

Ref No.: Series STFCL-DEC- 2018-PP G-04 Option II

December 14, 2018

Term Sheet for the issuance of Secured, Rated, Listed, Partly paid up, Redeemable Non-Convertible Debentures:

Security Name	STFCL-DEC 2018-PP-G-04 Option II
Issuer	Shriram Transport Finance Company Ltd (Company/Issuer/STFCL)
Type of Instrument	Secured Rated Listed Partly paid, Redeemable Non-Convertible Debentures (the "Debentures"/ "NCDs")
Nature of Instrument	Secured
Seniority	Senior
Mode of Issue	Private placement
Eligible Investors	As provided in the caption titled "Eligible Investors" in the Disclosure Document/ Shelf Disclosure Document for the Issue.
Listing	<p>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.</p> <p>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.</p>
Rating of the Instrument	"CRISIL AA+" by CRISIL
Current Issue Size	Rs. 225 Crores plus green shoe option of Rs.225 Crores
Face Value of Debentures	Rs. 10,00,000 (INR Ten Lakh)
Initial Subscription Amount	INR 25 crores, payable on the Date of Allotment
Additional Subscription Amount	Face Value of Debentures less Initial Subscription Amount
Option to retain oversubscription	Nil
Right to Demand Additional Subscription	<p>The issuer has a right to Demand Additional Subscription on the Debenture facility only from the first issuance of Commercial Paper (CP) till the issuance date of Fifth CP programme.</p> <p>The Facility will be fully committed and available for drawdown on Specified Drawdown Dates on giving of a drawdown notice of [5] business days.</p> <p>Before the issuance date of the fifth CP programme, the Issuer will have a right to demand additional Subscription amount only if:</p> <p>a.) the investor fails to accept the CP Subscription offer as per the agreed terms within the stipulated time period as per the Term Sheet of the Commercial Paper Issue.</p> <p>b.) An Early Redemption Event has not occurred,</p> <p>c.) No Event of Default, as specified in the term sheet has taken place</p> <p>d.) The Credit rating of the issuer has not been withdrawn,</p> <p>e.) The Long-term Credit rating of the Issuer remains CRISIL AA+ (stable) or above</p> <p>f.) The Short-Term credit rating of the issue remains CRISIL A1+ or above</p>

Shriram Transport Finance Company Limited

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Corporate Office: Wockhardt Towers, Level – 3, West Wing, C-2, G-Block, Bandra – Kurla Complex, Bandra (East), Mumbai – 400 051. Tel: +91 22 4095 9595 | Fax: +91 22 4095 9597.

Registered Office: Mookambika Complex, 3rd Floor, No.4, Lady Desika Road, Mylapore, Chennai – 600 004, Tamil Nadu, India. Tel: +91 44 2499 0356 | Fax: +91 44 2499 3272.

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	<p>g.) No breach in Covenant, as specified in the term sheet of the Debenture facility has taken place.</p> <p>The Issuer shall give a written confirmation on each of the aforesaid events along with the notice for Demand Additional Subscription.</p> <p>In the event the investor fails to subscribe to the first CP issuance, the issuer will offer on a best effort basis a INR 225 Crores, 15 month Zero Coupon Bond (ZCB) to the investor at then prevailing market rates. If under any circumstances the ZCB is not issued; the issuer can demand additional subscription amount under the said debenture facility.</p> <p>At last, if the investor does not honour the Demand for Additional Subscription amount then the Issuer will have the right to forfeit the initial amount paid up on the Debenture.</p>
Specified Drawdown Dates	<p>First Drawdown Date : 14th May 2020</p> <p>Second Drawdown Date : 13th August 2020</p> <p>Third Drawdown Date : 13th November 2020</p> <p>Fourth Drawdown Date : 12th February 2021</p> <p>Fifth Drawdown Date : 12th May 2021</p>
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	<p>Benchmark + Spread % or 9.50% whichever is higher.</p> <p>Interest to be paid on interest payment dates on paid-up value of Debentures.</p>
Benchmark Rate	<p>1-year MIOIS (Mumbai Interbank Overnight Indexed Swap) benchmark rate given on Reuters page MIOIS page.</p> <p>Benchmark reset for subsequent interest period will be Simple Average of preceding 5 working days prior to interest payment date. The benchmark reset will happen at the end of every interest payment date from the Deemed date of Allotment.</p> <p>Issuer will communicate the benchmark calculation to investor and the investor to verify and communicate it back to issuer.</p>
Spread	The spread will be 9.50% less the 5-day average of the 1-year MIOIS before the Date of Allotment. The spread will remain same for the entire tenor of the debenture/NCD.
Interest Reset Dates	<p>First Reset Date : 19th March 2019</p> <p>Second Reset Date : 19th June 2019</p> <p>Third Reset Date : 19th September 2019</p> <p>Fourth Reset Date : 19th December 2019</p> <p>Fifth Reset Date : 19th March 2020</p> <p>Sixth Reset Date : 14th May 2020</p> <p>Seventh Reset Date : 13th August 2020</p> <p>Eight Reset Date : 13th November 2020</p> <p>Ninth Reset Date : 12th February 2021</p> <p>Tenth Reset Date : 12th May 2021</p>
Coupon Payment Schedule	(a) On the Initial Subscription Amount, the Coupon shall be payable quarterly/on specific payment dates from the period starting from and including the Date of Allotment and up to the Date of Redemption.

