No. | Debenture Series  | Tenor months | Coupon | Amount in Lacs | Date of Allotment | Redemption Date/ Schedule | Credit Rating              | Secured /unsecured | Security   |
|---------|---|--------------|--------|----------------|-------------------|---------------------------|----------------------------|--------------------|--|
| 41      | Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-( 2014) Option -V   | 84 months    | 9.71%  | 1.2            | 15-Jul-14         | 14-Jul-21                 | CRISIL AA/Stable, CARE AA+ | Secured            | Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property. |
| 42      | Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-( 2014) Option -VI  | 36 months    | 11.25% | 1065.52        | 15-Jul-14         | 14-Jul-17                 | CRISIL AA/Stable, CARE AA+ | Secured            | Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property. |
| 43      | Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-( 2014) Option -VI  | 36 months    | 11.00% | 2863.04        | 15-Jul-14         | 14-Jul-17                 | CRISIL AA/Stable, CARE AA+ | Secured            | Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property. |
| 44      | Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-( 2014) Option -VI  | 36 months    | 9.85%  | 5011.39        | 15-Jul-14         | 14-Jul-17                 | CRISIL AA/Stable, CARE AA+ | Secured            | Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property. |
| 45      | Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-( 2014) Option -VII | 60 months    | 11.50% | 480.25         | 15-Jul-14         | 14-Jul-19                 | CRISIL AA/Stable, CARE AA+ | Secured            | Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property. |
| 46      | Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-( 2014) Option -VII | 60 months    | 11.25% | 1022.63        | 15-Jul-14         | 14-Jul-19                 | CRISIL AA/Stable, CARE AA+ | Secured            | Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property. |
| 47      | Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each-( 2014) Option -VII | 60 months    | 10.00% | 17.35          | 15-Jul-14         | 14-Jul-19                 | CRISIL AA/Stable, CARE AA+ | Secured            | Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property. |

| Sr. No. | Debenture Series  | Tenor months | Coupon | Amount in Lacs | Date of Allotment | Redemption Date/ Schedule | Credit Rating              | Secured /unsecured | Security   |
|---------|---|--------------|--------|----------------|-------------------|---------------------------|----------------------------|--------------------|--|
| 48      | Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each- ( 2014) Option -VIII | 84 months    | 11.75% | 859.33         | 15-Jul-14         | 14-Jul-21                 | CRISIL AA/Stable, CARE AA+ | Secured            | Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property. |
| 49      | Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each- ( 2014) Option -VIII | 84 months    | 11.50% | 1919.71        | 15-Jul-14         | 14-Jul-21                 | CRISIL AA/Stable, CARE AA+ | Secured            | Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property. |
| 50      | Public issue of Redeemable Non-convertible Debentures of Rs. 1,000/- each- ( 2014) Option -VIII | 84 months    | 10.15% | 32.61          | 15-Jul-14         | 14-Jul-21                 | CRISIL AA/Stable, CARE AA+ | Secured            | Secured by specific assets covered under hypothecation loan and by way of exclusive charge and equitable mortgage of immovable property. |

Details of Retails Sub Debt :

(Rs. In lacs)

| Sr. No. | Debenture Series  | Tenor/Period of Maturity | Coupon | Amount in Lacs | Date of Allotment | Redemption Date/ Schedule | Credit Rating             | Secured/ Unsecured |
|---------|---|--------------------------|--------|----------------|-------------------|---------------------------|---------------------------|--------------------|
| 1       | Public issue of Subordinated debt of Rs. 1,000/- each - (2010) Option -IV | 84 Months                | 9.94%  | 91             | 02-Jun-10         | 01-Jun-17                 | CRISIL AA/Stable, CARE AA | Unsecured          |
| 2       | Public issue of Subordinated debt of Rs. 1,000/- each - (2010) Option -IV | 81 Months                | 10.31% | 1,687.00       | 02-Jun-10         | 01-Mar-17                 | CRISIL AA/Stable, CARE AA | Unsecured          |
| 3       | Public issue of Subordinated debt of Rs. 1,000/- each - (2010) Option -V  | 84 Months                | 10.25% | 110.3          | 02-Jun-10         | 01-Jun-17                 | CRISIL AA/Stable, CARE AA | Unsecured          |
| 4       | Public issue of Subordinated debt of Rs. 1,000/- each - (2010) Option -V  | 84 Months                | 10.75% | 204.32         | 02-Jun-10         | 01-Jun-17                 | CRISIL AA/Stable, CARE AA | Unsecured          |
| 5       | Public issue of Subordinated debt of Rs. 1,000/- each - (2010) Option -V  | 84 Months                | 11.00% | 2,471.61       | 02-Jun-10         | 01-Jun-17                 | CRISIL AA/Stable, CARE AA | Unsecured          |

iv. List Of Top 10 Debenture Holders as on Dec 31, 2016 :

| Sr. No | Name of Debenture Holder   | Aggregate Amount (Rs. in Crs) |
|--------|--|-------------------------------|
| 1      | BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED A/C BIRLA SUN LIFE CASH MANAGER | 2,570.00                      |
| 2      | LIC OF INDIA FUTURE PLUS BOND FUND   | 1,700.02                      |
| 3      | POSTAL LIFE INSURANCE FUND A/C SBIFMPL   | 1,025.00                      |
| 4      | SBI CORPORATE BOND FUND  | 923.00                        |
| 5      | UTI - DUAL ADVANTAGE FIXED TERM FUND SERIES I - II (1145 DAYS)                 | 844.00                        |
| 6      | INTERNATIONAL FINANCE CORPORATION  | 810.00                        |
| 7      | NPS TRUST - A/C HDFC PENSION MANAGEMENT COMPANY LIMITED SCHEME C - TIER I      | 742.10                        |
| 8      | SBI LIFE INSURANCE CO.LTD  | 620.60                        |
| 9      | ICICI PRUDENTIAL LIFE INSURANCE COMPANY LTD                                    | 435.00                        |
| 10     | ICICI PRUDENTIAL CORPORATE BOND FUND   | 408.00                        |

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

#### Details of outstanding guarantees as on December 31, 2016

| Name of the Company                 | Nature of Guarantee Issued               | Amount (₹ in Lacs) |
|-------------------------------------|--|--------------------|
| IDBI Bank                           | Securitisation                           | 2,577.00           |
| OPC Asset Solutions Private Limited | Lease Rental                             | 200.00             |
| IDBI TRUSTEESHIP                    | NCD issued by Shriram Industrial Holding | 65,000.00          |
| <b>Total</b>                        |  | <b>67,777.00</b>   |
|                                     |  |                    |

#### Details of outstanding counter guarantees as on December 31, 2016

| Name of the Company | Nature of Guarantee Issued               | Amount (₹ in Lacs) |
|---------------------|--|--------------------|
| Axis Bank           | Securitisation                           | 24,637.21          |
| Andhra Bank         | Securitisation                           | 2,078.10           |
| Bank of India       | Legal cases/Sales tax                    | 210.50             |
| ICICI Bank          | Securitisation                           | 32,117.34          |
| Indus ind           | Insurance                                | 8,000.00           |
| Indus ind           | Legal cases/Sales tax                    | 5.30               |
| Indus ind           | Securitisation                           | 2,170.50           |
| Bank of America     | Metropolitan Magistrate Court/Legal case | 111.14             |
| IDFC                | Securitisation                           | 14,940.64          |
| Ratnakar Bank       | Insurance                                | 4,000.00           |
| <b>Total</b>        |  | <b>88,270.72</b>   |

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

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

| Debtenture Series | Tenor / Period of Maturity (days) | Coupon | Amount | Date of Allotment | Redemption Date/ Schedule | Credit Rating | Secured / unsecured | Security |
|-------------------|-----------------------------------|--------|--------|-------------------|---------------------------|---------------|---------------------|----------|
|                   |                                   |        |        |                   |                           |               |                     |          |

|                      |    |        |       |             |             |             |         |            |
|----------------------|----|--------|-------|-------------|-------------|-------------|---------|------------|
| CP/2016-17/16        | 90 | 10.46% | 20000 | 24-Nov-2016 | 22-Feb-2017 | CRISIL A1 + | Secured | 1.00 TIMES |
| CP/2016-17/17        | 67 | 10.50% | 30000 | 23-Dec-2016 | 28-Feb-2017 | CRISIL A1 + | Secured | 1.00 TIMES |
| CP/2016-17/18 AND 19 | 59 | 12.06% | 11500 | 30-Dec-2016 | 27-Feb-2017 | CRISIL A1 + | Secured | 1.00 TIMES |

(₹ in lakhs.)

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

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

- viii. Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Company, in the past 5 years. - NIL
- ix. Details of any outstanding borrowings taken/ debt securities issued where taken / issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option;

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

The Company has issued debt securities at a Discount. Details of secured debt securities issued at a Discount as on Dec 31, 2016 are as follows:

| ISIN NO.     | Particular            | Rating               | Amount         | Issued value  |
|--------------|-----------------------|----------------------|----------------|---------------|
| INE721A07DF3 | TARUS FIN SEC PVT LTD | CRISIL AA & CARE AA+ | 100,000,000.00 | 99,850,000.00 |

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

### I. Details of promoters of the Company:

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

Details of promoter holding in the company as on the latest quarter end: December 31, 2016

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

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

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

(Rs. in lacs)

| Particulars   | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 |
|---|----------------------|----------------------|----------------------|
| <b>I. EQUITY AND LIABILITIES</b>  |                      |                      |                      |
| <b>(1) Shareholders' funds</b>  |                      |                      |                      |
| (a) Share capital   | 22,690.67            | 22,690.67            | 22,690.67            |
| (b) Reserves and surplus  | 994,857.66           | 903,891.11           | 828,327.04           |
|   | <b>1,017,548.33</b>  | <b>926,581.78</b>    | <b>851,017.71</b>    |
| <b>(2) Non-current liabilities</b>  |                      |                      |                      |
| (a) Long-term borrowings  | 3,026,888.74         | 3,285,558.30         | 2,396,208.30         |
| (b) Other long-term liabilities   | 116,346.89           | 97,162.18            | 96,981.84            |
| (c) Long- term provisions   | 284,271.68           | 187,198.41           | 130,300.64           |
|   | <b>3,427,507.31</b>  | <b>3,569,918.89</b>  | <b>2,623,490.78</b>  |
| <b>(3) Current liabilities</b>  |                      |                      |                      |
| (a) Short-term borrowings   | 333,044.38           | 295,262.91           | 339,377.91           |
| (b) Trade payables  |                      |                      |                      |
| - Total outstanding dues of micro enterprises and small enterprises                     | -                    | -                    | -                    |
| - Total outstanding dues of creditor other than micro enterprises and small enterprises | 153,657.67           | 122,834.24           | 55,295.28            |
| (c) Other current liabilities   | 1,818,370.04         | 1,260,072.34         | 1,333,885.31         |
| (d) Short-term provisions   | 51,218.95            | 40,691.28            | 30,160.07            |
|   | <b>2,356,291.04</b>  | <b>1,718,860.77</b>  | <b>1,758,718.57</b>  |
| <b>Total</b>  | <b>6,801,346.68</b>  | <b>6,215,361.44</b>  | <b>5,233,227.06</b>  |
| <b>II. ASSETS</b>   |                      |                      |                      |
| <b>(1) Non-current assets</b>   |                      |                      |                      |
| (a) Fixed assets  |                      |                      |                      |
| (i) Tangible assets   | 15,052.81            | 15,276.44            | 15,266.57            |
| (ii) Intangible assets  | 158.43               | 149.29               | 216.52               |
| (b) Non-current investments   | 122,251.16           | 82,426.49            | 39,979.99            |
| (c) Deferred tax assets (net)   | 30,887.14            | 25,778.33            | 25,555.80            |
| (d) Long-term loans and advances  | 4,301,326.73         | 3,248,125.45         | 2,377,092.96         |
| (e) Other non-current assets  | 1,389.01             | 9,310.56             | 9,442.50             |
|   | <b>4,471,065.28</b>  | <b>3,381,066.56</b>  | <b>2,467,554.34</b>  |
| <b>(2) Current assets</b>   |                      |                      |                      |
| (a) Current investments   | 11,699.19            | 221,292.13           | 203,546.33           |
| (b) Trade receivables   | 1,009.48             | 298.86               | 190.67               |
| (c) Cash and bank balances  | 236,555.03           | 476,117.88           | 711,843.68           |
| (d) Short-term loans and advances   | 2,075,953.30         | 2,130,329.48         | 1,842,090.97         |
| (e) Other current assets  | 5,064.40             | 6,256.53             | 8,001.07             |
|   | <b>2,330,281.40</b>  | <b>2,834,294.88</b>  | <b>2,765,672.72</b>  |
| <b>Total</b>  | <b>6,801,346.68</b>  | <b>6,215,361.44</b>  | <b>5,233,227.06</b>  |

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

| (Rs. in lacs)  |                              |                              |                              |
|--|------------------------------|------------------------------|------------------------------|
| Particulars  | Year Ended<br>March 31, 2016 | Year Ended<br>March 31, 2015 | Year Ended<br>March 31, 2014 |
| <b>Income</b>  |                              |                              |                              |
| Revenue from operations  | 1,031,028.83                 | 917,699.82                   | 847,587.37                   |
| Other income   | 346.19                       | 261.85                       | 431.32                       |
| <b>Total</b>   | <b>1,031,375.02</b>          | <b>917,961.67</b>            | <b>848,018.69</b>            |
| <b>Expenditure</b>   |                              |                              |                              |
| Employee benefit expenses                                      | 62,373.31                    | 50,403.91                    | 47,159.80                    |
| Finance cost   | 505,792.37                   | 467,464.51                   | 420,220.91                   |
| Depreciation and amortisation                                  | 3,763.16                     | 4,315.49                     | 3,278.41                     |
| Other expenses   | 74,660.84                    | 69,599.82                    | 58,992.39                    |
| Provisions and write-offs                                      | 205,857.50                   | 161,222.39                   | 121,320.86                   |
| <b>Total</b>   | <b>852,447.18</b>            | <b>753,006.12</b>            | <b>650,972.37</b>            |
| <b>Profit before taxation</b>                                  | <b>178,927.84</b>            | <b>164,955.55</b>            | <b>197,046.32</b>            |
| <b>Provision for taxation</b>                                  |                              |                              |                              |
| Current tax / Minimum alternate tax                            | 65,674.83                    | 62,280.81                    | 58,095.87                    |
| Deferred tax   | (5,108.81)                   | (169.71)                     | 3,156.72                     |
| <b>Total tax expense / (income)</b>                            | <b>60,566.02</b>             | <b>62,111.10</b>             | <b>61,252.59</b>             |
| <b>Profit after tax from operations</b>                        | <b>118,361.82</b>            | <b>102,844.45</b>            | <b>135,793.73</b>            |
| <b>Net profit after taxes and share of profit of associate</b> | <b>118,361.82</b>            | <b>102,844.45</b>            | <b>135,793.73</b>            |
| <b>Earnings per share</b>                                      |                              |                              |                              |
| Basic (Rs.)  | 52.17                        | 45.33                        | 59.85                        |
| Diluted (Rs.)  | 52.17                        | 45.33                        | 59.85                        |
| Nominal value of equity share (Rs.)                            | <b>10.00</b>                 | <b>10.00</b>                 | <b>10.00</b>                 |

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

| (Rs. in lacs)  |                              |                              |                              |
|--|------------------------------|------------------------------|------------------------------|
| Particulars  | Year ended<br>March 31, 2016 | Year ended<br>March 31, 2015 | Year ended<br>March 31, 2014 |
| <b>A. Cash flow from operating activities</b>                        |                              |                              |                              |
| Profit before taxes  | 178,927.84                   | 164,955.55                   | 197,046.32                   |
| Depreciation and amortisation  | 3,763.16                     | 4,315.49                     | 3,278.41                     |
| Loss / (profit) on sale of fixed assets (net)                        | 35.36                        | 38.74                        | (306.92)                     |
| Provision for diminution in value of investments                     | -                            | -                            | 16.81                        |
| Employees stock option compensation cost                             | (38.70)                      | 55.33                        | 11.14                        |
| Premium on government securities                                     | 82.30                        | 19.74                        | 10.49                        |
| Amortisation of discount on government securities                    | (221.42)                     | (165.69)                     | (91.77)                      |
| Amortisation of issue expenses for equity shares                     | 152.78                       | 168.85                       | 152.78                       |
| Amortisation of public issue expenses for non-convertible debentures | 1,303.09                     | 1,761.70                     | 1,467.06                     |
| Provisions for Non-performing Assets and bad debt written off        | 200,867.02                   | 158,456.12                   | 119,944.56                   |
| Provisions for standard assets                                       | 4,990.48                     | 2,766.27                     | 1,359.49                     |
| Provision for gratuity   | 190.74                       | (17.39)                      | (1,873.03)                   |
| Provision for leave encashment                                       | 301.61                       | 123.06                       | 211.10                       |
| <b>Operating profit before working capital changes</b>               | <b>390,354.26</b>            | <b>332,477.77</b>            | <b>321,226.44</b>            |
| <b>Movements in working capital:</b>                                 |                              |                              |                              |

|           |  |                     |                     |                     |
|-----------|--|---------------------|---------------------|---------------------|
|           | Increase / (decrease) in trade payables  | 30,823.43           | 67,538.96           | (22,440.01)         |
|           | Increase / (decrease) in provisions  | 2,451.60            | (5,437.65)          | (19,302.54)         |
|           | Increase / (decrease) in provision for service tax-contested                                   | -                   | -                   | 15.81               |
|           | Increase / (decrease) in other liabilities   | 47,045.44           | (34,802.43)         | (127,092.83)        |
|           | Decrease / (increase) in trade receivables   | (710.62)            | (108.20)            | (190.17)            |
|           | (Increase) / decrease in investments   | 169,905.15          | (60,048.58)         | 84,561.29           |
|           | Decrease / (increase) in loans and advances  | (1,110,571.68)      | (1,256,453.78)      | (596,215.89)        |
|           | Decrease/(increase) in bank deposits (having original maturity of more than three months)(net) | (25,816.52)         | 53,175.48           | 15,450.82           |
|           | Decrease / (increase) in other assets  | 984.20              | 1,846.63            | 273.41              |
|           | <b>Cash generated from operations</b>  | <b>(495,534.74)</b> | <b>(901,811.80)</b> | <b>(343,713.67)</b> |
|           | Direct taxes paid (net of refunds)   | (55,183.14)         | (59,277.72)         | (61,760.78)         |
|           | <b>Net cash flow used in operating activities (A)</b>  | <b>(550,717.88)</b> | <b>(961,089.52)</b> | <b>(405,474.45)</b> |
|           |  |                     |                     |                     |
| <b>B.</b> | <b>Cash flows from investing activities</b>  |                     |                     |                     |
|           | Purchase of fixed including intangible assets  | (3,654.73)          | (4,523.10)          | (11,743.34)         |
|           | Proceeds from sale of fixed assets   | 72.94               | 64.52               | 516.39              |
|           | <b>Net cash used in investing activities (B)</b>   | <b>(3,581.79)</b>   | <b>(4,458.58)</b>   | <b>(11,226.95)</b>  |
|           |  |                     |                     |                     |
| <b>C.</b> | <b>Cash flows from financing activities</b>  |                     |                     |                     |
|           | Proceeds from issuance of equity share capital   | -                   | -                   | 1.88                |
|           | Securities premium on issue of equity capital  | -                   | -                   | 4.70                |
|           | Amount received from institutional borrowing   | 2,109,331.46        | 2,393,115.61        | 1,953,898.05        |
|           | Amount received from public issue of non-convertible debentures                                | -                   | 197,484.71          | 123,589.04          |
|           | Increase / (decrease) in retail borrowings   | 97,664.77           | 165,612.77          | 127,215.42          |
|           | Amount redeemed for public issue of non-convertible debentures                                 | (41,795.50)         | (34,306.30)         | (27,120.05)         |
|           | Repayment of institutional borrowing   | (1,855,651.85)      | (1,915,501.98)      | (1,655,581.83)      |
|           | Public issue expenses for non-convertible debentures paid                                      | -                   | (1,255.33)          | (2,448.01)          |
|           | Dividend paid  | (22,688.27)         | (18,150.62)         | (15,881.04)         |
|           | Tax on dividend  | (4,618.80)          | (3,356.86)          | (2,698.99)          |
|           | <b>Net cash from financing activities (C)</b>  | <b>282,241.81</b>   | <b>783,642.00</b>   | <b>500,979.16</b>   |
|           | <b>Net increase / (decrease) in cash and cash equivalents (A + B + C)</b>                      | <b>(272,057.86)</b> | <b>(181,906.10)</b> | <b>84,277.76</b>    |
|           | <b>Cash and cash equivalents at the beginning of the year</b>                                  | <b>352,605.06</b>   | <b>534,511.16</b>   | <b>450,233.40</b>   |
|           | <b>Cash and cash equivalents at the end of the year</b>  | <b>80,547.20</b>    | <b>352,605.06</b>   | <b>534,511.16</b>   |