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	<p>(b) On the Additional Subscription Amount, the Coupon shall be computed from and including the Additional Subscription Amount Payment Date up to the Date of Redemption.</p> <p>In the event of Early Redemption, then the coupon will be paid on the paid-up amount till the Early Redemption date.</p>
Interest Payment Dates	<p>First Interest Payment Date : 19th March 2019 Second Interest Payment Date: 19th June 2019 Third Interest Payment Date: 19th September 2019 Fourth Interest Payment Date : 19th December 2019 Fifth Interest Payment Date : 19th March 2020 Sixth Interest Payment Date : 14th May 2020 Seventh Interest Payment Date : 13th August 2020 Eight Interest Payment Date : 13th November 2020 Ninth Interest Payment Date : 12th February 2021 Tenth Interest Payment Date : 12th May 2021 Eleventh Interest Payment Date : 12th August 2021</p>
Early Redemption	<p>Early Redemption refers to redeeming the NCD by the issuer before Maturity/Redemption only if any of the below event occur, henceforth referred as the Early Redemption event:</p> <ul style="list-style-type: none"> ➤ No offer and issuance of CP ➤ The issuer and investor agree to issue a Zero Coupon Bond (ZCB) on 14th May 2020 in lieu of the partly paid bond. ➤ The issuer and investor bilaterally decide not to continue with the transaction. <p>Once an Early Redemption Event has occurred the Issuer will redeem the partly paid bond.</p>
Tenor	967 days from the Deemed Date of Allotment
Redemption Date	12 th August 2021
Discount at which security is issued and the effective yield as a result of such discount.	Nil
Face Value	Rs. 10,00,000/- Per NCD
Issue Price	Rs. 111,111.11/- Per NCD
Redemption/ Early Redemption Price	At Par
Redemption Amount	Paid up value of debentures
Redemption Premium /Discount	Nil
Coupon Type	Floating
Coupon Payment frequency	Quarterly and on specific dates
Step Up/Step Down Coupon Rate	NA
Put Option Date	Not Applicable
Put Option Price	Not Applicable
Call Option Date	Not Applicable
Call Option Price	Not Applicable
Put Notification Time	Not Applicable

Call Notification Time	Not Applicable
Day Count Basis	Actual / Actual i.e. The interest shall be computed on the basis of actual number of days elapsed in a year, for this purpose a year to comprise of a period of 365 days. In case leap year, if February 29 fall during the tenor of a security, than the number of days shall be reckoned as 366 days for the whole one year period. (SEBI Circular – CIR/IMD/DF-1/122/2016 dated November 11,2016)
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 with present and future debenture holders.
Interest on Application Money	At respective coupon (subject to deduction of tax of source, as applicable) from the date of realization of cheque(s) / demand draft(s) up to one day prior to the Deemed Date of Allotment.
Default Interest Rate	If, at any time, a payment default occurs, the Company agrees to pay additional interest at the rate of 2% (Two Percent) per annum over and above the applicable Coupon Rate on all amounts outstanding under the relevant series of Debentures (including the outstanding principal amounts and any accrued but unpaid interest) from the date of occurrence of such a payment default until such payment default is cured or the Debentures are fully redeemed.
Minimum Application and in multiples of Debt securities thereafter	The minimum application size for the Issue shall be 10 Debentures and in multiples of 1 Debenture thereafter.
Issuance mode of the Instrument	Demat
Trading mode of the Instrument	Demat
Settlement mode of the Instrument	RTGS/ Any other electronic mode
Depository	NSDL/CDSL
Business Day	Any day of the week on which the Money Market is functioning in Mumbai, excluding: <ul style="list-style-type: none"> i. Non-working Saturdays, Sundays ii. Any day which is a public holiday for the purpose of Section 25 of the Negotiable Instruments Act, 1881 (26 of 1881) in Maharashtra. iii. Any other day on which banks are closed for customer business in Mumbai, India.
Holiday convention	If any Interest payment date falls on a holiday, the payment will be made on the following working day. If any principal payment date falls on a holiday, the payment will be made on the previous working day. <p>Working days shall be all days on which money market is functioning in Mumbai excluding non-working Saturdays or Sundays or a holiday of commercial banks in Mumbai or a public holiday in India. In case of failure of RBI's system for RTGS/NEFT payment, the same will be made on the next business day. The company will not be liable to pay any additional interest on</p>