D) SUMMARY INFORMATION OF OUR UNCONSOLIDATED ASSETS AND LIABILITIES

(Rs. in lacs)

| Particulars                        | As at<br>March 31, 2016 | As at<br>March 31, 2015 | As at<br>March 31, 2014 |
|------------------------------------|-------------------------|-------------------------|-------------------------|
| <b>I. EQUITY AND LIABILITIES</b>   |                         |                         |                         |
| <b>(1) Shareholders' funds</b>     |                         |                         |                         |
| (a) Share capital                  | 22,690.67               | 22,690.67               | 22,690.67               |
| (b) Reserves and surplus           | 992,720.78              | 901,105.83              | 804,631.06              |
|                                    | <b>1,015,411.45</b>     | <b>923,796.50</b>       | <b>827,321.73</b>       |
| <b>(2) Non-current liabilities</b> |                         |                         |                         |
| (a) Long-term borrowings           | 3,026,967.38            | 3,157,076.48            | 2,271,208.89            |
| (b) Other long-term liabilities    | 116,350.63              | 97,134.26               | 96,871.42               |
| (c) Long-term provisions           | 284,271.68              | 158,650.37              | 127,174.08              |
|                                    | <b>3,427,589.69</b>     | <b>3,412,861.11</b>     | <b>2,495,254.39</b>     |

|  |                     |                     |                     |
|--|---------------------|---------------------|---------------------|
| <b>(3) Current liabilities</b>   |                     |                     |                     |
| (a) Short-term borrowings  | 333,035.34          | 266,140.59          | 298,589.79          |
| (b) Trade payables   |                     |                     |                     |
| - Total outstanding dues of micro enterprises and small enterprises                      | -                   | -                   | -                   |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | 151,136.57          | 115,968.91          | 47,396.12           |
| (c) Other current liabilities  | 1,818,197.18        | 1,174,164.15        | 1,225,628.63        |
| (d) Short-term provisions  | 50,959.95           | 39,783.94           | 29,355.70           |
|  | <b>2,353,329.04</b> | <b>1,596,057.59</b> | <b>1,600,970.24</b> |
| <b>Total</b>   | <b>6,796,330.18</b> | <b>5,932,715.20</b> | <b>4,923,546.36</b> |
|  |                     |                     |                     |
| <b>II. ASSETS</b>  |                     |                     |                     |
| <b>(1) Non-current assets</b>  |                     |                     |                     |
| (a) Fixed assets   |                     |                     |                     |
| (i) Tangible assets  | 9,961.01            | 9,944.50            | 9,901.78            |
| (ii) Intangible assets   | 145.29              | 127.87              | 164.49              |
| (b) Non-current investments  | 125,216.98          | 111,426.49          | 68,979.99           |
| (c) Deferred tax assets (net)  | 30,770.26           | 25,648.45           | 25,116.23           |
| (d) Long-term loans and advances   | 4,301,019.05        | 3,082,287.15        | 2,210,036.75        |
| (e) Other non-current assets   | 1,387.51            | 9,310.56            | 9,442.50            |
|  | <b>4,468,500.10</b> | <b>3,238,745.02</b> | <b>2,323,641.74</b> |
| <b>(2) Current assets</b>  |                     |                     |                     |
| (a) Current investments  | 10,399.52           | 221,292.13          | 203,546.33          |
| (b) Cash and bank balances   | 236,385.69          | 472,339.89          | 708,597.76          |
| (c) Short-term loans and advances  | 2,075,986.71        | 1,994,093.70        | 1,679,759.86        |
| (d) Other current assets   | 5,058.16            | 6,244.46            | 8,000.67            |
|  | <b>2,327,830.08</b> | <b>2,693,970.18</b> | <b>2,599,904.62</b> |
| <b>Total</b>   | <b>6,796,330.18</b> | <b>5,932,715.20</b> | <b>4,923,546.36</b> |

E) SUMMARY INFORMATION OF OUR UNCONSOLIDATED PROFIT AND LOSS ACCOUNT

| Particulars                             | (Rs. in lacs)                |                              |                              |
|---|------------------------------|------------------------------|------------------------------|
|   | Year ended<br>March 31, 2016 | Year ended<br>March 31, 2015 | Year Ended<br>March 31, 2014 |
| <b>Income</b>                           |                              |                              |                              |
| Revenue from operations                 | 1,024,155.81                 | 863,694.73                   | 788,009.70                   |
| Other income                            | 370.33                       | 777.72                       | 816.21                       |
| <b>Total</b>                            | <b>1,024,526.14</b>          | <b>864,472.45</b>            | <b>788,825.91</b>            |
|   |                              |                              |                              |
| <b>Expenditure</b>                      |                              |                              |                              |
| Employee benefit expenses               | 58,908.03                    | 42,958.86                    | 40,885.97                    |
| Finance cost                            | 505,792.60                   | 438,998.20                   | 393,251.86                   |
| Depreciation and amortisation           | 3,630.61                     | 4,050.62                     | 2,913.79                     |
| Other expenses                          | 72,194.28                    | 65,310.69                    | 54,090.34                    |
| Provisions and write-offs               | 205,857.50                   | 128,915.27                   | 114,879.69                   |
| <b>Total</b>                            | <b>846,383.02</b>            | <b>680,233.64</b>            | <b>606,021.65</b>            |
|   |                              |                              |                              |
| <b>Profit before taxation</b>           | <b>178,143.12</b>            | <b>184,238.81</b>            | <b>182,804.26</b>            |
| <b>Provision for taxation</b>           |                              |                              |                              |
| Current tax                             | 65,445.17                    | 60,947.79                    | 53,116.92                    |
| Deferred tax                            | (5,121.81)                   | (489.96)                     | 3,266.57                     |
| <b>Total tax expense / (income)</b>     | <b>60,323.36</b>             | <b>60,457.83</b>             | <b>56,383.49</b>             |
| <b>Profit after tax from operations</b> | <b>117,819.76</b>            | <b>123,780.98</b>            | <b>126,420.77</b>            |
| <b>Earnings per share</b>               |                              |                              |                              |

|                                     |              |              |              |
|-------------------------------------|--------------|--------------|--------------|
| Basic (Rs.)                         | 51.93        | 54.56        | 55.72        |
| Diluted (Rs.)                       | 51.93        | 54.56        | 55.72        |
| Nominal value of equity share (Rs.) | <b>10.00</b> | <b>10.00</b> | <b>10.00</b> |

F) SUMMARY INFORMATION OF OUR UNCONSOLIDATED CASH FLOW STATEMENT

(Rs. in lacs)

| Particulars  | Year ended<br>March 31, 2015 | Year ended<br>March 31, 2014 | Year ended<br>March 31, 2013 |
|--|------------------------------|------------------------------|------------------------------|
| <b>A. Cash flow from operating activities</b>  |                              |                              |                              |
| Profit before taxes  | 178,143.12                   | 184,238.81                   | 182,804.26                   |
| Depreciation and amortisation  | 3,630.61                     | 4,050.62                     | 2,913.79                     |
| Loss / (profit) on sale of fixed assets (net)  | 36.37                        | 35.75                        | (308.21)                     |
| Provision for diminution in value of investments   | -                            | -                            | 16.81                        |
| Employees stock option compensation cost   | (47.77)                      | -                            | 0.90                         |
| Premium on government securities   | 82.30                        | 19.74                        | 10.49                        |
| Amortisation of discount on government securities  | (221.42)                     | (165.69)                     | (91.77)                      |
| Amortisation of issue expenses for equity shares   | 152.78                       | 168.85                       | 152.78                       |
| Amortisation of public issue expenses for non-convertible debentures                             | 1,303.09                     | 1,761.70                     | 1,467.06                     |
| Provisions for Non-performing Assets and bad debt written off                                    | 200,867.02                   | 125,934.32                   | 113,601.45                   |
| Provisions for standard assets   | 4,990.48                     | 2,980.95                     | 1,261.43                     |
| Provision for gratuity   | 199.74                       | (16.44)                      | (1,715.11)                   |
| Provision for leave encashment   | 417.69                       | 70.81                        | 193.79                       |
| <b>Operating profit before working capital changes</b>   | <b>389,554.01</b>            | <b>319,079.42</b>            | <b>300,307.67</b>            |
| <b>Movements in working capital:</b>   |                              |                              |                              |
| Increase / (decrease) in trade payables  | 35,167.66                    | 68,572.79                    | (12,481.13)                  |
| Increase / (decrease) in provisions  | 31,340.38                    | (5,437.65)                   | (19,302.54)                  |
| Increase / (decrease) in provision for service tax-contested                                     | -                            | -                            | 15.81                        |
| Increase / (decrease) in other liabilities   | 48,582.72                    | (32,940.26)                  | (122,625.38)                 |
| (Increase) / decrease in investments   | 196,738.13                   | (60,048.59)                  | 84,326.95                    |
| (Increase) / decrease in investments in associates   | -                            | -                            | 100.00                       |
| (Increase) / decrease in investments in subsidiaries   | -                            | -                            | 0.01                         |
| Decrease / (increase) in loans and advances  | (1,411,045.68)               | (1,277,132.89)               | (567,328.34)                 |
| Decrease / (increase) in bank deposits (having original maturity of more than three months)(net) | (25,820.25)                  | 53,179.53                    | 15,450.96                    |
| Decrease / (increase) in other assets  | 974.74                       | 1,857.14                     | 273.42                       |
| <b>Cash generated from operations</b>  | <b>(734,508.29)</b>          | <b>(932,870.51)</b>          | <b>(321,262.57)</b>          |
| Direct taxes paid (net of refunds)   | (56,091.88)                  | (57,743.68)                  | (56,581.90)                  |
| <b>Net cash flow from in operating activities (A)</b>  | <b>(790,600.17)</b>          | <b>(990,614.19)</b>          | <b>(377,844.47)</b>          |
| <b>B. Cash flows from investing activities</b>   |                              |                              |                              |
| Purchase of fixed including intangible assets  | (3,749.66)                   | (4,277.66)                   | (7,180.19)                   |
| Proceeds from sale of fixed assets   | 50.98                        | 63.10                        | 515.91                       |
| <b>Net cash used in investing activities (B)</b>   | <b>(3,698.68)</b>            | <b>(4,214.56)</b>            | <b>(6,664.28)</b>            |
| <b>C. Cash flows from financing activities</b>   |                              |                              |                              |
| Proceeds from issuance of equity share capital   | -                            | -                            | 1.88                         |
| Securities premium on issue of equity capital  | -                            | -                            | 4.70                         |
| Amount received from institutional borrowing   | 2,350,574.28                 | 2,220,993.36                 | 1,758,710.00                 |
| Amount received from public issue of non-convertible debentures                                  | -                            | 197,484.71                   | 123,589.04                   |
| Increase / (decrease) in retail borrowings   | 97,743.41                    | 165,612.77                   | 127,215.42                   |

|   |                     |                     |                   |
|---|---------------------|---------------------|-------------------|
| Amount redeemed for public issue of non-convertible debentures            | (41,795.50)         | (34,306.30)         | (27,120.05)       |
| Repayment of institutional borrowing                                      | (1,855,069.86)      | (1,714,627.52)      | (1,492,591.85)    |
| Public issue expenses for non-convertible debentures paid                 | -                   | (1,255.33)          | (2,448.01)        |
| Dividend paid   | (22,688.27)         | (18,150.62)         | (15,881.04)       |
| Tax on dividend   | (4,618.80)          | (3,356.44)          | (2,698.57)        |
| <b>Net cash from financing activities (C)</b>                             | <b>524,145.26</b>   | <b>812,394.63</b>   | <b>468,781.52</b> |
| <b>Net increase / (decrease) in cash and cash equivalents (A + B + C)</b> | <b>(270,153.59)</b> | <b>(182,434.12)</b> | <b>84,272.77</b>  |
| <b>Cash and cash equivalents at the beginning of the year</b>             | <b>348,832.76</b>   | <b>531,266.88</b>   | <b>446,994.11</b> |
| <b>Cash and bank balances taken over on account of amalgamation</b>       | <b>1,700.40</b>     | <b>-</b>            | <b>-</b>          |
| <b>Cash and cash equivalents at the end of the year</b>                   | <b>80,379.57</b>    | <b>348,832.76</b>   | <b>531,266.88</b> |

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

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

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

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

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

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

## **INTERNAL RISK FACTORS**

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

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

Our results of operations are substantially dependent upon the level of our net interest margins. Income from operations is the largest component of our total income, and constituted 99.96 per cent of our total income in fiscal 2016. As of 31 March 2016, our assets under financing activities (net of securitisation and assignment) were Rs. 625,403.33 million. We provide loans at fixed rates of interest. As of 31 March 2016, our hypothecation loans amounted to Rs. 601,592.13 million. We borrow funds on both fixed and floating rates. As of 31 March 2016, approximately 58.12 per cent. of our borrowings were at fixed rates and 41.88 per cent. were at floating interest rates. We are exposed to interest rate risks as a result of lending to customers predominantly at fixed interest rates, amounts and for periods which may differ from our funding sources. Volatility in interest rates can materially and adversely affect our financial performance and cash flows. In a rising interest rate environment, if the yield on our interest-earning assets does not increase simultaneously with or to the same extent as our cost of funds, or, in a declining interest rate environment, if our cost of funds does not decline simultaneously or to the same extent as the yield on our interest-earning assets, our net interest income and net interest margin would be adversely impacted. Additional risks arising from increasing interest rates, among others, include:

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

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

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

As an asset finance company, our liquidity and on-going profitability are, in large part, dependent upon our timely access to, and the costs associated with, raising capital. As of 31 March 2016, 80.64 per cent. of our borrowed funds consisted of funds raised from financial institutions and banks, while the remaining 19.36 per cent. consisted of funds raised through retail borrowings. Our funding requirements are predominantly met through term loans from banks, the issue of redeemable non-convertible debentures and fixed deposits, which constituted 40.65 per cent., 32.89 per cent. and 15.66 per cent. of our total borrowings, respectively, as of 31 March 2016. Our credit providers include nationalised banks, private Indian banks and foreign banks and we also rely on retail investors. Our business, therefore, depends and will continue to depend on our ability to access diversified funding sources. Our ability to raise funds on acceptable terms and at competitive rates continues to depend on various factors including our credit ratings, the regulatory environment and policy initiatives in India, developments in the international markets affecting the Indian economy, investors' and/or lenders' perception of demand for debt and equity securities of NBFCs and our current and future results of operations and financial condition. Changes in economic and financial conditions or continuing lack of liquidity in the market could make it difficult for us to access funds at competitive rates. Any such disruption in our ability to access primary funding sources at competitive costs and would have a material adverse effect on our liquidity, financial condition and/or cash flows.

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

Our gross NPAs are Rs. 38,702.38 million as of 31 March 2016 and our net NPAs are Rs. 11,436.97 million as of 31 March 2016. Our gross NPAs and Net N PAs as a percentage of total loan assets was 6.19 per cent. and 1.91 per cent. as of 31 March 2016.

We cannot be sure that we will be able to improve our collections and recoveries in relation to our NPAs, or otherwise adequately control our level of NPAs in future. Recent RBI regulations have mandated a shorter time period for classifying assets as NPAs. These new regulations are scheduled to come into effect in phases and may result in an increase in our gross NPAs. Moreover, as our loan portfolio matures, we may experience greater defaults in principal and/or interest repayments.

In addition, in certain cases where a customer has delayed payments but has demonstrated an ability to continue servicing the relevant loan, we generally do not enforce the security and seize the financed vehicle but we allow the loan to remain outstanding and continue without restructuring, which can adversely affect the position of our asset quality and NPA provisioning. There can also be no assurance that in such cases the customer would not continue to delay payments, which could adversely affect our profitability and cash flows.

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

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

As we focus on providing financing for pre-owned and new commercial vehicles, our asset and NPA portfolios have, and will likely continue in the future to have, a high concentration of pre-owned and new commercial vehicle financing arrangements. As of 31 March 2016, our product portfolio for commercial vehicle financing comprised of 89.52 per cent. pre-owned, 10.41 per cent. new commercial vehicles and 0.07 per cent. other loans. Moreover, our customer base has, and will likely continue in the future to have, a high concentration of first time users (FTUs) and small road transport operators (SRTOs). Our business is, therefore, entirely dependent on various factors that impact this customer segment such as the demand for transportation services in India, changes in Indian regulations and policies affecting pre-owned commercial vehicles, natural disasters and calamities, and macroeconomic environment in India and globally. Also, individual borrowers and FTUs and SRTOs generally are less financially resilient than larger corporate borrowers or fleet owners, and as a result, can be more adversely affected by declining economic conditions. Such factors may result in a decline in the sales or value of new and pre-owned commercial vehicles. Therefore, the demand for finance for pre-owned and new commercial vehicles may decline, which in turn may adversely affect our financial condition, the results of our operations and/or cash flows. In addition, the ability of commercial vehicle owners and/or operators to perform their obligations under existing financing agreements may be adversely affected if their businesses suffer as a result of the aforesaid factors.

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

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

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

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

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

As a security interest for the financing facilities provided by us to our customers, the vehicles purchased by our customers are hypothecated in our favour. The value of the vehicle, however, is subject to depreciation, deterioration, and/or reduction in value on account of other extraneous reasons, over the course of time. Consequently, the realisable value of the collateral for the credit facility provided by us, when liquidated, may be lower than the outstanding loan from such customers. Any default in repayment of the outstanding credit obligations by our customers may expose us to losses. Furthermore, in the case of a default, we may repossess the commercial vehicles financed and sell such vehicles. The hypothecated vehicles, being movable property, may be difficult to locate or seize in the event of any default by our customers. There can also be no assurance that we will be able to sell such vehicles provided as

collateral at prices sufficient to cover the amounts under default. In addition, there may be delays associated with such processes. A failure or delay to recover the expected value from sale of collateral security could expose us to a potential loss. Any such losses could adversely affect our financial condition, results of operations and/or cash flows. Furthermore, enforcing our legal rights by litigating against defaulting customers is generally a slow and potentially expensive process in India. Accordingly, it may be difficult for us to recover amounts owed by defaulting customers in a timely manner or at all. The recovery of monies from defaulting customers may be further compounded by the fact that we do not generally insist on, or receive post dated cheques as security towards the timely repayment of dues from customers to whom we have provided loans. Further if we are unable to sell any repossessed vehicles provided as security for such loans at commercially favourable prices, in a timely manner or at all, we may not recover the costs of maintaining such repossessed vehicles and our operations, cash flows and profitability could be adversely affected.

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

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

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

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

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

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

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

As of 31 March 2016, we had unconsolidated outstanding secured debt (gross of unamortised discount of Rs. 2.78 million) of Rs. 382,135.60 million and unconsolidated unsecured debt of Rs. 115,774.22 million. We will continue to incur additional indebtedness in the future. Most of our borrowings are secured by our immovable, movable and other assets. Our significant indebtedness could have several important consequences, including but not limited to the following:

- a portion of our cash flow may be used towards repayment of our existing debt, which will reduce the availability of our cash flow to fund working capital, capital expenditures, acquisitions and other general corporate requirements;

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

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

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

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

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

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

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

All of these factors have resulted in our facing increased competition from other lenders in the commercial vehicle finance sector, including commercial banks and other NBFCs. Our ability to compete effectively will depend, to some

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

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

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

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

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

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

We intend to consolidate and expand our product portfolio as part of our growth strategy. As of 31 March 2016, our assets under management product portfolio comprised heavy commercial vehicles, light commercial vehicles, passenger vehicles, construction vehicle and equipment and working capital loans and other loans. We have also developed pre-owned commercial vehicle and construction equipment hubs under our brand, “Automalls,” through our wholly owned subsidiary Shriram Automall India Limited, designed to provide fee-based facilitation services for the sale of pre-owned commercial vehicles as well as commercial vehicles repossessed by financing companies along with showrooms for branded new and refurbished pre-owned commercial vehicles.