	<p>account of same.</p> <p>The coupon payment convention will be as per SEBI circular – CIR/IMD/DF-1/122/2016 dated November 11, 2016).</p>
Reissuance	<p>Company reserve the right to make multiple issuance under the same ISIN with reference to SEBI circular CIR/IMD/DF-1/67/2017 dated 30th June 2017</p> <p>Issue can be made either by way of creation of fresh ISIN or by way of issuance under the existing ISIN at premium / par / discount as the case may be in line with SEBI circular CIR/IMD/DF-1/67/2017 dated 30th June 2017</p>
Record Date	15 days prior to each Coupon Payment / Redemption date.
Covenants	<p>The Company shall maintain the below mentioned covenants, during the entire tenor and till all amounts due on the Debentures are duly been repaid: The covenants to be tested on quarterly basis :</p> <ul style="list-style-type: none"> • Maximum Net Debt/Equity of 9 times • Minimum Capital Adequacy Ratio of 15% • Long-term Credit rating of the Issuer remains CRISIL AA+ (stable) or above.
Transaction Documents	<ul style="list-style-type: none"> • Debenture Trustee Agreement, • Debenture Trust Deed, • Deed of Hypothecation • Disclosure Document / Shelf Disclosure Document; • Such other documents as agreed between the Issuer and the Debenture Trustee.
Conditions Precedent to Disbursement	As agreed between the Issuer and Debenture Trustee and set out under the Debenture Trust Deed.
Condition Subsequent to Disbursement	As agreed between the Issuer and Debenture Trustee and set out under the Debenture Trust Deed.
Events of Default	<p>Events of default as stated in the Debenture Documentation, including but not limited to the following:</p> <ul style="list-style-type: none"> • Failure to pay amounts due under the Issue on the relevant due date by the Issuer; • Insolvency, reorganization, restructuring, liquidation, suspension of payment of debts, winding up, illegality, cessation of business by the Issuer; • Bankruptcy, CDR proceedings admitted with respect to the Issuer; • Breach of any of the terms of the Transaction Documents by the Issuer; • Cross default with other financial indebtedness of the Issuer. It is clarified that this cross default clause will apply only with respect to payment default to financial creditors/lenders and not payment default to other creditors (like vendor payments obligations etc).
Provisions related to Cross Default Clause	Please refer clause “ Events of Default” of this Shelf Disclosure Document
Debenture Trustee to the Issue	Catalyst Trusteeship Limited
Role and Responsibilities of Debenture Trustee	To oversee and monitor the overall transaction for and on behalf of the Debenture Holder(s).



Governing Law and Jurisdiction	The Debentures / and documentation will be governed by and construed in accordance with the laws of India and the parties submit to the exclusive jurisdiction of the courts in Mumbai and as more particularly provided for in the Debenture Trust Deed.	
Form of issuance	De-Materialized	
R & T Agent	Integrated Registry Management Services (P) Ltd	
Bid Open date	December 18,2018	
Bid Close Date	December 18,2018	
Pay in Date	December 19,2018	
Deemed Date of Allotment	December 19,2018	
Settlement Cycle	T+1	
Allocation Option	Uniform Price	
Bid Book Type	CLOSE	
Settlement Through	NSCCL & NSE	
Fund Settlement	The participants should do the funds pay-in to the NSE Clearing Corporation designated Bank account upto 10.30 a.m. on T+1 day.	
Contact person for further information	Mr. Jayesh Savliya	+91 22 40959565
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For Shriram Transport Finance Company Limited


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