We cannot assure that such diversification or expansion of operations will in future yield and/or continue to yield favourable or expected results, as our overall profitability and success will be subject to various factors, including, among others, our ability to obtain necessary statutory and/or regulatory approvals and licences in connection with such proposed business as well as necessary premises for Automall operations in a timely manner, our ability to effectively recruit, retain and motivate appropriate managerial talent and ability to compete with banks and other NBFCs that are already well established in this market segment, as well as our ability to effectively absorb additional infrastructure costs. There can also be no assurance that our Automalls will be successful in creating additional sources of business for our financial products.

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

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

The RBI currently mandates commercial banks operating in India, including foreign banks with more than 20 branches in India to maintain an aggregate 40.0 percent of adjusted net bank credit or credit equivalent amount of off-balance-sheet exposure, whichever is higher as “priority sector advances”. These include advances to agriculture, micro and small enterprises (including SRTOs, which constitute the largest proportion of our loan portfolio), micro enterprises within the micro and small enterprises sector, export credit, advances to weaker sections where the Government seeks to encourage flow of credit for developmental reasons. Banks in India that have traditionally been constrained or unable to meet these requirements organically have relied on specialised institutions like us that are better positioned to or exclusively focus on originating such assets through on-lending or purchase of assets or securitised and assigned pools to comply with these targets.

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

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

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

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

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

The cost and availability of capital is also dependent on our short-term and long-term credit ratings. Ratings reflect a rating agency’s opinion of our financial strength, operating performance, strategic position, and ability to meet our obligations. In relation to our long-term debt instruments, as of 31 March 2016, in relation to our subordinate debt programme, we have ratings of “CARE AA+” from CARE and “CRISIL AA+/Stable” from CRISIL. In relation to fixed deposits, we currently have ratings of “CRISIL FAAA/Stable” from CRISIL and “MAA+ with Stable Outlook” from ICRA. In relation to our short-term debt instruments, we have also received short term ratings of “CRISIL A1+” from CRISIL and for our long-term debt instruments, we received CRISIL AA+/Stable from CRISIL, “CARE AA+” from CARE and “IND AA+ with Stable Outlook” from India Ratings & Research Ltd.. The rating of the long term debt instruments by CRISIL indicates high degree of safety regarding timely servicing of financial obligations and carrying very low credit risk. The rating of the long term debt instruments by CARE indicates high degree of safety regarding timely servicing of financial obligations and carrying very low credit risk. The rating of the long term debt instruments by India Ratings indicates high degree of safety regarding timely servicing of financial obligations and carrying very low credit risk.

Any downgrade of our credit ratings would increase borrowing costs and constrain our access to capital and debt markets and, as a result, would negatively affect our net interest margin and our business. In addition, downgrades of our credit ratings could increase the possibility of additional terms and conditions being added to any additional financing or refinancing arrangements in the future. The ratings provided by CRISIL and/or CARE and/or India Ratings may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions. Any such adverse development could adversely affect our business, financial condition, results of operations and/or cash flows.

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

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

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

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

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

All deposit taking NBFCs are required to maintain a minimum capital adequacy ratio, consisting of Tier I and Tier II capital, of not less than 15 per cent. of its aggregate risk-weighted assets on balance sheet and risk-adjusted value of off-balance sheet items. Our capital adequacy ratio computed on the basis of applicable RBI requirements was 17.56 per cent. as of 31 March 2016, with Tier I capital comprising 14.71 per cent. If we continue to grow our loan portfolio and asset base, we will be required to raise additional Tier I and Tier II capital in order to continue to meet applicable capital adequacy ratios with respect to our business. There can be no assurance that we will be able to raise adequate additional capital in the future on terms favourable to us or at all, and this may adversely affect the growth of our business.

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

As part of our means of raising and/or managing our funds, we assign or securitise a substantial portion of the receivables from our loan portfolio to banks and other institutions. Such assignment or securitisation transactions are conducted on the basis of our internal estimates of our funding requirements, which may vary from time to time. In fiscal 2013, 2014, 2015 and 2016 our securitised and assigned assets at book value was Rs.87,843.03 million, Rs.106,795.48 million, Rs.44,814.25 and Rs.89,917.52 million, respectively.

The aggregate credit enhancement amount outstanding as of 31 March 2016 was Rs. 20,085.69 million. For such transactions, in the event a relevant bank or institution does not realise the receivables due under such loan assets, such bank or institution would have recourse to such credit enhancement, which could have a material adverse effect on our results of operations, financial condition and/or cash flows.

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

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

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

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

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

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

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

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

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

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

As of 31 March 2016, we had certain contingent liabilities not provided for, which included a contingent liability in respect of income tax demands where the Company has filed an appeal before the Commissioner of Income-tax (Appeals) of Rs. 1,428.44 million on an unconsolidated basis, VAT demands against which the Company has filed appeals before various tribunals aggregating Rs.784.30 million, guarantees given for subsidiaries for Rs.20.00 million, a service tax liability pertaining to a hire purchase/lease for ₹1,283.39 million and guarantees and counter guarantees given totalling Rs.15,330.91 million. In the event that any of these contingent liabilities materialise, our financial condition may be adversely affected.

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

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

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

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

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

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

As of 31 March 2016, our Promoter, beneficially owned approximately 26.05 per cent. of our equity share capital. Accordingly, our Promoter has the ability to significantly influence the outcome of matters submitted to shareholders for approval inter alia including matters relating to any sale of all or substantially all of our assets, the timing and distribution of dividends and the election or termination of appointment of directors. This could delay, defer or prevent or impede a merger, consolidation, takeover or other business combination involving our Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of our Company even if it is in our Company's best interest. In addition, for so long as our Promoter continues to exercise significant influence over our Company, it may influence the material policies of our Company in a manner that could conflict with the interests of the Debentureholders. The Promoter group may have interests that are adverse to the interests of our other shareholders and may take positions with which we or our other shareholders do not agree.

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

We have entered into transactions with related parties, within the meaning of AS 18 as notified by the Companies (Accounting Standards) Rules, 2006. These transactions include royalty paid to Shriram Ownership Trust pursuant to the License Agreement dated November 21, 2014 between our Company and Shriram Ownership Trust in connection with the use of the brand name "Shriram" and the associated mark. Such transactions may give rise to current or potential conflicts of interest with respect to dealings between us and such related parties. Additionally, there can be no assurance that any dispute that may arise between us and related parties will be resolved in our favour.

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

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

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

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

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

For instance, pursuant to an order dated December 18, 1998, issued by the BSE, the trading of our Equity Shares on the BSE was suspended from December 21, 1998 to January 3, 1999 on account of notice of closure of register of members and transfer books given by the Company to BSE falling short of 4 days of the prescribed period, resulting in non-compliance of clause 15 and 16 of the listing agreement entered into with BSE. The trading of the Equity Shares was resumed with effect from January 4, 1999 vide letter dated January 7, 1999 received from BSE.

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

Our ability to sustain our rate of growth depends significantly upon our ability to manage key issues such as selecting and retaining key managerial personnel, developing managerial experience to address emerging challenges and ensuring a high standard of client service. In order to be successful, we must attract, train, motivate and retain highly skilled employees, especially branch managers and product executives. If we cannot hire additional qualified personnel or retain them, our ability to expand our business will be impaired and our revenue could decline. We will need to recruit new employees, who will have to be trained and integrated into our operations. We will also have to train existing employees to adhere properly to internal controls and risk management procedures. Failure to train and motivate our employees properly may result in an increase in employee attrition rates, require additional hiring, erode the quality of customer service, divert management resources, increase our exposure to high-risk credit and impose significant costs on us. Hiring and retaining qualified and skilled managers are critical to our future, as our business model depends on our credit-appraisal and asset valuation mechanism, which are personnel-driven operations. Moreover, competition for experienced employees in the commercial vehicle finance sector can be intense. While we have an incentive structure and an Employee Stock Option Scheme designed to encourage employee retention, our inability to attract and retain talented professionals, or the resignation or loss of key management personnel, may have an adverse impact on our business, future financial performance and/or cash flows.

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

Currently, most of the properties used by our Company for the purposes of our business activities, including the premises where the registered office of our Company is located, are not owned by us. Termination of the

lease or other relevant agreements in connection with such properties which are not owned by us or our failure to renew the same, on favourable conditions, in a timely manner, or at all, could require us to vacate such premises at short notice, could adversely affect our operations, financial condition and profitability.

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

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

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

As of 31 March 2016, we employed 19,170 full-time employees. Currently, none of our employees are members of any labour union. While we believe that we maintain good relationships with our employees, there can be no assurance that we will not experience future disruptions to our operations due to disputes or other problems with our work force, which may adversely affect our business and results of operations.

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

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

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

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

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

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

Compliance with many of the regulations applicable to our operations in India, including any restrictions on investments, lending and other activities currently being carried out by our Company, involves a number of

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

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

The operations, profitability and cash flows could be adversely affected by any unfavourable changes in central and state-level statutory and/or regulatory requirements in connection with direct and indirect taxes and duties, including income tax, value added tax and service tax, and/or by any unfavourable interpretation taken by the relevant taxation authorities and/or courts and tribunals. For instance, in the state of Kerala, the value added tax regime was recently amended to bring the sale of repossessed stock by banks / financial institutions under the purview of value added taxes. If such amendments are brought about in the state laws relating to value added taxes of other states, our repossessed assets could be viewed to be subject to additional value added taxes, which could adversely affect our operations, profitability and cash flows.

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

In the Union Budget of 2015-16, it was announced that the Government of India intends to approve the legislative scheme to enable the introduction of the goods and services tax in the fiscal 2016. The goods and services tax would replace the indirect taxes on goods and services, such as central excise duty, service tax, central sales tax, state value added tax, surcharge and excise, which as of the date of this Offering Circular is being collected by the central and state governments. As regards GAAR, the provisions introduced by the Finance Act, 2012 are scheduled to come into effect from 1 April 2017. The GAAR provisions are intended to catch arrangements declared as “impermissible avoidance arrangements”, which is defined in the Finance Act, 2012 as any arrangement, the main purpose of which is to obtain a tax benefit and which satisfies at least one of the following tests: (i) creates rights, or obligations, which are not ordinarily created between persons dealing at arm’s length; (ii) results, directly or indirectly, in misuse, or abuse, of the provisions of the Income Tax Act, 1961; (iii) lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or (iv) is entered into, or carried out, by means, or in a manner, which are not ordinarily employed for bona fide purposes. The onus to prove that the transaction is not an “impermissible avoidance agreement” is on the assessee. If GAAR provisions are invoked, then the tax authorities have wide powers, including the denial of tax benefit or the denial of a benefit under a tax treaty. As the taxation system is intended to undergo a significant overhaul, the consequential effects on the Issuer cannot be determined as of now and there can be no assurance that such effects would not adversely affect the Issuer’s business, future financial performance and the trading price of the Notes.

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

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

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

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

We have a significant presence in south and west India. As of 31 March 2015, our assets under management in south and west India comprised 48.3 per cent. and 35.0 per cent. of our total assets under management, respectively. Our concentration in the southern and western states exposes us to any adverse geological, ecological, economic and/or political circumstances in that region. If there is a sustained downturn in the economy of south India or west India, or a sustained change in consumer preferences in those regions, our financial position may be adversely affected.

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

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

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

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

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

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

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

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

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

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

### **Risks Relating to the Utilization of Issue Proceeds**

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

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

### **Risks Relating to the NCDs**

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

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

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

Our ability to pay interest accrued on the NCDs and/or the principal amount outstanding from time to time in connection therewith would be subject to various factors inter-alia including our financial condition, profitability and the general economic conditions in India and in the global financial markets. We cannot assure you that we would be able to repay the principal amount outstanding from time to time on the NCDs and/or the interest accrued thereon in a timely manner or at all. Although our Company will create appropriate security in favour of the Debenture Trustee for the NCD Holders on the assets adequate to ensure 100% asset cover for the NCDs, which shall be free from any encumbrances, the realizable value of the assets charged as security, when liquidated, may be lower than the outstanding principal and/or interest accrued thereon in connection with the NCDs. A failure or delay to recover the expected value from a sale or disposition of the assets charged as security in connection with the NCDs could expose you to a potential loss.

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

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

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

The rating of the NCDs by Rating Agency and/or agencies indicates high degree of safety regarding timely servicing of financial obligations and carrying very low credit risk. The ratings provided by Rating Agency and/or Agencies may be suspended, withdrawn or revised at any time by the assigning rating agency and

should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions. Please refer to Annexure A for the rationale for the above ratings.

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

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

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

**B. EXTERNAL RISK FACTORS**

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

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

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

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

While our Company believes that it has historically been able to offer competitive interest rates on the loans extended to our customers, there can be no assurance that our Company will be able to continue to do so in the future. An increase in competition from our peer group may result in a decline in our market share, which may in turn result in reduced incomes from our operations and may adversely affect our profitability.

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

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

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

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

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

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

- f. ***We cannot predict the effect of the proposed notification of the Companies Act, 2013 on our business.***

The Companies Act, 2013 ("2013 Act") has been notified by the Government of India on August 30, 2013 (the "Notification"). Under the Notification, Section 1 of the 2013 Act has come into effect and the remaining provisions of the 2013 Act have and shall come into force on such dates as the Central Government has notified and shall notify. Further the Ministry of Corporate Affairs has by their notifications dated September 12, 2013 and March 26, 2014 notified 98 and 183 sections, respectively of the 2013 Act, which have come into force from September 12, 2013 and April 1, 2014, respectively.

The 2013 Act is expected to replace the existing Companies Act, 1956 and expected to be complemented by a set of rules that shall set out the procedure for compliance with the substantive provisions of the 2013 Act. As on April 1, 2014, rules pertaining to 14 Chapters of the 2013 Act have come into force. It is difficult to predict with any degree of certainty the impact, adverse or otherwise, of the 2013 Act on the business, prospects and results of operations of our Company.

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

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

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

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

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

Economic developments outside India have adversely affected the economy. Our business is affected by domestic and international economic conditions, including rates of economic growth and the impact that such economic conditions have on consumer spending. The current economic downturn has led to an increased level of consumer delinquencies, lack of consumer confidence, decreased market valuations and liquidity,

increased market volatility and a widespread reduction of business activity generally. The resulting economic pressure and dampened consumer sentiment may adversely affect our business and our results of operations. There can be no assurances that government responses to the disruptions in the financial markets will restore consumer confidence, stabilize the markets or increase liquidity and the availability of credit. Continuation or worsening of this downturn or general economic conditions may have an adverse effect on our business, liquidity and results of operations.

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

Tax and other levies imposed by the central and state governments in India that affect our tax liability include central and state taxes and other levies, income tax, value added tax, turnover tax, service tax, stamp duty and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time. The statutory corporate income tax in India, which includes a surcharge on the tax and an education cess on the tax and the surcharge, is currently 32.45%. The Government of India has proposed to increase the statutory corporate income tax to 33.99%. The central or state government may in the future further increase the corporate income tax it imposes. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Additional tax exposure could adversely affect our business and results of operations.

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

India's trade relationships with other countries and its trade deficit may adversely affect Indian economic conditions. In the fiscal year 2013, India experienced a trade deficit of US\$190.91 billion, as announced by the Ministry of Commerce and Industry in its Annual Supplement 2013-14 to the Foreign Trade Policy 2009-14, which increased from a trade deficit of US\$183.4 billion in the fiscal year 2012. If trade deficits increase or are no longer manageable, the Indian economy, and therefore our business and our financial performance could be adversely affected.

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

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

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

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

**n. *Demonetisation Impact on the Economy***

Penetration of cashless mode of payment is very low in India and a large chunk of the population, especially at the bottom of the pyramid and the rural population where banking facilities are extremely low, still depend on the hard currency and seem to be the most hit. From a short term perspective, while the existing notes have been banned overnight and circulation of new notes is yet to spread widely across the nation, the immediate impact will be sensed amongst these people. Besides, certain sectors necessitating frequent use of cash on a daily basis including hospitals, households, roadside vendors, domestic workers, cab drivers,

doctors, transporters, are also likely to face interim disruptions. In this prime season of harvesting, farmers would face financial difficulties to pay daily wages to laborers in smaller denominations and manage other farming expenses including purchase of seeds and fertilizers, hampering the agricultural produce. Also, with slowdown in consumer spending due to limited availability of cash, the demand for agricultural produce is likely to drop. Similar could be the impact on the MSME sector which is largely run by and caters to the bottom of the pyramid and rural population. Within NBFC's, asset quality of lender with a large dependence on cash collection remain vulnerable in the short term. In the longer term the implications could be a risk profile shift for the NBFCs, as the strong borrower profile could potentially migrate to banks. There could be near term disruptions in the collection cycles along with a spike in over dues, which could put their liquidity strengths and the disbursal cycles under pressure.

**M. Name of Debenture Trustee**

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

**Catalyst Trusteeship Limited**

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

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

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

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

India Ratings & Research Private Limited, has assigned a India Ratings AA+ (pronounced "CRISIL Double A plus") rating for an amount of Rs. 13500 Crores to the present Secured Redeemable Non-Convertible Debentures issued by the Company vide its letter dated March 23, 2017. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

India Ratings & Research Private Limited has issued the rating rationale dated September 16, 2016

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

*The rating letter is enclosed as Annexure I*

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

Not Applicable

**P. Consent Letter from the Debenture Trustee**

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

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

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

The Company shall forward the listing application to the BSE/NSE within the 15 days from the deemed date of allotment(s). In case of delay in listing of the debt securities beyond 20 days from the deemed date of allotment(s), the

Company will pay penal interest of 1 % p.a. over the coupon rate from the expiry of 30 days from the deemed date of allotment till the listing of such debt securities to the investor.

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

### **R. Other details**

Debenture Redemption Reserve (DRR)

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

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

### **Authority for the Placement**

This private placement of Debentures is being made pursuant to the resolution of the Banking and Finance Committee passed at its meeting held June 6, 2016 read with resolution of the board of directors of the company dated April 29, 2016, which has approved the placement of Debentures aggregating to Rs. 5000 crores. The issue of private placement of Debentures is within the overall limit in terms of special resolution passed under Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of securities) Rules, 2014, at the General Meeting of the shareholders of the Company held on July 27, 2016. The present issue of is within the general borrowing limits in terms of the resolution passed under Section 180(1)(c) of the Companies Act, 2013, at the General Meeting of the shareholders of the Company held on July 27, 2016 giving their consent to the borrowing by the Directors of the Company from time to time not exceeding over and above the aggregate of Rs. 75,000 Crores the then paid up Capital subject to any restrictions imposed by the terms of the agreement entered into from time to time for grant of loans to the Company of all monies deemed by them to be requisite or proper for the purpose of carrying on the business of the Company. The borrowings under these Debentures will be within the prescribed limits as aforesaid.

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

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

The company proposes to raise Rs. 600 Crores through the issue of Secured Redeemable Non-Convertible Debentures of face value of Rs. 10 lakh each, by way of private placement as per the terms and conditions. The Proceeds of the issue will be utilized for financing of Commercial Vehicles, refinancing of existing debt and other general purposes of the company.

The Capital Adequacy Ratio of the Company as on March 31, 2016 is 17.56%. However, considering the growth of assets planned during the current and the subsequent years, the Company desires to raise Tier II capital to maintain the Company's Capital Adequacy Ratio at a level not below the minimum required to be maintained as per RBI guidelines.

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

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

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

### **Minimum Subscription**

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

### **Deemed Date of Allotment**

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

### **Underwriting**

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

### **Status of NCDs**

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

### **Market Lot**

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

### **Interest on Application Money**

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

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

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

### **Interest on NCDs**

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

The first interest period is defined as the actual number of days falling between the Deemed Date of Allotment to one day prior to the next interest payment date. The first interest payment would be made as per the term sheet.

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

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

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

### **Tax Deduction at Source**

Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source. Tax exemption certificate/ document, under Section 193 of the Income Tax Act, 1961, if any, must

be lodged at the registered office of the Company or at such other place as may be notified by the company in writing, at least 30 calendar days before the interest payment dates.

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

### **Debentures in Dematerialized Form**

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

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

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

### **Transfer of Debentures**

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

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

### **Payment of Redemption**

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

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

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

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

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

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

### **Future Borrowings**

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

### **Disputes and Governing Law**

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

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

### **Trading of Debentures**

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

### **List of Beneficial Owners**

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

### **Succession**

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

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

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

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

### **Disclosure Clause**

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

### **Registrars**

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

### **Events of Default**

If so required in writing by the holders of not less than 75 per cent. in principal amount of the NCDs then outstanding or if so directed by an Extraordinary Resolution shall (subject to being indemnified and/or secured by the NCD

holders to its satisfaction), give notice to the Issuer that the NCDs are, and they shall accordingly thereby become, due and repayable at their Early Redemption Amount if any of the events listed below (each, an “Event of Default”) has occurred.

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

1. Default is made in any payment of any interest or principal in respect of the NCDs or any of them when due and such failure continues for a period of 90 days. In case of default in payment of Interest and/or principal redemption on the due dates, additional interest of @ 2% p.a. over the coupon rate will be payable by the Company for the defaulting period
2. The Issuer is (or is deemed by law or a court to be) insolvent or bankrupt or unable to pay (in the opinion of the Debenture Trustee) a material part of its debts, or stops, suspends or threatens to stop or suspend payment of all or (in the opinion of the Debenture Trustee) a material part of (or of a particular type of) its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all or (in the opinion of the Debenture Trustee) a material part of (or all of a particular type of) its debts (or of any part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer;
3. A distress, attachment, execution or other legal process is levied, enforced or sued out on or against any material part of the property, assets or revenues of the Issuer and is not discharged or stayed within 45 days;
4. An order is made or an effective resolution passed for the winding-up or dissolution, judicial management or administration of the Issuer, or the Issuer ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, re-organization, merger or consolidation on terms approved by an Extraordinary Resolution of the NCD holders;
5. An encumbrance takes possession or an administrative or other receiver or an administrator is appointed of the whole or (in the opinion of the Debenture Trustee) any substantial part of the property, assets or revenues of the Issuer (as the case may be) and is not discharged within 60 days;
6. The Issuer commences a voluntary proceeding under any applicable bankruptcy, insolvency, winding up or other similar law now or hereafter in effect, or consent to the entry of an order for relief in an involuntary proceeding under any such law, or consent to the appointment or taking possession by a receiver, liquidator, assignee (or similar official) for any or a substantial part of its property or take any action towards its reorganization, liquidation or dissolution;
7. It is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the NCDs or the Debenture Trust Deed;
8. any step is taken by governmental authority or agency or any other competent authority, with a view to the seizure, compulsory acquisition, expropriation or nationalization of all or (in the opinion of the Debenture Trustee) a material part of the assets of the Issuer which is material to the Issuer;
9. any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs.
10. If any Event of Default or any event which, after the notice, or lapse of time, or both, would constitute an Event of Default has happened, the Issuer shall, forthwith give notice thereof to the Debenture Trustee in writing specifying the nature of such event of default or of such event.

**Other events of default are:**

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

**Debenture holder not a Shareholder**

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

**Modification of Rights**

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

**III APPLICATION PROCESS****Mode of Subscription/ How to Apply**

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

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

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

Applications complete in all respects (along with all necessary documents as detailed in this Disclosure Document) must be submitted before the last date indicated in the issue time table or such extended time as decided by the Bank, at any of the designated collection centres, accompanied by the subscription amount by way of cheque(s)/ demand draft(s) drawn on any bank including a co-operative bank which is situated at and is a member of the Bankers' clearing house located at a place where the application form is submitted.

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

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

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

**Notices**

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

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

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

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

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

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

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

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

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

### **Who Can Apply**

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

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

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

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

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

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

In case of applications made under a Power of Attorney or by a Limited Company or a Body Corporate or Registered Society or Mutual Fund, and scientific and/or industrial research organizations or Trusts etc, the relevant Power of Attorney or the relevant resolution or authority to make the application, as the case may be, together with the certified true copy thereof along with the certified copy of the Memorandum and Articles of Association and/or Bye-Laws as the case may be must be attached to the Application Form or lodged for scrutiny separately with the photocopy of the

Application Form, quoting the serial number of the Application Form at the Company's branch where the application has been submitted, or at the office of the Registrars to the Issue after submission of the Application Form to the bankers to the issue or any of the designated branches as mentioned on the reverse of the Application Form, failing which the applications are liable to be rejected. Such authority received by the Registrars to the Issue more than 10 days after closure of the subscription list may not be considered

#### PAN/GIR Number

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

#### Signatures

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

#### Nomination Facility

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

### **B. ISSUE DETAILS:**

|  |   |
|--|---|
| Security Name  | As per Term Sheet   |
| Issuer   | Shriram Transport Finance Company Ltd.  |
| Type of Instrument   | Secured Redeemable Non-Convertible Debentures   |
| Nature of Instrument   | Secured   |
| Seniority  | Yes   |
| Mode of Issue  | Private placement   |
| Eligible Investors   | Please refer Clause "Who can apply" of this Shelf Disclosure Document   |
| Listing  | As per Term Sheet   |
| Rating of the Instrument   | As per Term Sheet   |
| Issue Size   | ₹ 600 Crores  |
| Option to retain oversubscription (Amount)   | As per Term Sheet   |
| Objects of the Issue   | Please refer clause "Objects & Utilization of the Issue Proceeds" of this Shelf Disclosure Document   |
| Details of the utilization of the Proceeds   | Please refer clause "Objects & Utilization of the Issue Proceeds" of this Shelf Disclosure Document   |
| Coupon Rate  | As per Term Sheet   |
| Step Up/Step Down Coupon Rate 1  | N.A.  |
| Coupon Payment Frequency   | As per Term Sheet   |
| Coupon payment dates   | As per Term Sheet   |
| Coupon Type  | As per Term Sheet   |
| Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc). | As per Term Sheet   |
| Day Count Basis  | Actual/ Actual  |
| Interest on Application Money  | At the respective coupon rate (subject to deduction of tax at source, as applicable.)<br>from the date of realization of cheque( s)/ demand draft(s)/RTGS upto one day prior to the Deemed Date of Allotment. |
| Default Interest Rate  | 2% p.a. over the coupon rate will be payable by the Company for the defaulting period   |
| Tenor  | As per Term Sheet   |
| Redemption Date  | As per Term Sheet   |
| Redemption Amount  | As per Term Sheet   |
| Redemption Premium /Discount   | As per Term Sheet   |
| Issue Price  | As per Term Sheet   |
| Discount at which security is issued and the effective yield as a result of such discount.       | As per Term Sheet   |

|   |  |
|---|--|
| Put option Date   | As per Term Sheet  |
| Put option Price  | As per Term Sheet  |
| Call Option Date  | As per Term Sheet  |
| Call Option Price   | As per Term Sheet  |
| Put Notification Time   | As per Term Sheet  |
| Call Notification Time  | As per Term Sheet  |
| Face Value  | Rs 10 lakh per NCD   |
| Minimum Application and in multiples of Debt securities thereafter  | Minimum of 3 Debentures of Rs. 10,00,000 each and in multiples of 1 Debenture thereafter   |
| Issue Timing<br>1. Issue Opening Date<br>2. Issue Closing Date<br>3. Pay-in Date<br>4. Deemed Date of Allotment   | As per Term Sheet  |
| Issuance mode of the Instrument   | Demat only   |
| Trading mode of the Instrument  | Demat only   |
| Settlement mode of the Instrument   | Payment of interest and principal will be made by way of Cheque/s DD's / Electronic mode.  |
| Depository  | National Securities Depository Limited and/or Central Depository Services Limited  |
| Business Day Convention   | If any interest payment date falls on a day which is not a Business Day ('Business Day' being a day on which Commercial Banks are open for) then payment of interest will be made on the next working day.   |
| Record Date   | 15 days prior to each Coupon Payment / Put Option Date / Call Option Date / Redemption date  |
| Security (where applicable) (Including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security). | As per Term Sheet  |
| Transaction Documents   | (a) the Debenture Trustee Agreement,<br>(b) the Shelf Disclosure Document and<br>(c) any other document that may be designated as a transaction document by the Debenture Trustee;   |
| Conditions Precedent to Disbursement  | Not Applicable   |
| Condition Subsequent to Disbursement  | As provided in Bond Trust Deed executed between the Company and the Trustee  |
| Events of Default   | Please refer clause " Events of Default" of this Shelf Disclosure Document   |
| Provisions related to Cross Default Clause  | Please refer clause " Events of Default" of this Shelf Disclosure Document   |
| Role and Responsibilities of Debenture Trustee  | Please refer clause " Name of Debenture Trustee - Role and responsibilities of Debenture Trustee " of this Shelf Disclosure Document   |
| Governing Law and Jurisdiction  | The Debentures offered are subject to provisions of the Companies Act, 2013, Securities Contract Regulation Act, 1956, terms of this Shelf Disclosure Document, Instructions contained in the Application Form and other terms and conditions as may be incorporated in the Trustee Agreement and the Trust Deed. Over and above such terms and conditions, the Debentures shall also be subject to the applicable provisions of the Depositories Act 1996 and the laws as applicable, guidelines, notifications and regulations relating to the allotment & issue of capital and listing of securities issued from time to time by the Government of India (GoI), Reserve Bank of India (RBI), Securities & Exchange Board of India (SEBI), concerned Stock Exchange or any other authorities and other documents that may be executed in respect of the Debentures. Any disputes arising out of this issue will be subject to the exclusive jurisdiction of the Court at Mumbai. |

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

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

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

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

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

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

The Issuer Company undertakes that:

- a) Undertaking regarding RBI/ECGC Defaulters List  
As per declaration submitted to the Company this is to confirm that none of its Directors are appearing on the RBI/ECGC defaulters list.
- b) Default in Payment  
In case of default in payment of Interest and/or principal redemption on the due dates, additional interest of @ 2% p.a. over the coupon rate will be payable by the Company for the defaulting period
- c) The Company will enter into a Trustee Agreement/Trust Deed, inter-alia, specifying the powers, authorities and obligations of the Company and the Trustees in respect of the Debentures.
- d) *Listing:*  
The Company shall forward the listing application to the BSE Limited within the 15 days from the Deemed date of allotment(s). In case of delay in listing of the debt securities beyond 20 days from the deemed date of allotment, the Company will pay penal interest of 1% p.a. over the coupon rate from the expiry of 30 days from the deemed date of allotment till the listing of such debt securities to the investor.
- e) The Company undertakes that it shall not extend loans against the security of its own Debentures issued by way of this Private Placement.
- f) The Company shall deploy funds raised through issue of Debentures on its own balance sheet and not to facilitate resource requests of group entities/ parent company / associates.
- g) The complaints received in respect of the Issue shall be attended to by the Company expeditiously and Satisfactorily.
- h) It shall take all steps for completion of formalities for listing and commencement of trading at the concerned stock exchange where securities are to be listed within specified time frame;
- i) Necessary co-operation to the credit rating agencies shall be extended in providing true and adequate information till the debt obligations in respect of the instrument are outstanding.
- j) It shall use a common form of transfer for the instrument.

**DECLARATION**

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

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

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

Signed by **Mr. PARAG SHARMA** pursuant to the authority granted by the Banking and Finance Committee of the Company in their meeting held on November 22, 2016

For SHRIRAM TRANSPORT FINANCE COMPANY LTD



Authorised Signatory

Date: 24<sup>th</sup> March 2017

Place: Mumbai

**C. ANNEXURE – I – CREDIT RATING LETTER FROM INDIA RATINGS & RESEARCH PRIVATE LIMITED**



Fitch Group

**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.

March 23, 2017

Dear Sir,

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

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

Long-term issuer rating: 'TND AA+'; Outlook Stable  
INR 135bn long term non-convertible debentures: IND AA+

STFC has already issued INR 112.4bn out of above rated amount.

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction.

The manner of India Ratings' factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors.

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

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

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

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

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



Fitch Group

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

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

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

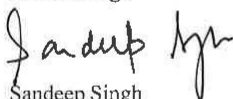
It is important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for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

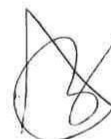
Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings.

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

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please contact us at +91-022-4000-1700.

Sincerely,  
India Ratings

  
Sandeep Singh  
Senior Director



Abhishek Bhattacharya  
Director

**D. ANNEXURE – II – TRUSTEE CONSENT LETTER**

**CATALYST**  
Believe in yourself... Trust us!



**CTL/CL/MUM/16-17/DEB/359**

22nd November, 2016

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

Kind Attn: - Mr. Amit Agarwal

Dear Sir,

**Consent to act as Trustee for Non-Convertible Debentures on private placement basis upto Rs. 6000 Crores to be issued by your Company.**

This is with reference to the mail dated 21<sup>st</sup> November 2016 in respect of appointment of Catalyst Trusteeship Limited to act as Debenture Trustee for **Non-Convertible Debentures on private placement basis upto Rs. 6000 Crores** to be issued by your Company. In this connection, we are agreeable to act as Trustee on the terms and conditions as mutually agreed between the Trustee and the Company.

The Company and the Trustee shall enter into relevant trustee agreements and other necessary documents for the aforesaid issue of NCDs and term loans and also agrees & undertakes to comply with the provisions of the SEBI (Debenture Trustees) Regulations, 1993, SEBI (Issue and Listing of Debt Securities) Regulations, 2008, SEBI Circular No. SEBI/IMD/DOF-1/Bond/2009/11/05 dated 11/05/2009 on Simplified Listing Agreement for Debt Securities read with the SEBI Circular No. SEBI/IMD/DOF-1/BOND/Cir-5/2009 dated the 26th November, 2009, the RBI Circular No. RBI/2012-13/560 dated June 27, 2013, the Companies Act, 2013 and any other applicable statutes, regulations and provisions as amended from time to time.

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

Yours faithfully,



Authorized Signatory

**CATALYST TRUSTEESHIP LIMITED (FORMERLY COA TRUSTEESHIP LIMITED)**

An ISO:9001 Company

**Mumbai Office** Office No. 83 - 87, 8th Floor, B Wing, Mittal Tower, Nariman Point, Mumbai 400 021 Tel +91 (022) 4922 0555 Fax +91 (022) 4922 0505  
**Regd. Office** GOA House, Plot No. 85, Bhusan Colony (Right), Paud Road, Pune 411 038 CIN No. U74999PN1997PLC110262  
Tel +91 (020) 25280081 Fax +91 (020) 25280275 Email dt@ctltrustee.com Website www.catalysttrustee.com  
Pune | Mumbai | Bengaluru | Delhi | Chennai



TERM SHEET

ISSUE DETAILS:

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| Security Name  | Issue of 5000 (Five Thousand) Rated, Listed, Secured, Redeemable, Non-Convertible Debentures of the nominal value of INR 10,00,000 (Rupees Ten Lakhs Only) each, aggregating to not more than INR 500,00,00,000 (Rupees Five Hundred Crores only)  |
| Issuer   | Shriram Transport Finance Company Ltd  |
| Type of Instrument   | Secured Redeemable Non-Convertible Debentures  |
| Nature of Instrument   | Secured  |
| Seniority  | Yes  |
| Mode of Issue  | Private placement  |
| Eligible Investors   | Please refer Clause "Who can apply" of this Shelf Disclosure Document<br>Only the persons who are specifically addressed through a communication are eligible to apply for the Debentures. No other person can apply.  |
| Listing  | The NCDs are proposed to be listed on WDM segment of BSE/NSE Limited. The Company shall forward the listing application to the BSE/NSE Limited within the 15 days from the deemed date of allotment.<br><br>In case of delay in listing of the debt securities beyond 20 days from the deemed date of allotment, the Company will pay penal interest of 1 % p.a. over the coupon rate from the expiry of 30 days from the deemed date of allotment till the listing of such debt securities to the investor. |
| Rating of the Instrument   | "AA+" by India Ratings   |
| Issue Size   | Rs 500 Crores  |
| Option to retain oversubscription  | Nil  |
| Objects of the Issue   | Please refer clause "Objects & Utilization of the Issue Proceeds" of this Shelf Disclosure Document  |
| Details of the utilization of the Proceeds   | Please refer clause "Objects & Utilization of the Issue Proceeds" of this Shelf Disclosure Document  |
| Coupon Rate  | Zero Coupon - 7.91 % p.a. (XIRR)   |
| Step Up/Step Down Coupon Rate  | NA   |
| Coupon Payment Frequency   | NA   |
| Coupon Payment Dates   | NA   |
| Coupon Type  | Zero Coupon  |
| Day Count Basis  | Actual/ Actual   |
| Interest on Application Money  | At the respective coupon rate (subject to deduction of tax at source, as applicable.) from the date of realization of cheque(s)/ demand draft(s)/RTGS upto one day prior to the Deemed Date of Allotment.  |
| Default Interest Rate  | 2% p.a. over the coupon rate will be payable by the Company for the defaulting period  |
| Tenor  | 459 days from the date of allotment  |
| Redemption Date  | 29 <sup>th</sup> June 2018   |
| Redemption Premium /Discount   | ₹ 1,00,433.23/- Per debenture  |
| Issue Price  | Rs. 10 lakh per NCD  |
| Discount at which security is issued and the effective yield as a result of such discount. | NIL  |
| Put option Date  | NIL  |
| Put option Price   | NIL  |



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| Call Option Date  | NA  |
| Call Option Price   | NIL   |
| Put Notification Time   | NIL   |
| Call Notification Time  | NIL   |
| Face Value  | Rs. 10 lakh per NCD   |
| Minimum Application and in multiples of Debt securities thereafter  | Minimum of 3 Debentures of Rs. 10,00,000 and in multiples of 1 Debentures thereafter  |
| Issue Timing  |   |
| 1. Issue Opening Date   | 27 <sup>th</sup> March 2017   |
| 2. Issue Closing Date   | 27 <sup>th</sup> March 2017   |
| 3. Pay-in Date  | 27 <sup>th</sup> March 2017   |
| 4. Deemed Date of Allotment   | 27 <sup>th</sup> March 2017   |
| Issuance mode of the Instrument   | Demat only  |
| Trading mode of the Instrument  | Demat only  |
| Settlement mode of the Instrument   | Payment of interest and principal will be made by way of Cheque/s DD's /Electronic mode.  |
| Depository  | NSDL/CDSL   |
| Business Day Convention   | If any interest payment date falls on Saturday and a day which is not a Business Day ('Business Day' being a day on which Commercial Banks are open for) then payment of interest will be made on next working day. If the maturity date falls on Saturday and a day which is not a Business Day ('Business Day' being a day on which Commercial Banks are open for) then payment of redemption amount will be made on the preceding working day.       |
| Record Date   | 15 days prior to each Coupon Payment / Put Option Date / Call Option Date / Redemption date   |
| Security (where applicable) (Including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security). | Exclusive charge on Receivables of the Company and also secured by a subservient charge over an immovable property. The value of receivables is determined based on the net exposure outstanding and be reviewed on a quarterly basis with a minimum asset cover ratio of 1 time at all times. Failure to create the security within the stated time frame will entail additional penal interest at the rate of 2 per cent p.a. for the overdue period. |
| Transaction Documents   | (a) the Debenture Trustee Agreement,<br>(b) the Shelf Disclosure Document and<br>(c) any other document that may be designated as a transaction document by the Debenture Trustee;  |
| Conditions Precedent to Disbursement  | Not Applicable  |
| Condition Subsequent to Disbursement  | As provided in Bond Trust Deed executed between the Company and the Trustee   |
| Events of Default   | Please refer clause " Events of Default" of this Shelf Disclosure Document  |
| Provisions related to Cross Default Clause  | Please refer clause " Events of Default" of this Shelf Disclosure Document  |



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

Date: 24-03-2017

For Shriram Transport Finance Co Ltd.

  
Authorized Signatory